

BRUKS SIWERTELL GROUP
SUSTAINABILITY REPORT
2024

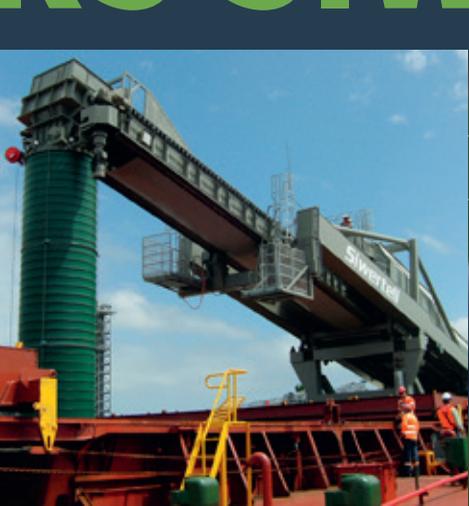


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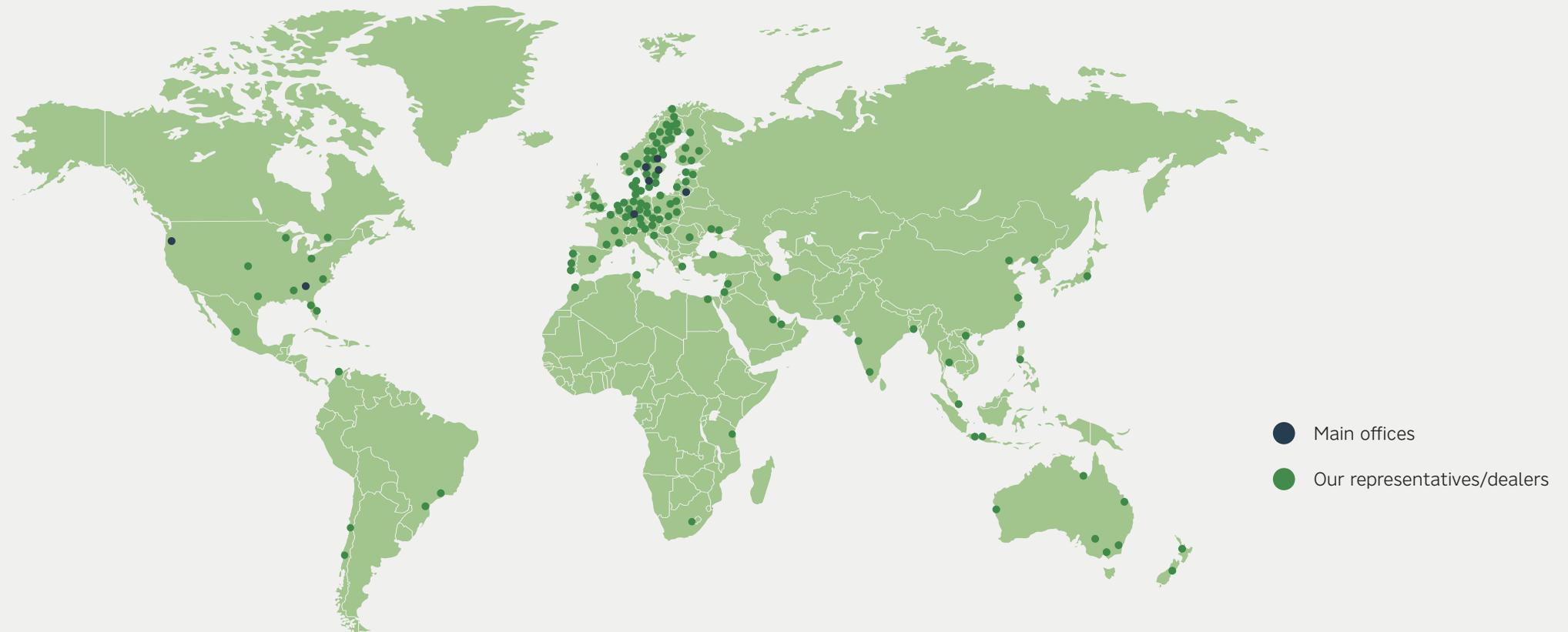
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BRUKS SIWERTELL GROUP



A GLOBAL BUSINESS WITH A BROAD SPAN OF TECHNOLOGIES



Bruks Siwertell Group offers market-leading technology, solutions and services for the global dry bulk handling, wood processing, and forestry industries. We deliver material handling systems for ship loading, unloading, conveying, and storage and reclaiming, as well as equipment for processing wood and agricultural waste.

With thousands of installations worldwide, our machines handle raw materials from forests, fields, quarries and mines, maintaining critical supply lines for manufacturers, mills, power plants and ports. Through our commitment to understanding customer needs and industry knowledge, all our solutions are designed to meet the highest demands for sustainability, efficiency, reliability, and performance.

Bruks Siwertell Group is headquartered in Stockholm, Sweden, and our production facilities and offices, some of which have been in operation for more than 125 years, are located across Europe, North America, and Asia. The group has about 500 personnel and collaborates with hundreds of partners, representatives and dealers all over the world.

OUR BRANDS

Bruks Siwertell Group consists of a collection of strong, market-leading product brands within the bulk handling, wood processing and forestry technology industries. Each has a long legacy of pioneering innovations and customer-driven developments. Thousands of operators across the world use equipment that carry our product brands.



Our owners, JCE Invest AB and Kalmar Solutions AB, formulate a shared view of the company’s vision and direction via owner directives. Based on these, Bruks Siwertell Group’s Board of Directors decides upon the Group’s goals and strategies, and our CEO and management team develop and manage the business’ goals accordingly. The development of the business in relation to the goals is monitored on an ongoing basis. Sustainability is an agenda item for each board and Group management meeting.

To ensure that local conditions are taken into account in the best way possible, operational activities are conducted in a decentralized manner through divisions that have a high degree of autonomy. Each division consists of legal entities with a local management team, which drives the regional work towards common Group goals.

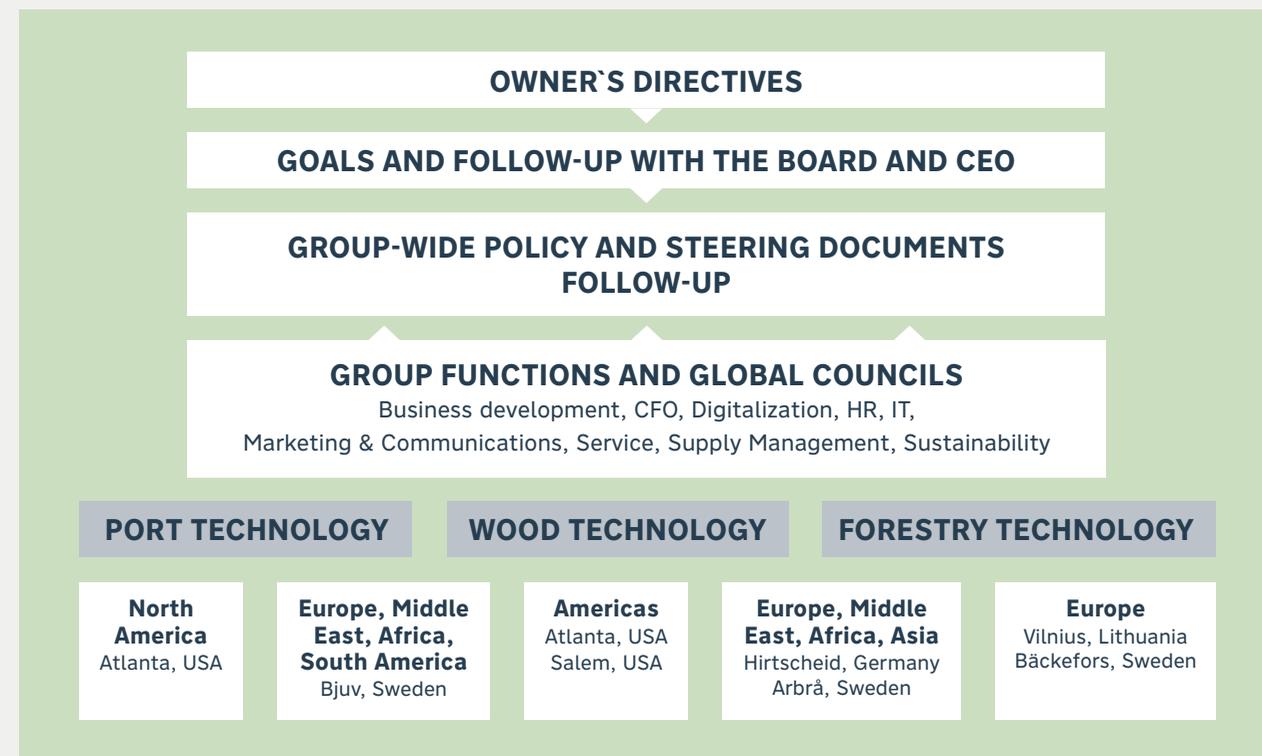
While a decentralized working strategy is characteristic of Bruks Siwertell, collaborations and the exchange of expertise within the Group is encouraged. It promotes innovation, strengthens our position in relation to suppliers, and reduces

GLOBAL AND LOCAL GOVERNANCE

the workload per unit. This work is conducted through councils in priority areas where local functional managers are represented. Throughout 2024, councils were held for Sustainability, Supply Management, Information Technology (IT), Service, Human Resources (HR), Digitalization and Marketing & Communications.

“ Bruks Siwertell Group is making meaningful strides toward a more sustainable future; one that balances economic success with environmental stewardship and social responsibility.

Clas Gunneberg, CEO, Bruks Siwertell Group





MEANINGFUL STRIDES TOWARD A MORE SUSTAINABLE FUTURE

We are continuing to deepen our sustainability commitments, aligning actions with our core message: 'Handling the Future'. In this year's sustainability report, we share our progress in key areas, including extensive efforts in calculating our carbon footprint, energy-saving initiatives, and increasing sustainability awareness across our global teams, and throughout our customer base and supplier network.

Transparency remains central. As part of this, we share detailed updates in this report, which reflect our systematic approach, any measurable changes and the monitoring of our environmental impact. We believe that this transparency, paired with tangible action, is essential to driving real change in our industry.

Good examples of energy-saving initiatives are being carried out at our Bjuv, Sweden site, which includes the recent addition of solar panels. This installation not only demonstrates a focus on energy efficiency, but also serves as a clear step towards our goal of reducing CO₂ emissions in scopes 1 to 3 by 50% by 2030. Earlier in 2024, the site also instigated a number of other energy-efficiency actions, which are on target to deliver annual savings equivalent to around 67 metric tons of carbon emissions.

Bruks Siwertell Group company, FTG Baltic, has completed a tree planting project in the Lithuanian district of Zarasai, and the rebuild and modernization of one of our business units in Arbrå, Sweden, is also set to deliver some good energy savings and waste management improvements.

The Arbrå business unit is well-advanced in its efforts to have equal representation of women and men in its local management team, and the rebuild will provide a more inviting work environment, attract new talent and enhance satisfaction levels for existing personnel.

The increase in sustainability awareness among our personnel is a really positive advance, along with our leadership teams all participating in diversity and inclusion workshops. The impact of which has been strengthened by managers being enabled to share the training with local teams.

Our people are more engaged and aligned with our sustainability vision than ever before. This cultural shift strengthens our commitment and equips our teams to make impactful decisions in their day-to-day work.



Clas Gunneberg,
CEO, Bruks Siwertell Group



OUR COMPANY VALUES

Our core values strongly define the way we do business, our working culture and intentions. Based on these values, we conduct our business with customers, who each express their own unique requests and needs. To be able to successfully meet new challenges in an environment that is constantly changing, it is important that all the cogs in the system work; everything from good relationships with personnel, customers and partners, and ongoing product development.



IMPACT

We strive to make a positive impact in all that we do. In line with our sustainability goals, this includes using our expertise and technology to accelerate positive global change, and ensure that our customers, personnel and owners benefit from putting their trust in us.

COMMITMENT

We deliver quality, in our products, solutions and services, and through the collaborations that we engage in. We keep the promises that we make, and our customers should always feel secure in our enduring accountability.

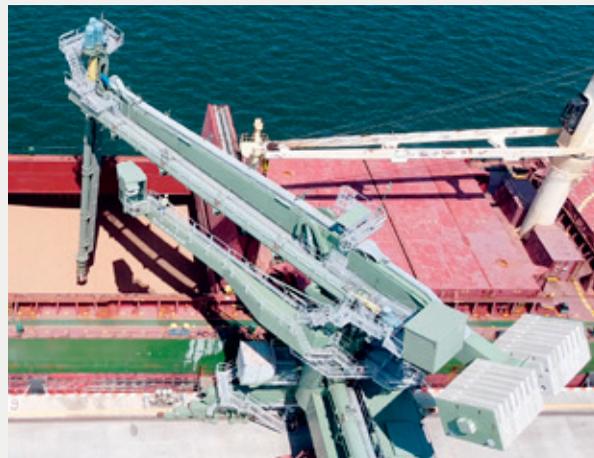
TEAMWORK

Through cooperation together with customers and partners, as well as each other within the company, we achieve the best results. Communication is key to understanding and meeting customer needs, and building a successful team. We are committed to transparency and open dialogues at every stage of each project.

SUSTAINABLE SOLUTIONS FOR CUSTOMERS

Our vision is to develop, design, manufacture and deliver products and services that meet customer needs and are optimized in terms of sustainability, efficiency, reliability and performance. Our research and development focus is steered towards people, products and processes, and development will be driven by new digital solutions and a commitment to social, environmental and economic sustainability.

Profitable growth will be built-up through strategically and continuously developing a product portfolio based on customer needs, and an established service business, which is crucial for any product's long-term reliability and service life.



BULK HANDLING

Our dry bulk handling equipment is used worldwide and is central to the global trade in bulk cargoes, especially in energy production, construction, manufacturing and agriculture. Our fully enclosed equipment handles virtually all dry bulk materials such as grain, fertilizer, sulfur, cement, wood chips, biomass pellets, and coal. Worldwide environmental protection regulations are met through eliminating spillage and minimizing dust emissions.

All our machines are robust and reliable, delivering decades of service life in a range of different climates, from tropical heat to Arctic cold.



WOOD PROCESSING

Wood is the largest material that Bruks Siwertell handles and for more than a century, we have developed technology for handling and processing it. We offer complete system solutions for the wood-processing market, from the field and forest to the sawmill and onto the pulp, pellet, bioenergy and biofuel industries.

Our product portfolio covers chippers, milling and grinding machinery, truck-receiving systems, conveyors and storage solutions. Equipment for other applications includes industrial composting machinery, recycling green and organic waste, bale processing solutions, and waste wood handling.



FORESTRY TECHNOLOGY

The global forestry industry consists of large and small forest owners, both private and state actors. All stakeholders have a great responsibility to manage the forest, both in terms of its ability to sequester carbon, and as a supplier of one of the world's most widely used raw materials. We work together with forest owners who practice sustainable forestry.

With our durable equipment, which delivers long, reliable service lives, forest owners can operate in an efficient, sustainable and profitable way.

HANDLING THE FUTURE



A DEDICATED LINE OF COMMUNICATION



Handling the Future is a dedicated line of communication, which includes our sustainability commitment logo, and represents our ambitions. For us, ‘handling the future’ means that we will do what we can, and what it takes now, to drive a more sustainable world from a social, environmental and governance perspective, preserving it for future generations.

Handling is a key word in our business. Our equipment handles material transfers in ports, forests and industrial settings and facilities and is part of our sustainability messaging as well. It has been embraced within the Group and is widely visible, reminding us all that, through our 2030 targets and our sustainability efforts in general, the future is in our hands.

This journey is not one we want to do, or can do, alone; we hope that as many of our customers, suppliers, business partners and other stakeholders as possible join us in making sure that, together, we handle the future.



OUR SUSTAINABILITY JOURNEY SO FAR

Sustainability, and all that it encompasses, has been a long-held focus for Bruks Siwertell. Over the years since the Group was formed in 2018, our work has led to improvements through more extensive policies, strengthened routines and the follow-up of key performance indicators. Our main policy documents and guidelines for the business govern how we conduct a sustainable and respectful way of working. These include:

- » **Anti-corruption policy**
- » **Code of Conduct for personnel**
- » **Code of Conduct for sales representatives**
- » **Code of Conduct for suppliers and partners**
- » **Communications policy**
- » **Drug and alcohol policy**
- » **Environment, Health, Safety and Quality (EHSQ) policy**
- » **Equality policy**
- » **EU General Data Protection Regulation (GDPR) policy**
- » **Sustainability policy**
- » **Whistleblowing policy**
- » **Work environment policy**

However, our ambitions are higher. To meet our raised expectations and those of our owners and customers, in 2022 the company took a clear and strategic approach to integrate sustainability into its business strategy and business development plans.

GOALS AND LOCAL OWNERSHIP

Our sustainability team was established in 2021 and is led by the company's Chief Strategy Officer who supports the units' local initiatives and runs and coordinates Group-wide activities such as training, climate calculations and the mapping of significant sustainability issues. The exchange of knowledge between the participants in the sustainability team drives the Group's entire sustainability work.

Each company within Bruks Siwertell Group has formulated an individual action plan to ensure its feasibility, establishment and a sense of ownership.

We value an individual's knowledge and shared commitment to sustainability issues. Investments

in education and collaboration are therefore carried out as an important and natural part of our sustainability journey. Our ambition is that long-term plans can be further developed and gradually raised along the way, in line with increasing knowledge and new lessons learned. New regulatory advances, such as the European Union (EU) Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) regulation, will also accelerate progress.

Bruks Siwertell Group's sustainability goals are currently assessed from an environmental, social, and governance (ESG) perspective, with each initiative falling into one or more of these categories.



ENVIRONMENTAL



SOCIAL



GOVERNANCE



The increase in sustainability awareness among our personnel is a really positive advance.

Clas Gunneberg,
CEO, Bruks Siwertell Group



OUR VALUE CHAIN

INNOVATION AND DEVELOPMENT



Understanding customer needs and market knowledge drives our development projects. They aim to find complementary solutions to existing systems or create innovations based on new trends and market demands. Product development also takes place continuously during projects where customers require specific solutions that are adapted to their operational requirements.

SALES TO CUSTOMERS



Sales are made with the help of our own sales force and through representatives, partners, and dealers. Sales lead times are dependent on the equipment and the requirements of the customer.

CONSTRUCTION

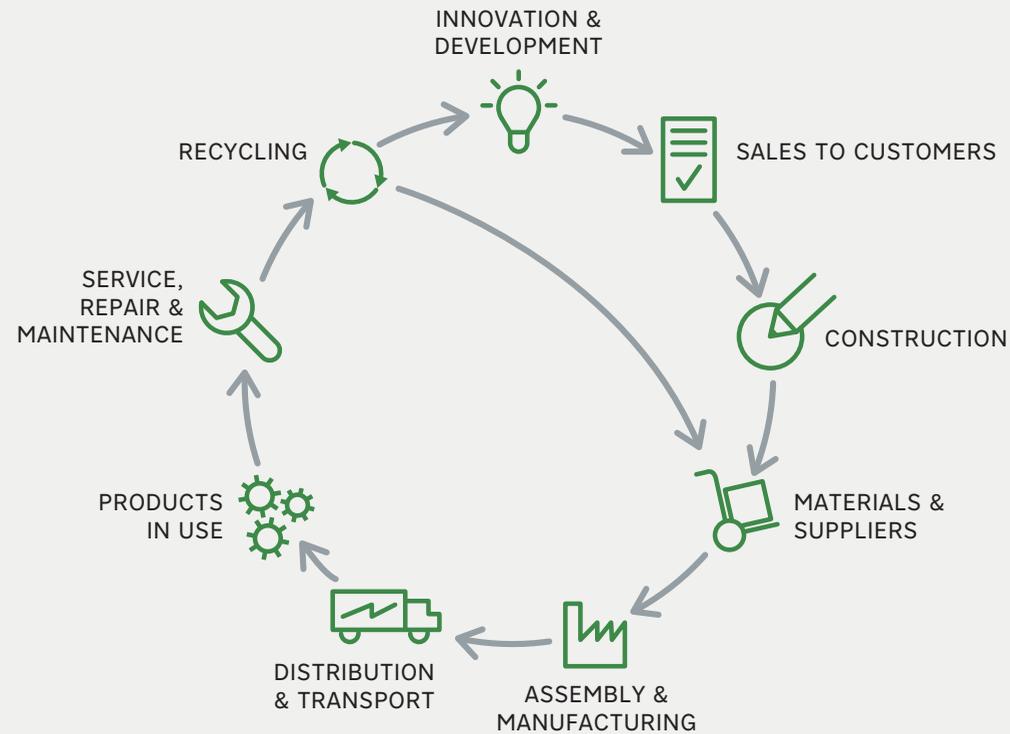


Our experienced engineers and designers develop and prepare technical equipment and installation drawings. With their detailed and wider expertise of the Group's solutions, they know what equipment can be integrated into a complete solution for a customized system. These can comprise project-based, tailor-made or standardized products.

MATERIALS AND SUPPLIERS



Relationships with suppliers are set within the Group's Codes of Conduct framework. All suppliers have the Group's guidelines for good business practices to refer to, which enables long-term relationships and successful collaborations. This includes suppliers of materials in the form of steel structures, components, equipment and also services, such as contractors who assemble and configure delivered products and offer aftersales support. The majority of our products can be manufactured by completely or partly recycled materials. To be able to reduce emissions, shipping costs and delivery times, our ambition is to find suppliers as close as possible to our customers.



RECYCLING



Equipment and products that have reached the end of their service lives are important to Bruks Siwertell. Those products that predominantly consist of steel structures can be recycled to a large extent. By recycling the steel, natural resources are saved while carbon dioxide emissions are reduced. This part of the value chain can be further developed, and it is our intention to see recycled steel being included as a material in new products.

SERVICE, REPAIR AND MAINTENANCE



Our machines and original manufacturer spare parts are designed to be durable, easy to maintain and repairable to ensure a long service life. After delivery, continuing peak operational performance and service longevity is offered thanks to a global service team. This team of experts provides knowledge, support, maintenance and spare parts to ensure reliability throughout the lifetime of the installation, which can extend over several decades.

ASSEMBLY AND MANUFACTURING



The assembly or manufacturing of our machines and systems takes place either in our factories, at subcontractor facilities, or directly on site with the customer, depending on the size of the project. We strive to have the supplier and assembly as close to the customer as possible to reduce the impact of transport. We do this for both practical and environmental reasons.

DISTRIBUTION AND TRANSPORT



Transport, both in the form of deliveries to the factory and the distribution of products and systems to the customer, is mainly carried out by truck freight. In specific circumstances, container vessels or breakbulk vessels are used because of the size of the equipment, and when ship unloaders are delivered fully assembled, this is carried out via heavy-lift vessels.

PRODUCTS IN USE



Our products are used, for example, in port operations, forestry settings, sawmills, power plants and pulp and paper industries. These are challenging environments with high demands on efficiency and reliability. Ship loading and unloading needs to be carried out quickly and smoothly to prevent disruptions to critical infrastructure and global logistics chains. Similarly, a forest owner in a remote location must be able to rely on our equipment. We attach great importance to machine and system solutions that ensure operator safety and a good working environment.

MILESTONES AND ACHIEVEMENTS IN 2024

✓ Conducted a double materiality assessment in compliance with CSRD and ESRS



✓ Implemented Group and local sustainability action plans

✓ Carried out Greenhouse Gas (GHG) Protocol scopes 1, 2 and 3 carbon accounting

✓ Conducted energy mapping in four business units based in Sweden and USA

✓ Implemented a carbon emissions tracking and reporting system in compliance with ESRS regulations



✓ Carried out sustainability awareness workshops, embedding core sustainability messaging: 'Handling the Future'

✓ Facilitated a Group-wide personnel health challenge

✓ Conducted regular personnel satisfaction surveys

✓ Carried out Group-wide diversity and inclusion training for all management personnel

✓ Won an industry award for safety in bulk handling



✓ Implemented a risk analysis system to standardize risk management and ensure consistent Group-wide tracking and assessment

✓ Implemented a supplier assessment system to ensure that they comply with our Supplier Code of Conduct.



OUR SUSTAINABILITY YEAR

| | 2022 | 2023 | 2024 |
|---|-----------------|-----------------|-----------------|
| Net sales (MSEK) | 2,077.6 | 2,372.2 | 1,958.5 |
| Earnings before interest, taxes and amortization (EBITA) (MSEK) | 223.9 | 198.5 | 235.7 |
| EBITA-margin (%) | 10.8% | 8.4% | 12% |
| Average number of employees (FTE) | 375 | 425 | 443 |
| CO ₂ emissions (tons CO ₂ e)* | 922 | 860 | 823 |
| Share of renewable energy sources (%) | 24% | 28% | 52% |
| Anti-corruption training (%)** | 94% | 96% | 95% |
| Whistleblowing cases (number) | 0 | 0 | 0 |
| Employee satisfaction eNPS (scale -100 to 100) | 25 | 21 | 18 |
| Employee gender division (%) | 80% (m) 20% (w) | 81% (m) 19% (w) | 82% (m) 18% (w) |
| Management gender division (%) | 62% (m) 38% (w) | 62% (m) 38% (w) | 67% (m) 33% (w) |

* Carbon dioxide equivalent; emissions assessed according to GHG Protocol scopes 1 and 2 (location based)

** Percentage of employees who completed the training



CORPORATE SUSTAINABILITY REPORTING DIRECTIVE

DOUBLE MATERIALITY ASSESSMENT

The European Union (EU) Corporate Sustainability Reporting Directive (CSRD) (see Appendix 3) and the new European Sustainability Reporting Standards (ESRS) regulation require companies to perform a double materiality assessment. In this process, materiality is assessed from two different perspectives: the impact that our business imposes outwardly; and how external factors impact our business financially. Negative as well as positive impacts are considered. During 2024, we have assessed our impact in accordance with these new requirements. The results of which will be communicated in the 2025 report, when the new legislation has come into force for Group companies.

To help with the double materiality assessment process, and to facilitate workshops, we enlisted the support of external consultants. The methodology used is based on guidelines set out in ESRS. Our double materiality assessment comprised external analysis, internal and external stakeholder interviews, value chain mapping, and previous materiality assessments.

Sustainability impacts are categorized for their actual or potential, positive or negative influences on people or the environment over the short-, medium- or long-term. Impacts include those connected

with our own operations and the upstream and downstream value chains, including the use of our products and services, as well as through our business relationships.

Assessing the scope of impact

Impacts were evaluated according to scale, scope and reparability, determining their severity, as well as the likelihood for other potential impacts. For positive impacts, only the aspects that improved a person's quality of life, or the natural environment, were included. Mitigation activities of negative impacts were excluded, but will be revisited during 2025.

Financial sustainability influences were considered if they triggered, or could potentially trigger, material financial impact on our business over the short-, medium- or long-term. Risks and opportunities were assessed for their magnitude of financial impact as well their likelihood.

Workshops attended by management teams assessed all materiality considerations and included a summary session to consolidate agreement on findings. The results were reviewed and approved by the Board of Directors.

RESULTS

Essential focus areas

We have identified our most significant and prioritized sustainability issues. The results form the basis of the Group’s sustainability focus areas, updated key figures, and targets that cover the entire value chain, applicable from 2022 onwards. Within each focus area, a measurable target has been generated, and previous targets have been revised.

Sustainability goals cover the following areas: environment, climate, health and safety, personnel, customer and supplier work and business ethics.

“ **A suppliers’ attitude towards scope 3 information requests is the most important factor at this stage.**

Jens Lindell-Frantz,
Purchasing Director, Bruks Siwertell

The Group has established a comprehensive internal framework, which includes sustainability risks and controls. Seven risk categories have been identified: strategic, compliance, reporting, consolidation, financial, operational, and sustainability. This separate categorization helps the Group maintain a clear overview of risks across all operational areas.

In 2024, a dedicated system was launched to standardize risk management and ensure consistent Group-wide tracking and assessment. Emerging risks are continuously being monitored for, along with management reviews to evaluate any new or current risks. Any identified risk has associated control mechanisms ascribed to it to eliminate or mitigate the risk.

Each legal entity within the Group uses the risk management system to conduct an annual self-assessment, reviewing and reporting on the status of the control mechanisms and risks identified.

Outcomes of risk analysis 2024

| RISK | DESCRIPTION | MEASURE |
|---|--|--|
| Value chain: commodities | Uncertainties and lack of documentation as to the origin of raw materials, and conditions regarding the environment and human rights in the value chain. | Continue to develop a supply chain follow-up and due diligence procedures. |
| Transport: road transport and maritime transport | Risk of climate-impacting greenhouse gas emissions from transportation. | Continue to develop a supply chain follow-up and due diligence procedures. Promote electrification of transportation. |
| Corruption | Manufacturing and selling in a variety of countries as well as the use of agents in buying and selling. Risk of unethical behavior, distortion of competition and damage to the brand. | Further enforce the Code of Conduct and due diligence procedures as well as regularly conducting anti-corruption training for all personnel. |
| Dependence on handling fossil fuels | Handling fossil fuels, such as coal, is an important part of port operations. Decarbonization means a change in business segment for Bruks Siwertell. | Global and diversified operations with customers in various industries provide a good spread of risks. |
| Inequality and discrimination | If Bruks Siwertell were to be considered an unequal or intolerant workplace, it would damage its reputation and brand. This would have a negative impact on new recruitment and skills supply. | Compliance with equality and gender equality policies. Frequent management awareness sessions on inclusion and diversity. |
| Geopolitical risks | Geopolitics affects where and how business can be conducted. Conflicts and risks. | Roll out business and value chain geographically to spread the risk and minimize the impact of future events that occur in a particular location. |
| IT risks | Cyber security, protection of critical systems, and digital personal and business information. | Continuous real-time monitoring of networks and devices, crisis management, predefined emergency processes, awareness and Cyber security training. |



OUR 2030 AMBITIONS

The outcome of our materiality analysis has resulted in challenging but clear focus areas and ambitions for 2030: Bruks Siwertell Group wants to set the sustainability standard for the industries that we serve and with ambitious targets, make a positive impact on surrounding ecosystems.



FOCUS AREAS

- » Product development
- » Reduce and limit CO₂ and greenhouse gas emissions
- » Reduce energy use
- » Reduce waste

MEASURABLE GOALS

- » 90% circularity of products
- » 50% reduction in CO₂ emissions
- » 100% renewable energy
- » Zero waste in our office units

ENVIRONMENTAL



FOCUS AREAS

- » Health and safety
- » Employee satisfaction
- » Diversity and inclusion

MEASURABLE GOALS

- » Zero workplace accidents
- » 30 eNPS score
- » 30% female managers

SOCIAL



FOCUS AREAS

- » Anti-corruption
- » Supply chain management
- » Management systems

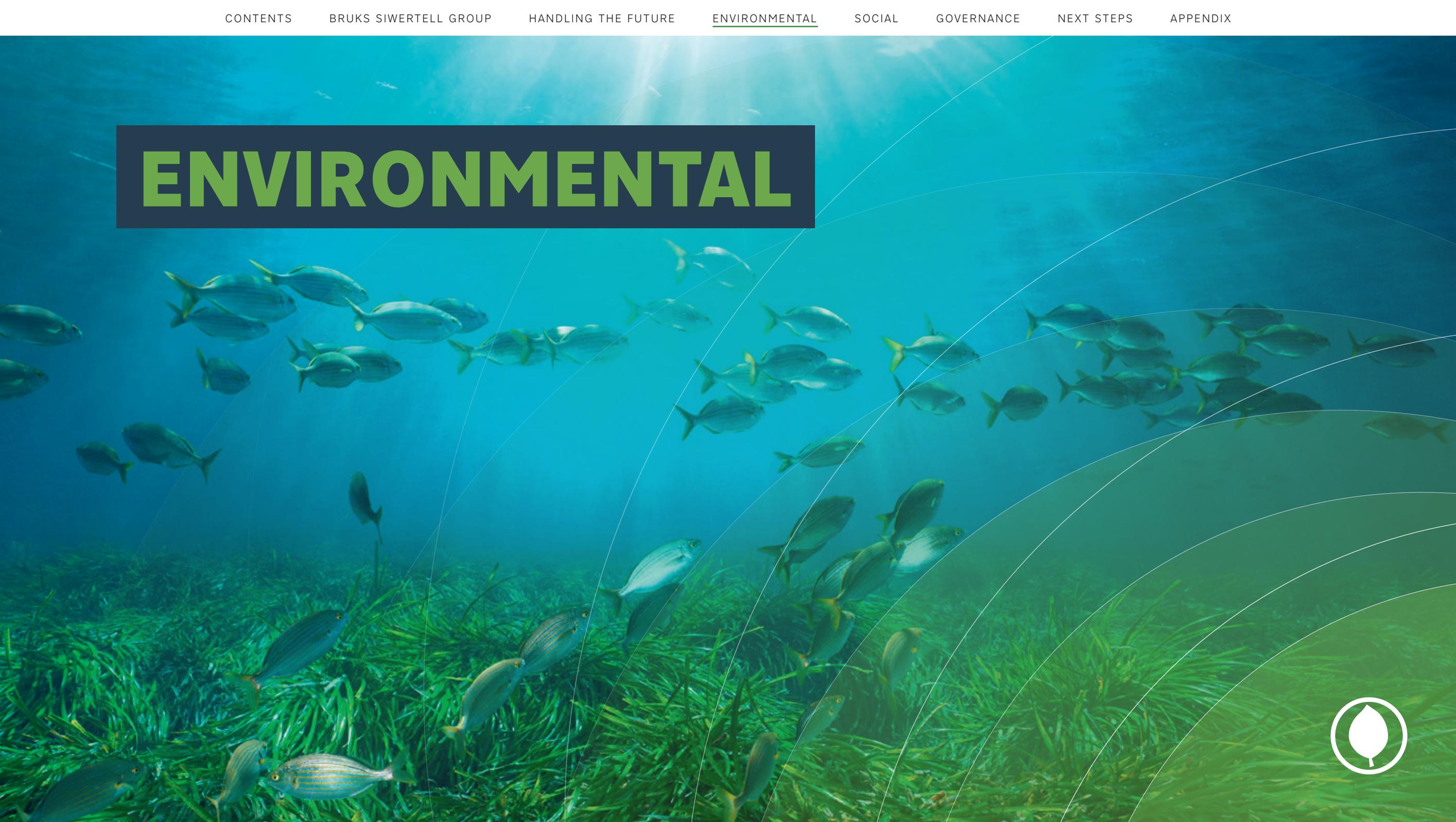
MEASURABLE GOALS

- » 100% compliance with Codes of Conduct for both suppliers and customers
- » 100% of work processes updated and improved

GOVERNANCE



ENVIRONMENTAL



FOCUS AREAS

ENVIRONMENTAL

PRODUCT
DEVELOPMENT

REDUCE
CLIMATE IMPACT

REDUCE
ENERGY CONSUMPTION

REDUCE WASTE



Bruks Siwertell won the International Bulk Journal (IBJ) Safety in Bulk Handling Award for 2024. The accolade recognizes Bruks Siwertell's pioneering contributions to the safety of the dry bulk handling industry. Presenting and receiving the award were: (from left) Morten Løvstad, DNV, Malin Pekberg, Bruks Siwertell, Hanna Fors, Bruks Siwertell, Örjan Westerberg, Bruks Siwertell, David Ingvarsson, Bruks Siwertell, and Ray Girvan, International Bulk Journal

We strive to reduce the environmental impact of products throughout their entire lifecycle, in development, design, manufacturing, and use, through to recycling.

Bruks Siwertell Group recognized for its collective sustainability commitment

Bruks Siwertell's genuine commitment to drive positive change throughout its business has been recognized by its owners, winning JCE Group's 2024 annual sustainability award. Bruks Siwertell was nominated as the winner because of its dedicated ongoing efforts.

JCE Group cites: "Bruks Siwertell Group's sustainability awareness initiative is a well-structured, organization-wide effort, fully supported by management and embraced throughout the company. The team and the company have demonstrated a genuine commitment to driving change, investing the necessary time to ensure that sustainability awareness is achieved within a global organization with multiple divisions.

"Sustainability awareness was identified as a prerequisite for advancing the company's ►

► sustainability goals. This awareness has been fostered through active involvement and transparent communication, alongside practical activities such as sustainability awareness training, a global waste reduction program, diversity and inclusion work-shops, and a Group-wide personnel health challenge.”

“This win is based on a team effort,” says Anna Halling, Chief Strategy Officer, Bruks Siwertell Group. “It belongs to us all for our continuing commitment to embrace the sustainability strategies that we are developing.”

The award is accompanied with allocated additional funding, which Bruks Siwertell will direct towards a pilot project on circularity and sustainability in the product development process.

Embracing the circular

A sustainable approach requires a shift from a linear to a circular economy, where materials are reused and waste and pollution are minimized.

At Bruks Siwertell, we are already part of this transition. We deliver reliable equipment with long service lives and offer dedicated maintenance support that can see systems modernized, repaired, and upgraded decades after delivery. Research and development programs are also looking to extend the wear lives of components.

Our handling and processing equipment meets operational needs and protects the environment through eliminating spillage and minimizing dust emissions, critical in bulk material handling and wood processing. In addition to dust control, enclosed ship loading, unloading, and conveying systems are engineered to minimize material losses and material degradation, ensuring that shipment quality is maintained.

Controlling dust emissions not only protects the environment, it also reduces clean-up costs, improves the working environment for personnel and reduces fire risks.



Minimizing the spread of dust has long been central to our product development.

Jonas Andersson, Technical Director,
Bruks Siwertell



PRODUCT DEVELOPMENT

Meeting the needs of customers and environmental protection

Whether in the project phase, through ongoing cooperation with a customer, or as a development project within one of the company's divisions, we continuously develop our products and services to better meet customer needs and increase environmental protection. As projects and products are often tailored to specific customer requirements, product design and material content occur naturally. By challenging conventional ideas about design, and trying out new construction solutions, there are opportunities to find alternative methods and materials that reduce both weight and material consumption.

Climate calculations can be a powerful tool for optimizing environmental performance in design changes. Bruks Siwertell uses the Greenhouse Gas (GHG) Protocol framework (see Appendix 2) for its climate calculations (scopes 1, 2 and 3), with scope 1 and 2 calculations predominantly carried out between 2019 and 2022, and scope 3 calculations conducted in 2023 and 2024.

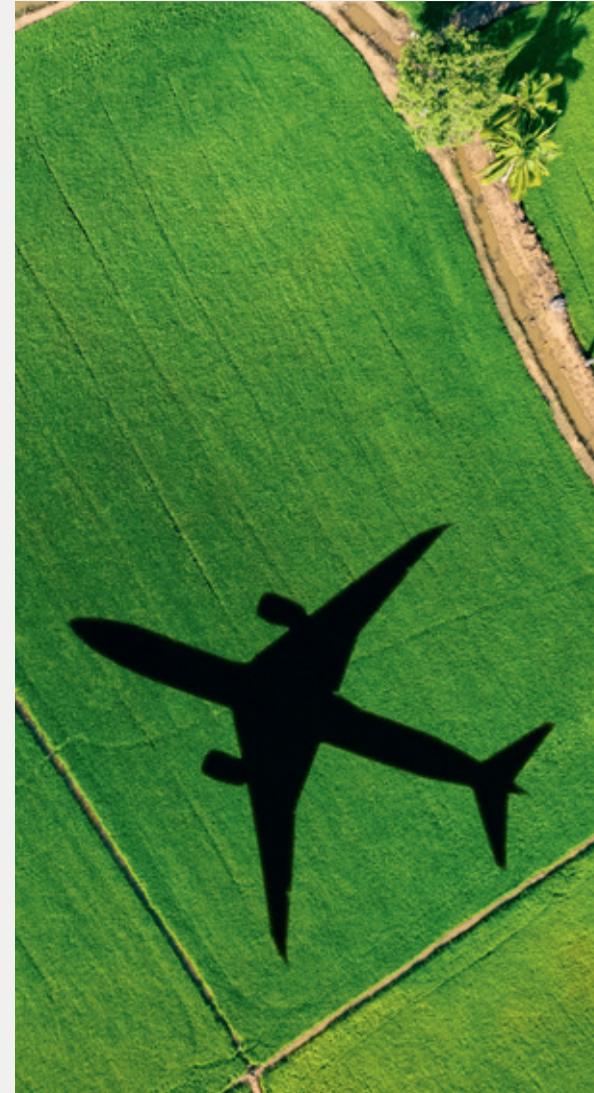
Our scope 3 calculations focused on the largest suppliers of purchased materials. The results will

influence the direction of product development and research into component longevity, along with investigations into the use of recycled steel in product production.

Ready for low-carbon fuel production demand

Global incentives and sustainability goals are driving low-carbon fuel production. Bruks Siwertell Group company, West Salem Machinery, is re-establishing a highly specialized unit to pursue the environmental and commercial opportunities of producing cellulosic ethanol, a low-carbon fuel, from agricultural residuals, such as wheat and rice straw, and corn stover.

This unit builds on expertise from a first-generation cellulosic ethanol team formed over a decade ago. While initially ahead of its time, the team now benefits from market shifts, technological advances, and experience delivering two commercial-scale lines for preparing baled corn stover for ethanol conversion.



Net-Zero transport pledges

With rising demand for sustainable aviation fuel (SAF), refined from cellulosic ethanol, and airline Net-Zero carbon pledges, the focus is on carbon-efficient liquid biofuel production. Other industries are also reducing emissions through SAF use and carbon credits.

“With our expertise and fiber-conversion technologies, we are in a great position to help SAF stakeholders achieve the highest yields.”

Kirk Morton, President,
West Salem Machinery



REDUCE CLIMATE IMPACT

A systematic approach to ambitions

The Greenhouse Gas (GHG) Protocol (see Appendix 2) establishes a global standardized framework to measure and manage GHG emissions, including direct GHG emissions (scope 1) and indirect emissions (scope 2 and 3).

Bruks Siwertell has set a target of reducing its scopes 1 to 3 GHG emissions by 50% by

2030, compared to a base-level established in 2022, signaling our climate ambitions and the prioritization of climate-efficient solutions.

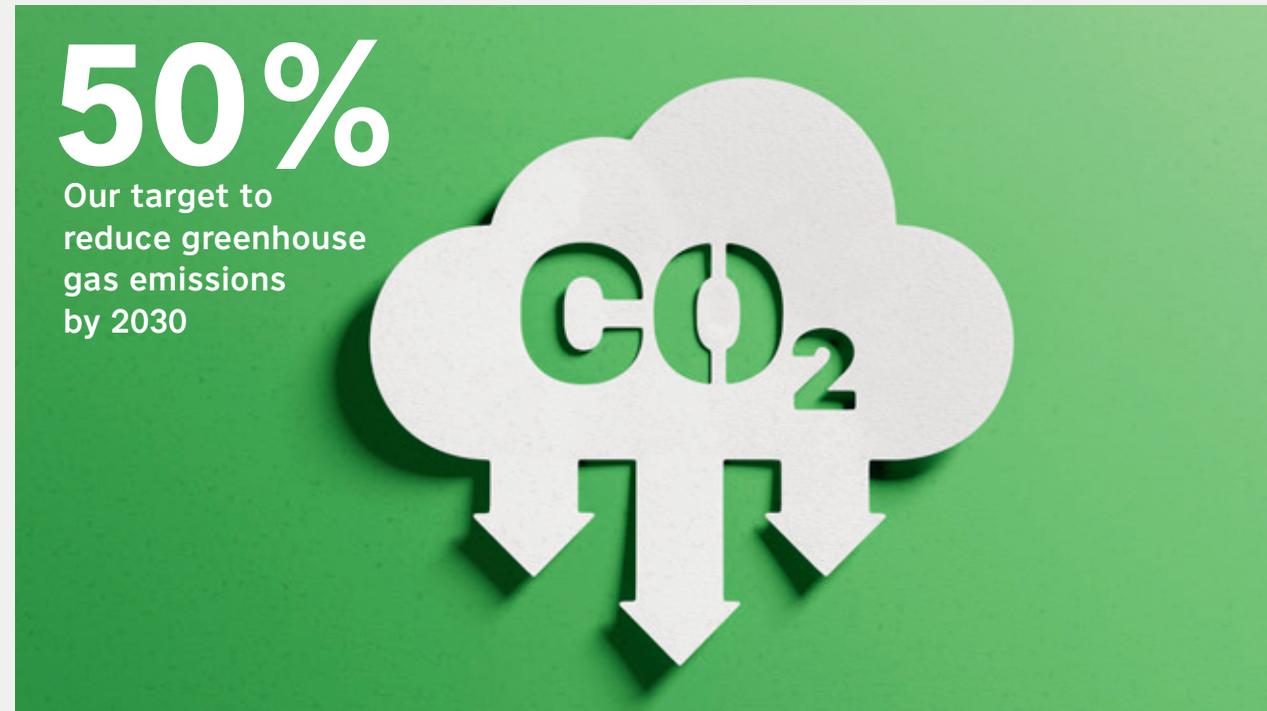
Initially, parts of the Group’s carbon footprint were reported according to the guidelines in GHG Protocol scopes 1 and 2. These emissions decreased between 2019 and 2022 as a result

of ongoing initiatives to replace fossil fuels with renewable alternatives, energy efficiency improvements, and from outsourcing some production activities.

In general, data quality for activities and emissions related to the value chain is expected to improve over the upcoming years, especially with regard

to quantity data, resulting in an improved level of detail for scope 3 calculations and an increased system boundary. Recalculations of the base year will therefore be conducted if changes in the organizational boundaries and operations occur. For example, if errors exceed a 5% threshold, or if emissions of exclusions in the inventory change significantly.

Bruks Siwertell Group’s climate calculations in 2024 included the following categories and activities:



**GHG EMISSIONS (TONS CO₂e)
- TOTAL SCOPE 1 AND 2 ***



* Carbon dioxide equivalent; emissions assessed according to GHG Protocol scopes 1 and 2. (location based)

Sources: BSG Worldfavor 2022-2023
Position Green 2024

Scope 1

- ▶ *Stationary combustion:* combustion of wood pellets and oil for heat production at all sites
- ▶ *Mobile combustion:* all travel with leased and owned cars, as well as the use of forklift trucks
- ▶ *Fugitive emissions:* use of welding gas

Scope 2

- ▶ *Energy:* electricity use at all sites and offices as well as charging company-owned and leased electric cars
- ▶ *Heating and cooling:* the use of district heating at offices and sites

► Scope 3

- *Purchased goods and services*: including purchased materials and components for 80 to 95% of total purchase volumes
- *Fuel and energy-related activities (upstream emissions)*: all energy included in scope 1 and scope 2
- *Upstream transportation and distribution*: includes all transport of purchased goods to Group and customer sites
- *Operational waste*: waste generated within the business that is disposed of by third parties, and includes transport to recycling facilities and emissions from incineration and landfill
- *Business travel*: including train, taxi, flights and hotel nights, as well as travel with privately owned cars
- *Employee commuting*: commuting for employees by car and public transportation
- *Downstream transport and distribution*: transport of sold products from sites to customer sites
- *End-of-Life treatment of sold products*: transport of used products to recycling facilities

- *Use of products*: use of sold products at customer sites. As these calculations are dependent on the lifetime assessment and the annual use the results from this category have an element of uncertainty.

In 2024, we extended our remit to include scope 3 calculations for all our business units, using a reporting system that complies with ESRS regulations. Our total 2024 emissions for scopes 1, 2 and 3 was 414.7 kilotons CO₂e. Calculations show that the largest contributions to emissions are reported in the ‘use of sold products’ and ‘purchased goods and services’ categories. These two categories amount to 385.0 kilotons CO₂e and 25.6 kilotons CO₂e respectively, with the first category accounting for more than 93% of Bruks Siwertell Group’s total recorded emissions.

Collaboration with suppliers is key

Reducing climate emissions is not something we can achieve alone. It requires continuous collaboration with our suppliers to lower emissions throughout the value chain. By fostering a proactive and detailed approach, we ensure that our suppliers understand the importance of this shared goal.

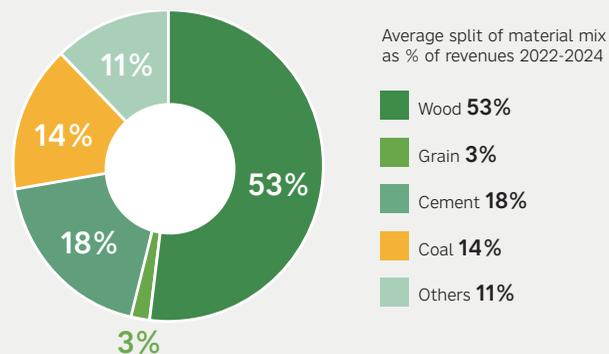
A key part of our strategy is improving the granularity of data collection. This means gathering highly detailed information on emissions across every stage of production. The more specific the data, the better equipped we are to identify areas for improvement. To make this possible, we maintain an open dialogue with our suppliers, explaining why emission reduction is a top priority and how it benefits both parties.

Supporting our suppliers is also essential, especially as new regulations, such as the European Sustainability Reporting Standards (ESRS), come into force. Many of our suppliers are not yet subject to these requirements, so we are taking the lead in explaining the coming changes and providing guidance on how to prepare.



Making a positive impact

MATERIAL MIX 2022-2024



We serve numerous industries across the dry bulk handling, wood processing, and forestry sectors. Within each of these, multiple material types are handled and processed for a variety of customers. Our ambition is to make a positive impact and to support customers to do the same.

Diversification is part of our business strategy, and over the past four years we have broadened our range of material segments. Wood is still the material that we handle and process the most of. It is our biggest market segment and where we benefit from the greatest levels of vertical integration.

Across the Group, we have a huge knowledge base, cross-sector expertise and technology, which was expanded even further with the acquisition of the North American engineering and manufacturing company, West Salem Machinery (WSM) in 2023. This strategic move positions the Group to better serve the renewable energy industry, and relatively new biofuel sectors such as the sustainable aviation fuel (SAF) market.

A significant proportion of global biomass comes from wood and wood-based products including logs, wood chips, waste wood residues, bark and hogged fuel, and sawdust. Much is also derived from agricultural waste, such as corn stalks and husks, and palm kernel shells. Our agricultural waste and wood-processing and handling technology supports every part of the biomass logistics chain, from waste residues to the final pellet, making it an integral component in many biofuel and bioenergy installations.

With the acquisition of WSM, we can also add technology that can make a positive environmental impact in industrial mulching and composting, converting green and food waste, and mixed organics into high-quality feedstock for composting and anaerobic digestion. Along with bale-processing systems and waste wood recycling from the construction and demolition industry.

We recognize that some of the industries that we serve, and some of the materials that our equipment handles, carry higher environmental loads than others, such as coal. Despite its known impact on the environment, coal is still a major dry bulk cargo, traded all over the world for

use in industrial processes such as steelmaking and power plants. Bruks Siwertell Group believes that, through our equipment, services and technological capabilities, we can help our customers decrease their environmental impact when handling coal.

For example, our technology handles coal in a way that absolutely minimizes the environmental impact of its ship to shore link. For this, we mean using enclosed systems that minimize dust and eliminate spillage into the surrounding environment. Spillage on the levels encountered through using open handling systems, such as grab cranes, can lose up to 2% of a shipment; we believe that waste on this scale is unacceptable.

We have also enabled operators to switch from handling coal to renewable biomass pellets for energy production. Our specially designed ship unloaders and loaders are able to handle multiple materials, efficiently and safely supporting coal-fired power plants with co-firing – burning coal and biomass – through to their complete transition to only burning biomass. They also ensure that sensitive materials, such as biomass pellets, are handled with minimal material degradation.



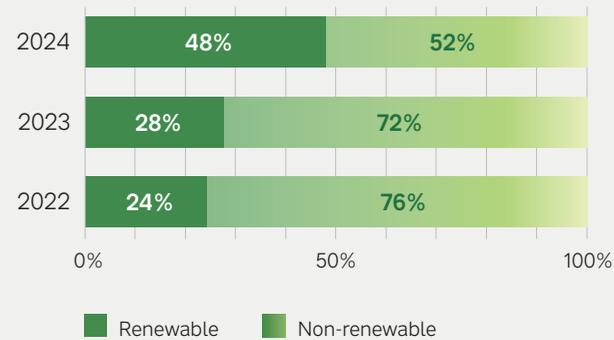
REDUCE ENERGY CONSUMPTION

Advocating the use of renewable sources

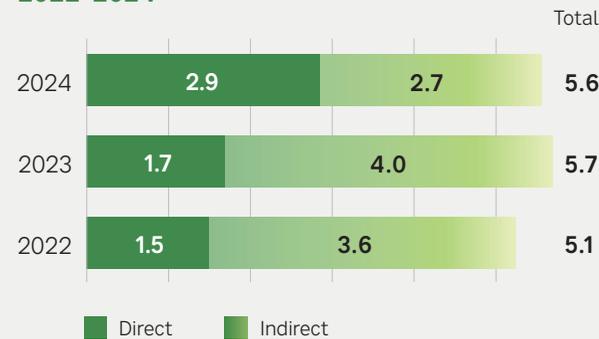
Bruks Siwertell’s operations involve the consumption of energy in production, in offices and transportation. It is important that operations are conducted in an energy-efficient way, but also that the energy source is evaluated with regard to its environmental impact. In 2024, Bruks Siwertell Group company, Bruks Siwertell AB, based in Bjuv, Sweden, completed the installation of 758 solar panels. They are estimated to generate approximately 400,000 kWh annually, offsetting more than a third of the site’s total energy consumption.

Work is underway to review electricity consumption by installing energy-efficient lighting and appliances in all offices and advocating renewable energy sources where possible. These measures have resulted in a reduction in the Group’s electricity consumption. The Group has also continued the phasing out of heating oil, in favor of certified renewable electricity. Despite the increase in our business activities during 2023 our total energy consumption, measured in MWh, has reduced by 8% since 2021.

SHARE RENEWABLE ENERGY SOURCE



TOTAL ENERGY CONSUMPTION AT SITE, MWh 2022-2024



Sources: BSG Worldfavor 2022-2023
Position Green 2024



[LINK TO CASE](#) ► SOLAR PANELS



Energy reduction initiatives

Energy mapping has been carried out at three of our Swedish sites and in Atlanta, USA. Its purpose has been to identify activities and generate an action plan to reduce energy consumption and improve energy efficiency. For a company of our size, it is a legal requirement in Sweden to conduct energy mapping.

In 2024, our main focus has been on energy efficiency, and this work will continue into 2025, along with a targeted approach to the outstanding areas identified.

The proposed actions identified from the energy mapping process have been analyzed and prioritized on a feasibility, financial, and environmental impact basis. They form part of an ongoing plan, which will continue over the next twelve months. The simplest identified activities, have been actioned during 2024.

BJUV, SWEDEN

- ▶ compressor turned off at night and weekends
- ▶ reviewed welding extraction routines
- ▶ lowered temperatures in the warehouse and welding workshop

- ▶ pipe insulation
- ▶ adjusted ventilation system's operational hours
- ▶ sealed air leaks in compressor
- ▶ rooftop solar panel installation

ARBRÅ, SWEDEN

- ▶ insulated central and incoming pipes in the production area
- ▶ LED light replacements, continuing into 2025
- ▶ district heating turned off during the summer months

BÄCKEFORS, SWEDEN

- ▶ ventilation system adjusted for more efficient use
- ▶ production and office sites fully assessed for preventable draughts, sealing any identified
- ▶ optimized heat control, depending on outside ambient temperature
- ▶ LED light replacements

ATLANTA, USA

- ▶ warehouse lighting replaced with efficient LEDs
- ▶ T8 fluorescent lights installed, providing more efficient lighting
- ▶ thermostats changed to allow for day/night adjustment, depending on season
- ▶ air-conditioning design changed to optimized use in offices and warehouse
- ▶ doors improved with insulation

WEST SALEM, USA

- ▶ new electric forklift, initially introducing small and medium-sized versions

VILNIUS, LITHUANIA

- ▶ remodeled heating system
- ▶ withdrawing the use of an old gas-powered forklift

HIRTSCHIED, GERMANY

- ▶ reducing coolant use by switching to dry machining with high-performance cutting tools on one machine
- ▶ replacing lighting in production hall areas with efficient LEDs
- ▶ retrofitted windowsills in three offices, reducing draughts and therefore heating costs
- ▶ participation in local reforestation tree-planting program
- ▶ installation of new windows and main door, improving heat retention and energy savings
- ▶ implementation of LEAN project improves work environment and lowers physical demands
- ▶ ongoing investigations into energy-saving opportunities in office and factory spaces



LINKS TO CASES

- ▶ **CARBON EMISSIONS REDUCTION**
- ▶ **OFFICE UNIT MODERNIZATION**
- ▶ **ENERGY MAPPING PROJECT**
- ▶ **TEAM FOREST PLANTING**



REDUCE WASTE

Implementation of circular initiatives

Reducing the amount of waste, managing waste correctly and seeking circular solutions are important strategies in reducing the overall environmental impact of Bruks Siwertell Group's business and are therefore priority sustainability areas.

Over the last twelve months, office units across the Group have stepped-up initiatives, as well as taking on new ones, to reduce waste and position the company to meet its zero-office waste target by 2030. Evident in all of them is that, going forward, continuing education programs for personnel are key, along with good collaborations with specialist waste contractors,

and the establishment of key performance indicators (KPIs) so that progress is measurable and effective.

ZERO

Our target for
waste in our office
units

Global waste-reduction initiatives

The global nature of the company and its diverse range of production facilities and offices meant that a de-centralized, local approach has been necessary, essentially addressing site-specific waste reduction strategies. Highlights include:

WEST SALEM MACHINERY, SALEM, OREGON, USA

- ▶ reducing printing
- ▶ planning a fully digitalized office system, including digital notebooks

ATLANTA, GEORGIA, USA

- ▶ eliminating use of plastic water bottles. Filtered water fountains have been installed through the office for drinking water and bottle refill
- ▶ continuing to refine the recycling concept, including evaluating new vendors for improved recycling possibilities
- ▶ improving and updating signage to remind personnel to reduce, reuse and recycle

ARBRÅ, SWEDEN

- ▶ training personnel about recycling
- ▶ introducing additional bins for separation of waste in the offices and production facilities
- ▶ updating waste guidance for personnel
- ▶ working with a third-party specialist waste partner
- ▶ setting up KPIs to determine its waste reduction progress
- ▶ initiating improved waste oil handling
- ▶ implementing solution to recycle more corrugated cardboard
- ▶ continuing projects to reduce landfill to as close to zero as possible

BÄCKEFORS, SWEDEN

- ▶ training personnel about recycling
- ▶ introducing three new recycling stations in the workshop; shrink plastics are now recycled in separate containers, and hazardous waste is sorted separately
- ▶ updating waste guidelines for personnel
- ▶ setting up KPIs to determine its waste reduction progress

BJUV, SWEDEN

- ▶ implementing solutions for food waste management in canteen
- ▶ removing all wastebaskets in offices; waste management only in coffee areas
- ▶ extending separation of waste and recycling to all coffee areas
- ▶ training personnel about recycling and waste sorting

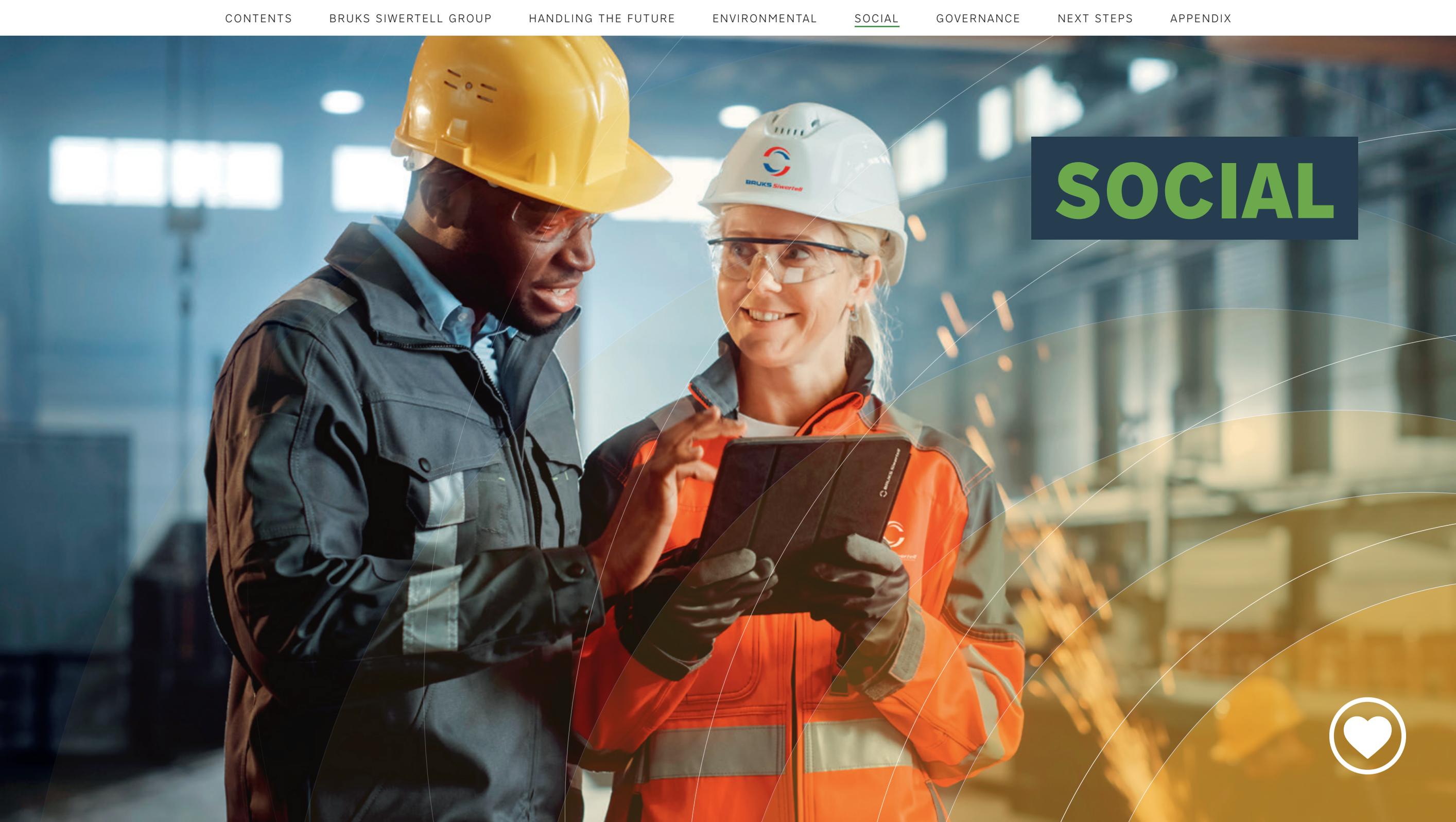
VILNIUS, LITHUANIA

- ▶ training personnel about recycling and waste sorting and reduction
- ▶ updating waste guidelines for personnel

HIRTSCHIED, GERMANY

- ▶ installing water dispensers to reduce the use of plastic water bottles





SOCIAL



FOCUS AREAS

SOCIAL

HEALTH
AND SAFETY

EMPLOYEE
SATISFACTION

DIVERSITY
AND INCLUSION

“ **Diversity is not just about numbers. It is about creating an environment with different perspectives.** ”

Pär Eriksson, CEO, Bruks AB

Bruks Siwertell aims to ensure that its personnel have a safe and secure work environment and that our products and services are safe to use, protecting nearby operators; everyone should come home safe and fulfilled at the end of the working day. Safety and security are top priorities and we have several routines to encourage reporting and enable a risk-preventive approach. The challenging, physically demanding, often heavy work environments associated with our installations require clear safety guidelines.

We want to offer an attractive workplace that protects the health and well-being of our personnel. We strive for a fair working environment with an open and transparent atmosphere, where development and growth are adapted to each individual. Bruks Siwertell is committed to promoting equal opportunities, irrespective of background, race, gender identity and expression, religion or sexuality and works to create an inclusive, diverse workplace.



HEALTH AND SAFETY

A clear priority

Bruks Siwertell will offer a safe workplace for all personnel. Our personnel are encouraged to maintain a healthy and safe working environment by following local regulations as well as internal policies related to safety and the work environment.

Workplaces must be equipped with safety equipment, and for all activities involving health and safety risks, there must be procedures that describe what, how, when, and by whom it should be done. Accidents, incidents and risk observations should and will be reported and analyzed, and result in an appropriate action. Bruks Siwertell has a target of zero workplace accidents. As part of our safety work, we conduct risk analyses to identify potential risks in situations regarding fire, machine stoppages and power outages and for these situations we have established evacuation and action plans to minimize the risk to personnel.

Our equipment is predominantly used in the heavy-industry environment, such as ports, large industrial facilities and in forestry management, which presents a number of risks to personnel. Bruks Siwertell focuses on delivering machines and system solutions that ensure good personal protection and a safe working environment. To minimize risks in the delivery and equipment installation process at a customer's site, a detailed risk analysis, and planning and division of labor takes place between the customer, Bruks Siwertell and other contractors on site.

Bruks Siwertell's contributions to the safety of the dry bulk handling industry were recognized last year when it won the *International Bulk Journal (IBJ)* Safety in Bulk Handling Award for 2024.

Also during 2024, numerous health and safety training programs were undertaken at all company levels. The HR tool, Sympa, enables managers to

access relevant data, along with being able to cooperate over personal development plans and training, recruitment and dismissal.

Currently, Sympa is being further developed to enable training data and personnel certificates to be collected, along with extending the system to include West Salem Machinery personnel. It is also used for recording talent reviews. ▶

ZERO

Our target for
the number of
workplace accidents



▶ Strengthening health and safety with IA system implementation

The promotion of a safe and healthy work environment for all our personnel is a key focus. Central to this commitment is encouraging the transparent reporting of incidents, accidents, and risks, fostering a culture of risk-conscious behavior to prevent workplace injuries.

To streamline and improve this process, we have implemented the Incident & Accident (IA) system, and its accompanying app, across all company

sites. This tool allows our teams to report incidents, accidents, and conduct thorough risk analyses.

We track daily reports using a physical green safety cross, as a clear indicator, which ensures that every reported incident is logged and addressed. Notably, the system also includes commuting-related incidents, extending our safety net to consider risks to personnel traveling to and from work.

Our goal is to prevent accidents before they happen, and increasing incident and risk observation reporting is an essential part of this strategy. By making it easier for personnel to

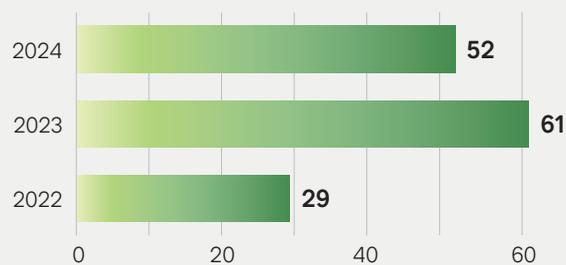
report even minor incidents, we aim to create a proactive safety culture. This is reinforced by our collaboration with Fora, our insurance provider, who supports this system.

The full implementation of the IA system has led to an increase in reporting, evidenced in the 2024 figures. The recorded accidents relate to minor hand injuries from slipping on ice.

In 2025, we are putting even greater emphasis on health and safety as it is the Group's theme for the year, with dedicated initiatives to further improve workplace safety.

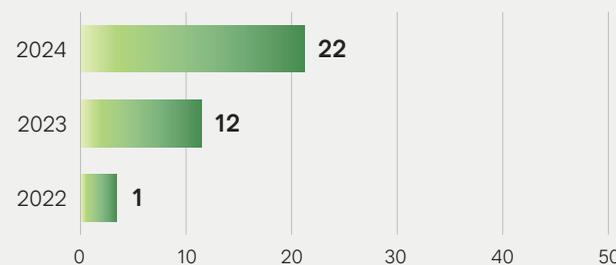
[LINK TO CASE](#) ▶ **HEALTH CHALLENGE**

TOTAL NUMBER OF WORKPLACE INCIDENTS *



* near misses, causing no, or less than one day of sick leave

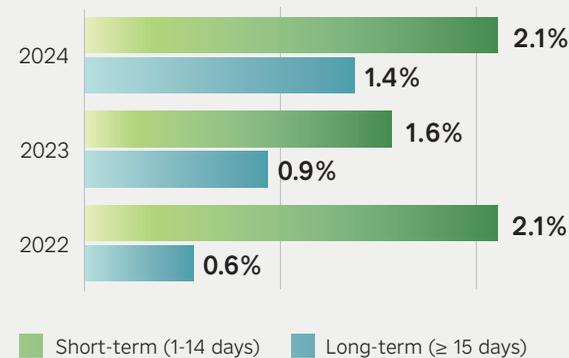
TOTAL NUMBER OF ACCIDENTS *



* Leading to one day sick leave or more

Source: BSG IA site reporting

SHORT- AND LONG-TERM SICK LEAVE



Sources: BSG Worldfavor 2022-2023
Position Green 2024



EMPLOYEE SATISFACTION

Focus on personnel engagement



To maintain its position as a market leader and achieve long-term success, Bruks Siwertell is dependent on talented, knowledgeable and committed personnel. It is important that all individuals know and understand the Group's corporate strategy and how it relates to the work that they do. It is communicated via annual presentations of Group-wide strategic directions and goals, so personnel have a

shared understanding of how they contribute to the targeted achievements.

Another key to increasing personnel engagement in their duties at work, is the opportunity for personal growth through skills development. The Group therefore provides personnel with continuous skills development. Training is offered in each office unit, but there are also Group-wide training programs.

Some examples include the Group-wide diversity and inclusion training for our management teams. The workshops also provided a comprehensive toolkit to enable managers to share the training with their own teams, further promoting the learning and awareness.

Project management courses have also been conducted online in English and face-to-face in Swedish at some sites, along with training in our Incident & Accident (IA) system. Furthermore,

our talent review process has been improved and integrated into our HR system Sympa. All managers have received training for this.

Since its acquisition in July 2023, West Salem Machinery, based in the US, has increasingly transitioned into the Bruks Siwertell Group during 2024. An important step in this has been leadership training sessions.

Employee surveys

Since 2022, Bruks Siwertell has had a system for Group-wide employee satisfaction surveys. The results are recorded as an employee Net Promoter Score (eNPS), which is scaled from -100 to 100. The survey is published three times a year and completed digitally. Nine factors are evaluated and compiled into a total index, and every second survey, the eNPS is also evaluated, including the extent to which personnel would recommend their employer to others.

The eNPS is a key metric for Bruks Siwertell, and our target is to achieve a score of 30 by 2030. Starting at 25 in 2022, the score dropped to 18 in 2024, likely influenced by global market challenges, the integration of new digital systems, and the addition of a new business unit, with over 60 personnel. We remain committed to improving this score by focusing on areas with lower ratings and further supporting our personnel.

“ **The eNPS score gives us an indication of how satisfied our personnel are with us as an employer. If we see a lower score, we follow this up with further questions to find out if improvements can be made.** ”

Katarina Åkesson,
HR Director, Bruks Siwertell Group



Drug and alcohol policy ensures safety

In 2024, we implemented a new drug and alcohol policy to maintain a safe, drug-free workplace for all employees, contractors, and consultants. The policy prohibits the use or influence of alcohol and drugs at work to prevent ill health, accidents, and substance abuse. It also requires personnel to report any substance abuse to management or HR, with alcohol consumption allowed only in moderation during official events.

Managers are responsible for enforcing the policy and supporting personnel. If abuse is detected, actions will be taken to stop the behavior, while offering personnel help, provided they actively contribute to their recovery.

Bruks Siwertell's policy extends to ensuring that non-medical use or illegal possession of drugs is prohibited by law, while respecting personnel privacy.

“**The key to a good work environment, where ethical and sustainable decisions are made, lies heavily in the health of the individuals working there.**

Viktoria Åberg,
HR Manager, Bruks AB

DIVERSITY AND INCLUSION

A natural part of daily operations

Equality

A workplace that values gender equality and diversity is attractive to both customers and personnel. Bruks Siwertell's overall goal is that our gender equality work should be a natural part of daily operations, at all facilities and levels within the company. All personnel have and will be guaranteed equal value and the same opportunities within the company regardless of age, gender or gender expression, disability, ethnicity, religion or sexual orientation. This should be reflected in our daily operations and in recruitment.

The equal opportunities of all personnel are regulated in our Group-wide equality policy. Information about this policy is available to all personnel. One of our 2030 sustainability goals is for women to hold at least 30% of management roles within the company.

At Bruks AB, our wood-processing technology unit in Arbrå, Sweden, this goal has been significantly exceeded. In 2024, it achieved a

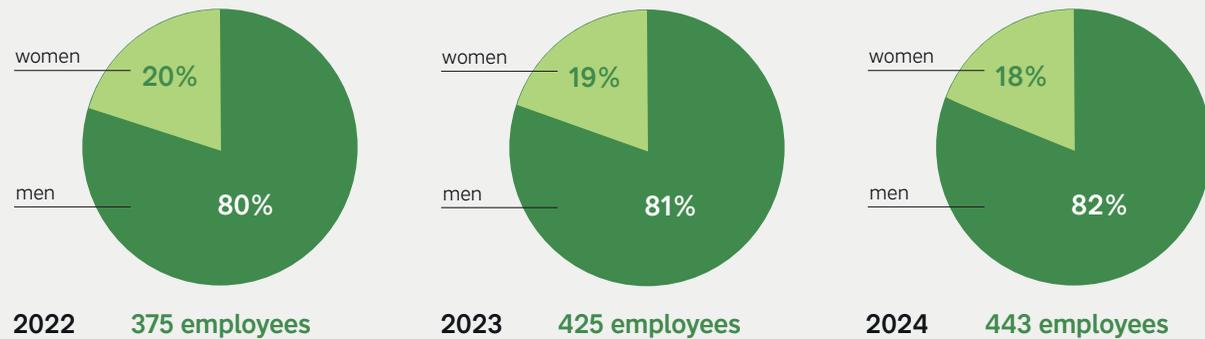
gender-equal management team, reaching 50% women in leadership team roles. This success is attributed to a management culture focused on fostering diverse perspectives and leadership styles. By blending internal growth and external recruitment, the unit has created an inclusive environment, offering development opportunities that encourages people to stay and grow, along with attracting new talent into the area.

The unit prioritizes a balanced work-life approach, supporting personnel, and acknowledging that a healthy team environment leads to a diverse and dynamic leadership team. It also actively supports local and regional activities, contributing to the development of sustainable communities.

Diversity

In our recruitment processes, we encourage applications from all people irrespective of background, race, gender, religion, or sexuality. When recruiting, the successful candidate is selected on the basis of their competence and attitude. ▶

GENDER BALANCE IN PERSONNEL



GENDER BALANCE IN MANAGEMENT



Sources: BSG Worldfavor 2022-2023
Position Green 2024



In 2024, all Group managers received diversity and inclusion training either at face-to-face workshops or online. The primary focus was educating all managers on what diversity and inclusion means both in theory and in practice, and how to act as an inclusive leader. It was also designed to initiate discussions at a local management level to see how the training could be shared and implemented.

To facilitate this, each manager received a diversity and inclusion workshop kit, including materials and examples, providing a step-by-step approach to run the training program with their own teams.

Inclusiveness training helps participants understand more about historical inequities related to ethnicity, race, gender, and backgrounds, and how culture can affect the workplace environment. They also help organizations become more open to greater participation of marginalized individuals at all levels of the company.

[LINK TO CASE](#)
► **DIVERSITY & INCLUSION TRAINING**



GOVERNANCE



FOCUS AREAS

GOVERNANCE

ANTI-CORRUPTION

SUPPLY CHAIN
MANAGEMENT

MANAGEMENT
SYSTEMS

Owners' directives and policy documents form the foundation of the Group's governance and compliance strategies. They also govern its decentralized organization. In line with this, Bruks Siwertell's sustainability work is conducted at the local divisional level, but is held and coordinated through our global sustainability councils, which collaborate with other specialized councils.

Bruks Siwertell is a global group with interactions between customers, suppliers and business partners around the world. Within the different divisions, representatives or dealers are used to reach out to different markets. Due to its global representation, the Group sometimes operates in countries with an increased risk of corruption. The Group adheres to the principles of the UN Global Compact. The principles are found in the Group's policies and agreements, and are integrated into working methods and processes to create a good business culture and business responsibility, which is a key to the Group's long-term success.

Bruks Siwertell has zero tolerance towards corruption. The work is based on international and local regulations in countries where operations occur, and is supplemented with the Group's Code of Conduct and anti-corruption policies as a means of preventing any violations. The anti-corruption policy is available to all personnel on the company's intranet and must be signed by each

ANTI-CORRUPTION

Zero tolerance

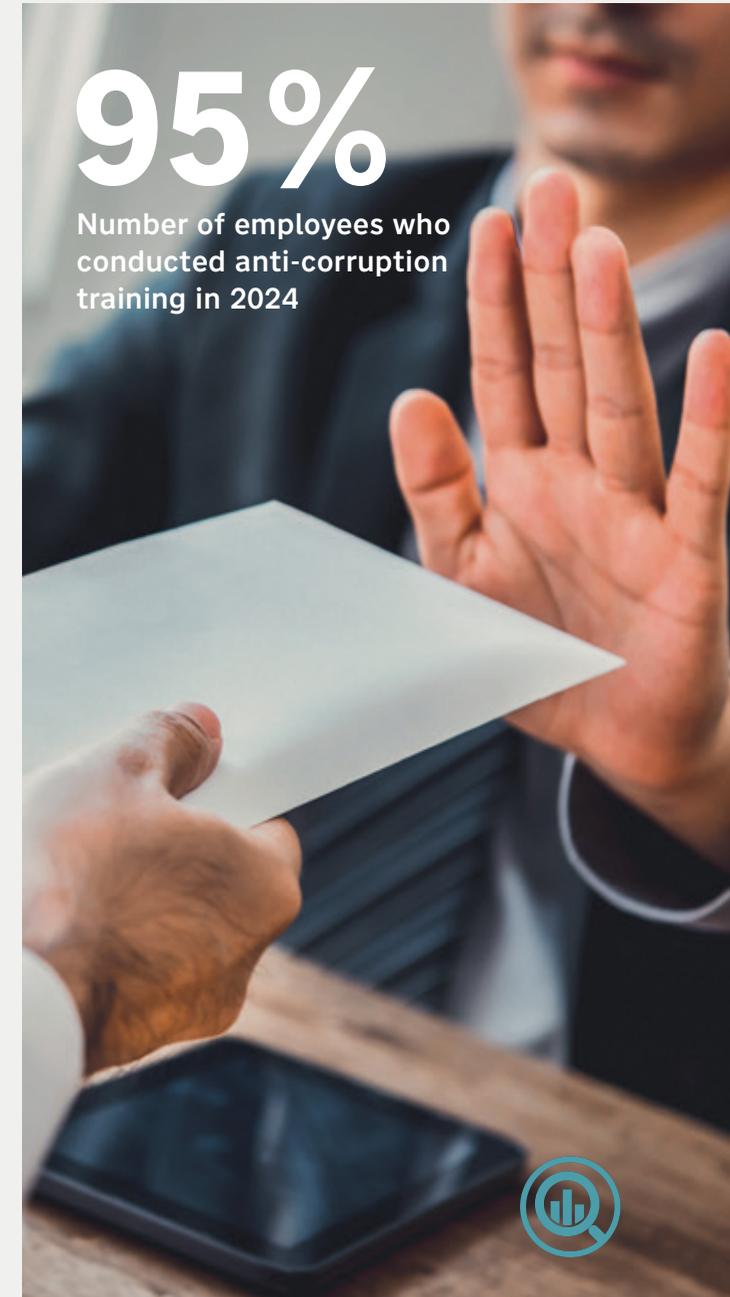
person. The policy serves primarily as educational material for situations where bribery tends to occur and includes methods to avoid corruption. The anti-corruption policy provides compliance requirements to prevent improper payments and to ensure accurate reporting of permitted payments under all applicable anti-bribery laws.

Anti-corruption training is mandatory; sessions are regularly conducted to ensure that everyone completes the training. In 2022, we implemented a whistleblowing system, 2secure. Three incidents have been reported so far, none of which have been classified as corruption or bribery incidents.

Group policies permeate daily work and apply to all personnel within the Group as well as agents with whom Bruks Siwertell cooperates. To further increase the importance of this work, Group-wide anti-corruption training is being conducted for all new personnel and annually for customer-facing roles.

95%

Number of employees who conducted anti-corruption training in 2024



Supply chain management

In 2024, Bruks Siwertell implemented the Position Green Supplier Assessment Module. This systematic tool supports us to validate whether a supplier is complying with our Supplier Code of Conduct to meet European Sustainability Reporting Standards (ESRS) regulations within our value chain. It also enables us to track scope 3 carbon emissions, allowing suppliers to report their data either through specific calculations or the average spend method.

As we move forward, the module will play an integral role in collecting and managing critical environmental data, ensuring transparency and accountability across our supply chain. In addition, we are committed to further developing external follow-up processes, including contract and requirement reviews outlined in our Supplier Code of Conduct. This focus on supplier assessments is a crucial part of the Group's ongoing efforts to drive sustainability across all areas of our operations.



MANAGEMENT SYSTEMS

Improved processes and clear steps

To maintain a high standard of governance and accountability, we are committed to systematic and continuous improvement across all our office units, driven by a robust management system that aligns with our Group's vision, values, and policies. This system ensures that our processes, routines, and methods of follow-up are consistently applied and monitored.

Systematic improvement work is based on activities such as risk analysis, internal control functions and management of non-compliances and follow-up of incidents. Examples of tools for this are incident follow-up systems, whistle-blowing functions, and internal and external audits.

In 2024, we made significant strides in enhancing our overall governance and operational capabilities. We have established and implemented key steering documents, policies, procedures, and guidelines throughout the organization. This strengthens our capacity to securely manage IT and information risks, ensuring that our systems remain resilient against potential threats.

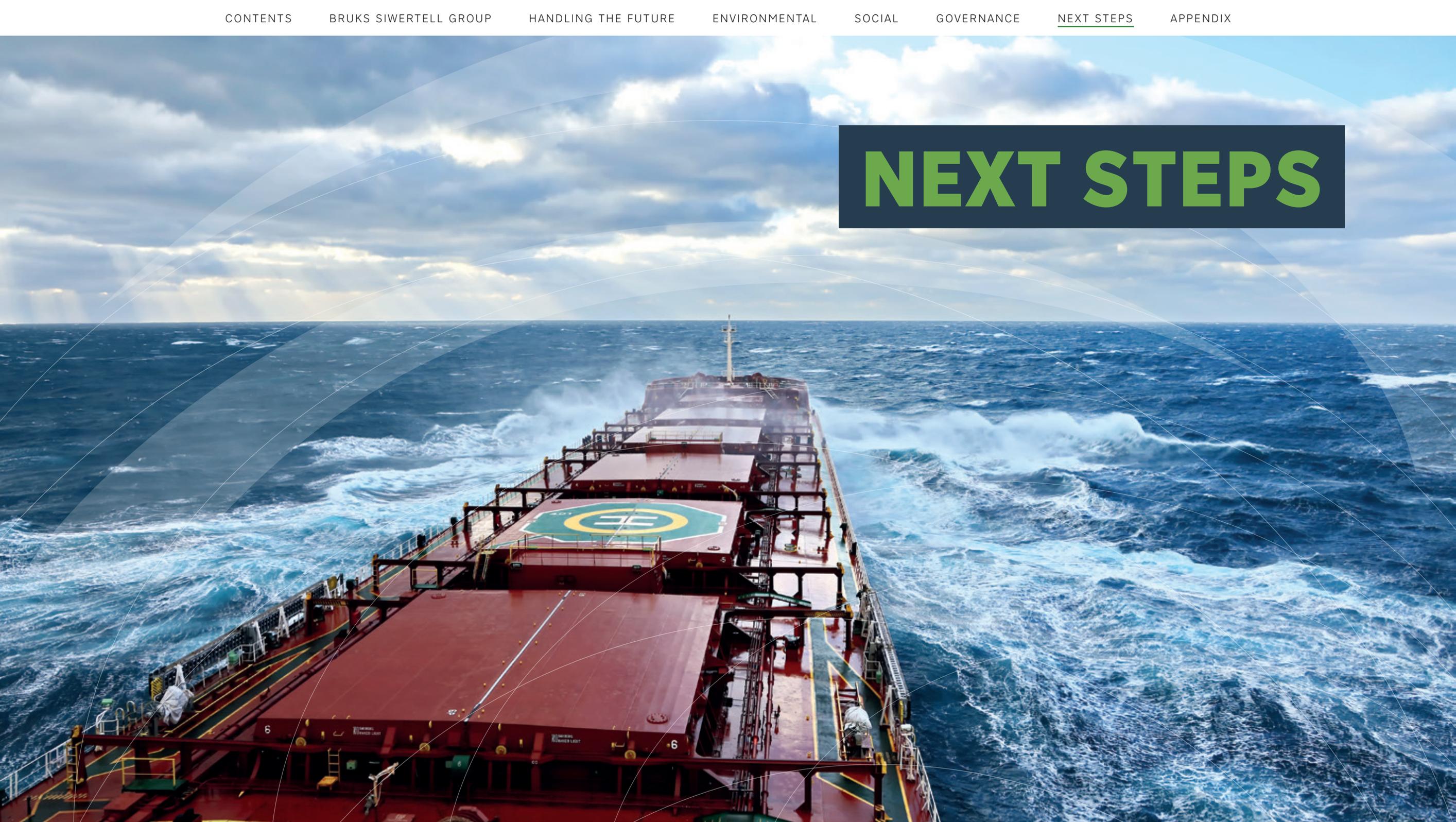
Additionally, we have placed a strong emphasis on improving our ability to manage unforeseen events through crisis and business continuity management, as well as disaster recovery planning. These efforts demonstrate our preparedness to handle incidents that could severely impact our operations, ensuring the continued safety and efficiency of our business activities.

“ **Management training gains insights into fostering a culture of respect and equality.** ”

Anna Halling, Chief Strategy Officer,
Bruks Siwertell Group



NEXT STEPS



CONTINUING OUR SUSTAINABILITY JOURNEY IN 2025

Over the coming years, our sustainability journey will involve exciting, focused efforts to meet new challenges. A key part of this will be ensuring that our strategy and goals meet the regulatory requirements of the European Sustainability Reporting Standards (ESRS), including the double materiality assessment. This year, we will continue to implement our new sustainability strategy, and a strong commitment to three core areas: environmental, social, and governance.

“**We are taking the lead in explaining upcoming regulatory changes with our suppliers and providing guidance on how to prepare.**”

Anna Halling,
Chief Strategy Officer, Bruks Siwertell Group

ENVIRONMENTAL

Scenario and resilience analysis

Each of our sites will conduct a scenario and resilience analysis tailored to their specific environment and carbon footprint. This will help us better understand our impact, as well as identify potential risks and opportunities for improvement.

CO₂ mitigation transition plan

Based on the findings from the scenario analysis and carbon accounting results, each site will develop a transition plan aimed at reducing its CO₂ emissions and minimizing its environmental impact.

Circular economy training

We will train our leaders and designers to deepen their understanding of a circular economy model.

Pilot program: integrating sustainability and circularity

We will explore how to embed sustainability and circularity into our product development processes, offering guidance to designers and engineers on integrating these principles into every stage of product design.

Energy mapping

Following this year's energy mapping, we will continue to implement energy reduction measures according to the established action plan.

SOCIAL

Diversity & inclusion theme week

Ongoing efforts in diversity and inclusion will include a week dedicated to lectures and discussions on these topics. This will hopefully coincide with celebrating European Diversity Month, giving Bruks Siwertell an opportunity to actively participate.

Health and safety focus year

In 2025, we will prioritize health and safety, particularly workplace safety, by increasing training sessions, activities, and enhancing incident and accident reporting procedures.

Health and movement initiative

A company-wide initiative encouraging team-based organized activities related to health and movement.

GOVERNANCE

ESRS compliance and reporting

This year, ESRS regulations are applicable to Bruks Siwertell. To ensure full compliance, we will focus on training personnel.

Ongoing management system improvements

We will continue to refine our internal processes and certifications, improving our management systems to maintain high standards of governance and operational efficiency.

APPENDIX

1. THE UN GLOBAL COMPACT

The UN Global compact has ten principles:

HUMAN RIGHTS

- 1 Businesses should support and respect the protection of internationally proclaimed human rights
- 2 make sure that they are not complicit in human rights abuses

WORKING CONDITIONS

- 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
- 4 the elimination of all forms of forced and compulsory labor
- 5 the effective abolition of child labor
- 6 the elimination of discrimination in respect of employment and occupation

ENVIRONMENT

- 7 Businesses should support a precautionary approach to environmental challenges
- 8 undertake initiatives to promote greater environmental responsibility
- 9 encourage the development and diffusion of environmentally friendly technologies

CORRUPTION

- 10 Businesses should work against corruption in all its forms, including extortion and bribery

2. THE GREENHOUSE GAS (GHG) PROTOCOL

The Greenhouse Gas (GHG) Protocol establishes a global standardized framework to measure and manage GHG emissions. Direct GHG emissions occur from sources that are owned or controlled by the reporting company and indirect GHG emissions are those that are a consequence of the activities of the reporting company, but occur at sources owned or controlled by another company, such as suppliers.

The GHG Protocol categorizes these direct and indirect emissions into three broad scopes:

Scope 1: all direct GHG emissions

Scope 2: indirect GHG emissions from consumption of purchased electricity, heat or steam

Scope 3: other indirect emissions, such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by the reporting company, electricity-related activities not covered in scope 2, and outsourced activities, such as waste disposal.

3. THE CORPORATE SUSTAINABILITY REPORTING DIRECTIVE (CSRD)

The European Union (EU) directive, Corporate Sustainability Reporting Directive (CSRD), effective from 2024, updates rules on corporate social and environmental reporting, requiring more companies to publish sustainability reports regularly. The CSRD aims to give investors and stakeholders detailed insights into companies' impacts on people and the environment and help investors understand financial risks tied to sustainability issues. It also mandates assurance of sustainability information and standardizes reporting to improve transparency and clarity in corporate disclosures on sustainability. The European Sustainability Reporting Standard (ESRS) follows on from the introduction of CSRD; also taken into effect in 2024.

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This Sustainability Report relates to the financial year 2024. The report covers the parent company Bruks Siwertell Group AB, and all its legal entities which are being consolidated in the financial statement of Bruks Siwertell Group AB for the same period.

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