REFLECTIVE BALANCE

TROAX GROUP AB – SUSTAINABILITY REPORT 2023

REFLECTING ON THE WORLD WE LIVE IN AND LEAVE BEHIND

REFLECTIVE BALANCE
REFLECTIVE BALANCE
REFLECTIVE BALANCE

WE MAKE YOUR WORLD SAFE
WE PROTECT PEOPLE,
PROPERTY AND PROCESSES.

TROAX – THE ORIGINAL
OUR PRODUCTS ARE BASED ON
HARD WORK, GOOD IDEAS AND
VALUES SOFTER THAN STEEL.
WE HAVE BEEN WORKING ON MAKING
YOUR WORLD SAFER SINCE 1955.

TROAX GROUP AB – SUSTAINABILITY REPORT 2023

THE ART OF BALANCING A SCALE

BALANCING SAFETY AND SUSTAINABILITY INVOLVES CONSIDERING THE PERSPECTIVES OF OUR STAKEHOLDERS AND REFLECTING ON THE ENVIRONMENTAL AND SOCIAL IMPACT OF OUR ACTIONS. THE KEY IS TO LEVEL OUT THE SCALES AND FINDING THAT PERFECT BALANCE. THIS IS OUR SCALES.

At Troax, we're always reflecting on the delicate balance between safety and sustainability. A balance that consists of a thoughtful consideration of our customers' safety needs and the long-term sustainability of our solutions. While steel remains essential for our systems, we acknowledge its environmental impact. Thus, we're committed to sourcing materials responsibly and adopting energy-efficient manufacturing techniques. Balance isn't just about following rules and regulations – it's about saving lives and securing a safer tomorrow.

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1 SUSTAINABILITY WITHIN TROAX

1.1 INTRODUCTION

IN A WORLD THAT IS IN CONSTANT FLUX, WE STRIKE A BALANCE BETWEEN EXCELLENT SAFETY AND SUSTAINABILITY.

At Troax, we believe that embracing the values of respect, customer focus and collaboration is crucial to building a sustainable future. These principles underpin everything we do and are reflected in our work and in our products. We see how sustainability is becoming increasingly important to our customers, public agencies and the environment in which we exist, which only reinforces our commitment. At Troax, we are proud that our products play a vital role in protecting people and saving lives in workplaces and other sensitive areas. We are committed to contributing to a better world through our safe and sustainable solutions.

Throughout 2023, we continued to see how the sustainability journey is a continuously changing process, which requires us at Troax to be agile and adaptable in order to produce tangible results in our sustainability work while meeting the changing demands of our stakeholders. This year, we focused on two main areas: strengthening our accountability within our value chain and adjusting our processes to comply with CSRD requirements. By working with our partners along the value chain, we ensure that both our and their operations maintain high standards in terms of working conditions, business ethics and environmental impact. We focus heavily on collaboration and joint development with our partners, while taking responsibility for our impact throughout the value chain.

Although steel products cannot currently be considered 100% environmentally-friendly, Troax products offer several advantages from an environmental and sustainability perspective. By educating our customers about the consequences of using our products, we make it easier for them to make informed decisions, reinforced by initiatives such as our attempts to increase the amount of recycled or alternative steel we use. The key is to find a balance between safety and sustainability. Our role extends far beyond manufacturing. We actively participate in forums that promote safety awareness and set requirements, helping to save lives. This is one of the many reasons why Troax is a world-leader in mesh panels that protect people, property and processes.

We believe that Troax is uniquely positioned on the global market with products that use less steel per mesh panel while maintaining safety. Our tests strongly suggest that our products have the lightest weight and best durability.

Since 2017, Troax has summarised its sustainability work in a Sustainability Report and will prepare an annual Sustainability Report in the future as well. This document constitutes Troax's statutory sustainability report for 2023 in accordance with the Swedish Annual Accounts Act. The Sustainability Report covers the entire Troax Group.

1.2 TROAX'S BUSINESS MODEL AND STRATEGY

TROAX WORKS TO MAKE YOUR WORLD SAFER BY DEVELOPING INNOVATIVE SAFETY SOLUTIONS THAT PROTECT PEOPLE, PROPERTY AND PROCESSES.

Troax makes your world safer by developing innovative safety solutions that protect people, property and processes. Specifically, we help our customers ensure that the safety solutions in their factories and warehouses achieve a more than acceptable level. We often work closely with our customers to create customised safety solutions based on their specific needs and drawings. We have also developed configuration systems , allowing customers to propose their own implementations of our safety systems.

For more than 70 years, the purpose of our high-quality, metal-based mesh panel solutions has been to meet the demand for safe and secure storage and to function as machine guarding and partitions for warehouses. Today, we are the market leader in our industry. Troax is represented in 45 countries worldwide and employs around 1,200 people. Our business concept comprises three segments, with a focus on development and quality. Specific objectives have been defined for each area, corresponding to our three business segments:

- Machine guarding: Products and solutions that protect people from machinery and robots in industrial environments and safeguard automated manufacturing processes against unauthorised access.
- Warehouse and industrial partitioning: A wide range of protection solutions that are used for conventional and automated logistics handling, including storage cages, warehouse partitions and anti-collapse panels for pallet racks.
- Storage solutions: Customised mesh panel solutions for basements, attics and rental storage.

Our mission is to exceed our customers' expectations with innovative solutions that protect people, property and processes. Our vision is to be the first choice in innovative safety solutions – and the leading global supplier of mesh panels, with a global presence in all key areas.

In our efforts to make everyday life safer, we follow three core values, from a long-term perspective and on a daily basis:

- Customer focus. We are responsive, committed and customer-focused so that we can offer the highest quality solutions, products and services.
- Respect. We are dedicated and we care about people. This is why we observe ethical principles, integrity and professionalism in everything we do.
- Cooperation. We always cooperate with current and future customers and suppliers and our colleagues also cooperate with each other.

We base our business on the core values above and nine central assessments, all of which are embodied in the Troax Code of Conduct.

1.3 SUSTAINABILITY MANAGEMENT AT TROAX

Sustainability management at Troax is based on our business strategy, business model and sustainability goals for 2020–2030. Our goals are carefully selected to effectively address the most significant sustainability issues and the risks and opportunities that these entail. Policies and management systems have been established to ensure economic, environmental and social compliance. As a signatory to the UN Global Compact, Troax is committed to integrating and promoting human rights, fair labour standards, environmental responsibility and anti-corruption in all of our activities. These ten principles are embedded in the Troax Code of Conduct, the Code of Conduct for Suppliers, and Troax's ethical guidelines.

The Board of Directors has global responsibility for sustainability within Troax; it oversees Troax's sustainability initiatives and is responsible for the Sustainability Report. Group Management is responsible for designing the company's sustainability strategy and policies, implementing KPIs to monitor the achievement of targets in its operations, and reporting activities and outcomes to the Board of Directors at each board meeting.

We evaluate our results every year and set targets and dedicated initiatives for the next year.

Sustainability management at Troax is based on the company's vision, values and Code of Conduct, complemented by our policies, in which sustainability is an integral part of the Troax strategy. Troax's values define who we are and what we stand for, while Troax's Code of Conduct forms the basis for our actions and conduct. The Code of Conduct and policies at Group level are our most important documents. These policies are:

- **Troax Code of Conduct**
- **Troax Ethical Guidelines**
- **Whistleblower Policy**
- **Information and Insider Policy**
- **Finance Policy and Financial Guidelines**
- **Export Control and Sanctions Policy**
- **Quality and Environmental Policy**
- **HR Policy**
- **Equality Policy**
- **Anti-Corruption Policy**

The following policies apply to our suppliers:

- **Code of Conduct for Troax Suppliers**
- **Certification from Troax's distributors that they meet its anti-corruption, export control and sanction requirements**

Troax reinforces its commitment to sustainability through local policies which specify internal rules for each company. We use management systems and action plans in order to address critical sustainability issues in a structured manner.

Within the Troax Group, we are committed to ensuring that all our production units obtain ISO 9001 certification (Quality) and 14001 (Environment) within the next few years. Several of our units have already achieved these standards, while work is underway to include the remaining units in the certification process. We also strive to implement ISO 45001 (work environment) management systems across our operations. Our focus is on systematic and structured work to ensure high standards within quality, environment and the work environment. As part of this work, all of our production facilities regularly report on key figures covering work-related incidents and accidents.

Our Code of Conduct serves as an ethical compass for Troax, providing guidelines for our conduct towards stakeholders and the market. This code is essential to transforming our values into action and forms the basis of our ethical, environmental and social responsibilities. It covers areas such as health and safety, the environment, employment conditions, human rights and business practices.

The Troax global whistleblower function enables all employees to report any breaches of our Code of Conduct. This Code of Conduct and Whistleblower Policy apply to all of our employees globally and are communicated annually to ensure broad understanding and compliance. All new employees at Troax are also familiarised with the Code of Conduct and the Whistleblower Policy during their on-boarding.

1.4 INDUSTRY AND COMMUNITY ENGAGEMENT

In those area where Troax operates, we play an important role in the local community as an employer, tax-payer and buyer of local goods and services. Troax also supports non-profit causes and has a stake in a local wind farm. Our support in the local community often includes sponsoring local sports clubs, participating in school fairs, offering internships to students, and supporting associations our employees are involved in, particularly in the sports sector.

At the industry level, Troax is committed to developing and improving standards that increase safety in the workplace in a number of different industrial sectors. An example of this is our work on the Machinery Directive, which aims to ensure that machinery complies with EU health, safety and environmental requirements. Our commitment to these issues contributes significantly to increasing safety in the industry.

2 RATIONALE FOR TROAX'S SUSTAINABILITY GOALS

2.1 STAKEHOLDER SURVEY

TROAX HAS MANY DIFFERENT STAKEHOLDERS, WHO ARE VITAL TO PRIORITY-SETTING OF SUSTAINABILITY FACTORS. THE MOST VITAL STAKEHOLDERS ARE THOSE IMPACTED BY TROAX'S BUSINESS AND ACTIVITIES, AND WHICH RECIPROCALLY IMPACT TROAX. A SUMMARY OF OUR MAIN STAKEHOLDERS, AND THE SUSTAINABILITY AREAS THAT ARE IMPORTANT FROM THEIR POINT OF VIEW, IS GIVEN BELOW.

2.2 UN GLOBAL SUSTAINABLE DEVELOPMENT GOALS (SDGS)

TROAX SUPPORTS THE UN'S 2030 AGENDA AND ITS 17 GLOBAL SUSTAINABLE DEVELOPMENT GOALS. FOR US, SUSTAINABLE DEVELOPMENT IS BOTH A RESPONSIBILITY AND AN OPPORTUNITY, AND THAT IS REFLECTED IN TROAX'S STRATEGY. TROAX'S FOCUS AREAS FOR SUSTAINABILITY INCLUDE ALL OUR ESSENTIAL AND PRIORITY SUSTAINABILITY ISSUES. WE HAVE IDENTIFIED HOW TROAX AFFECTS AND CONTRIBUTES TO THE GLOBAL GOALS THROUGH OUR STRATEGY AND BUSINESS, THROUGH THE WAY WE WORK AND OUR OPERATIONS AND INDIRECTLY IN OUR VALUE CHAIN. WE HAVE IDENTIFIED A NUMBER OF AREAS RELATED TO THE UN GLOBAL SUSTAINABILITY GOALS, WHICH ARE PRESENTED IN CHAPTER 3 BELOW.

2.3 RISKS AND RISK MANAGEMENT IN THE VALUE CHAIN

STAGE IN THE VALUE CHAIN	TYPE OF RISK	TROAX'S MANAGEMENT OF THE RISKS
Suppliers	Risk of non-compliance regarding rights and anti-corruption.	Suppliers required to sign Troax Code of Conduct.
		Monitoring compliance with Troax Code of Conduct by visiting Troax suppliers.
	Environmental risk	Troax primarily requests recycled steel from steel suppliers and has a stated sustainability goal that 80% of all steel used will be either recycled steel or alternative steel by 2030.
Product development	Environmental risks	Environmental assessments are an essential part of our product development, and we actively explore alternatives as a way of improving various aspects of our products. We are focused on improving material choices, lower consumption, energy efficiency and recyclability to achieve a more sustainable production and product lifecycle.
	Product safety risks	Thanks to optimised constructions and the use of high tensile-strength materials, combined with regular tests at our test centre, our products have a higher degree of material efficiency and a given tensile strength.
Production / Employees	Physical risks in the work environment	Systematic work environment initiatives through training, regular inspections, work instructions, protective equipment and ergonomic aids etc.
	Mental health risks in the work environment	All Troax employees shall be treated with respect in accordance with basic human values. Troax companies respect employees' right to organise and are open to offering collective agreements to employees where possible. This is described in the Troax Code of Conduct and policies.
	Health and safety risks	Reporting/monitoring incidents and accidents, action plans, training.
	Environmental risks	We identify the painting process as the most significant environmental risk in our operations. To manage this, our painting processes are carried out in a closed system, with excess materials destroyed effectively as necessary. At our largest facilities, we have switched from natural gas to biogas. Residual waste from our metal production is handled in-house to enable efficient recycling at the smelter.
		Targets and action plans to achieve energy efficiency improvements for a continuous reduction in energy use.

STAGE IN THE VALUE CHAIN	TYPE OF RISK	TROAX'S MANAGEMENT OF THE RISKS
Cont. Production / Employees	Risk of corruption and bribery	Troax helps fight corruption and bribery by providing information to all employees on Troax's ethical guidelines, Code of Conduct and the whistleblower function every year. This information is also conveyed during the on-boarding of new hires within the Troax Group.
Logistics	Negative environmental impact from transport from production unit to customer	Greenhouse gas emissions caused during transport are reduced by producing Troax products locally in the USA and Asia.
	Risk of our distributors not meeting Troax's requirements for anti-corruption and/or compliance requirements for export controls and sanctions	Requirement for Troax's main carriers to be Euro 6 classified, offsetting carbon emissions from air transport.
		Documents to be signed for Troax distributor certification forms on anti-corruption, export control and sanctions have been introduced.
Customers	Product safety risks	Product tests can be carried out on products from all production units. At our largest facility, we carry out third-party certifications (TUV).
	Work environment risks	Troax's products make workplaces around the world safer for our customers' employees and help minimise the number of accidents that occur in industrial operations.
	Environmental risks	In 2023, Troax made it easier for customers to consider the environment in their product choices, as our website compares the relative carbon footprint of a selection of mesh panels and posts based on the difference in the products' weights.
"End-of-life"	Environmental risks	Our primary product is 99% recyclable and we are continuously committed to simplifying the handling of the product once it has served its purpose.
		Troax is actively involved in informing its customers about how they can best ensure that their end-of-life products are recycled.

3 TROAX'S FOCUS AREAS FOR SUSTAINABILITY EFFORTS

BASED ON OUR STAKEHOLDER SURVEYS AND RISK ANALYSES, AND OUR PRIORITY UN SDGS, WE IDENTIFIED THREE PRIORITY FOCUS AREAS FOR OUR SUSTAINABILITY EFFORTS WHICH WE ALSO CONSIDER TO BE OF SIGNIFICANCE FOR OUR STAKEHOLDERS.

	ENVIRONMENTAL SUSTAINABILITY	SOCIAL SUSTAINABILITY	ECONOMIC SUSTAINABILITY
Troax focus area	**Reduced environmental impact**	**Decent working conditions**	**A high standard of business ethics**
Sustainability aspects	Use of raw materials (steel) Environmental aspects in our production process Environmental aspects in our product development process Environmental aspects in our logistics process Environmental aspects in our sales process	Occupational health, safety and well-being Universal human rights Diversity, equality and equal opportunities Good development opportunities	Integrity in business relations Responsible supply chain including human rights Business ethics and anti-corruption
Supports compliance with UN global sustainability goals	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH	16 PEACE, JUSTICE AND STRONG INSTITUTIONS

We have been addressing sustainability issues for many years and have integrated them as a natural part of our business. This was implemented partly through the introduction of various policies relating to sustainability, and partly by ensuring active sustainability efforts in accordance with ISO 14001. All three of the above focus areas will also apply to Troax's main suppliers. We track our sustainability performance by monitoring attainment of targets set within each area. Our aim is to continue developing our internal sustainability programme, such as through continued investment in training and through additional targets that are regularly monitored within the business.

3.1 ENVIRONMENTAL SUSTAINABILITY – REDUCED ENVIRONMENTAL IMPACT

3.1.1 TROAX'S ENVIRONMENTAL WORK

Troax has focused on reducing its environmental impact in its business processes for a long time, and working towards a better environment is an important part of the day-to-day work we do. In 2020, steps were taken to identify which processes Troax has the greatest environmental impact in, in order to be able to focus our efforts concerning climate change in these respective areas. Troax continued its environmental work during 2021, focusing on the areas where our operations have the most negative environmental impact. We will describe Troax's sustainability efforts in more detail below, in the areas of consumption of raw materials (steel) and environmental aspects of our production, product development, logistics and sales processes, and will conclude with an analysis carried out in 2021 and 2022 regarding the areas in which Troax's operations in Sweden have the greatest climate impact.

In addition to active efforts to reduce the impact that Troax's value chain has on the climate, Troax is also working with complementary environmental measures, such as co-ownership of the local wind farm and that we carbon-offset transportation by our main freight forwarders leaving our factory in Sweden.

3.1.2 USE OF RAW MATERIALS (STEEL)

Troax's steel products are highly recyclable, with a recycling rate of up to 99 percent. This means that, when our products have reached the end of their life, they can be recycled and turned into new steel products, provided they are recycled correctly. We encourage our customers to recycle steel products and, where possible, to reuse them. To facilitate recycling and make them more energy efficient, all our products are designed to be easy to dismantle, take apart and sort. We endeavour to make recycling as easy and smooth as possible. However, it is important to point out that Troax has control over its own end-of-life recycling process, as there are significant differences between different markets and recycling processes. We work actively to promote sustainable management of our products and encourage responsible recycling and reuse of steel products.

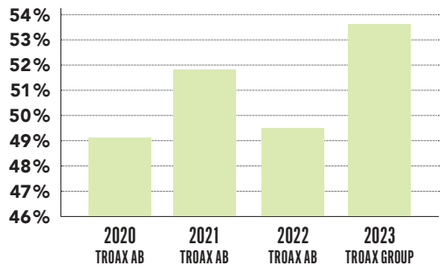
We constantly strive to reduce the amount of steel required to make our products, while maintaining or increasing safety for customers. By using innovative design, technology and material choices in our product development process, we have succeeded in creating products which require less steel per mesh panel than any other competitor on the global market, without compromising safety. We are proud to be able to offer our customers high-quality, safe products and to contribute to reducing the total amount of steel used in production. Our commitment to sustainable development extends to all our operations, from design to production and delivery, and we continue to work hard to find new ways of reducing our environmental impact without compromising product quality and safety.

Troax's climate calculations (see Section 3.1.6 below) show that steel consumption is the single largest contributing factor to Troax's negative impact on the climate. In the coming years, Troax will therefore continue to focus strongly on our efforts to increase the proportion of recycled steel (or alternative steel) in our manufacturing of mesh panels, with the aim of using 80 percent recycled steel or alternative steel by 2030.

Troax uses different proportions of recycled steel in our factories, depending on the market and availability of supplies. In an ideal world, we would only use recycled steel, but it is not as simple as that in reality. The world market for recycled steel is largely governed by steel mills. The recycling rate of steel is generally high or very high, but the availability of recycled steel is not sufficient to meet everyone's needs.

In 2023, Troax was actively engaged in following the development of alternative steels, such as green steel and carbon-neutral steel. We remain in close dialogue with our materials suppliers to explore possibilities for this type of material. As the demand for steel increases and since steel has a long life cycle, we are likely to see a shortage of recycled steel. We are working proactively to address this challenge and to ensure that we can continue to achieve our sustainability goals by exploring available options and strategies.

PROPORTION OF PURCHASED RECYCLED STEEL IN PIPES AND WIRE

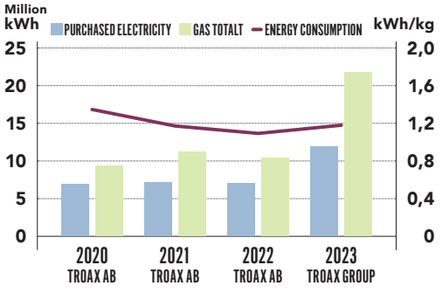


3.1.3 AN ENVIRONMENTALLY FRIENDLY PRODUCTION PROCESS

We strive to ensure that Troax has an environmentally friendly production process. Since 1998, for example, we have certified our facility in Sweden's management system according to ISO 14001 (Environment). Our other facilities are either ISO 14001-certified or will obtain this certification within the next few years. We monitor and measure our environmental performance and seek to eliminate or reduce pollution, unnecessary material consumption and emissions to air and water. Troax is actively working towards minimising its use of fossil fuels, and there are no emissions of heavy metals in our production process. Waste products in the form of steel scrap from the cutting and clipping of pipes and wire are managed in close cooperation with our recycling partners at our facilities. Our production process can therefore be considered to have a very low impact on the environment, which is also evident from the climate calculations conducted in 2023 (see Section 3.1.6 below).

Our operations in Sweden have been subject to notification, and our manufacturing facilities in China, Italy, the UK, Poland and the US comply with national environmental regulations. Until 2018, there was an official requirement to check drinking water and ground water for an increased trichloroethylene level in the groundwater at the Hillerstorp site. Since the phasing out of this requirement, we have continued to check drinking water to ensure that the levels are within the limits.

For several years, Troax has been pursuing a goal of minimising energy use in our operations by 2% annually, relative to the quantity of steel used in kilograms. In 2023, we successfully reduced energy consumption per kilogram by 3.56% compared to the previous year, 2022. Since introducing this target in 2018, we have managed to reduce energy use by an average of 2.04% per year for our Swedish entity, with the exception of 2021 when we did not meet our target.



In 2023, we intensified our efforts to map energy use across our operations. The aim of this mapping was to ensure that all energy is used as efficiently as possible, with minimal loss and waste. This careful monitoring of energy use is and will continue to be a central part of our quest to continuously improve and optimise our energy use.

Starting in 2023, we will begin reporting on energy use for the entire Group. This means that the total numbers now show an increase compared to previous years, when only use from the Swedish entity was reported. This step gives us a more comprehensive picture of our global energy use and helps us to further improve our energy efficiency at a Group level.

3.1.4 ENVIRONMENTAL ASPECTS IN OUR PRODUCT DEVELOPMENT PROCESS

All product development projects carried out for the Troax brand undergo an environmental assessment in order to highlight the environmental aspects in our development of new products. This assessment is mandatory and the product's environmental aspects are also taken into account in the feasibility study and at the end of the construction phase. During the environmental assessment, we carry out a critical review of both materials and construction in accordance with a standardised method, while also drawing up a record. In this phase, we also assess production, packaging and logistics. The products that receive a high rating contribute greater environmental benefits, while products with a low rating have the potential for improvement and are flagged for improvement measures where possible. Since Troax's products are intended to protect lives, machinery and goods, it is important to find a perfect balance between safety and environmental benefits.

Troax's commitment to the environment has led to the development of more efficient and sustainable products. A prominent example is our optimised Multi bracket for switches, designed to be flexible and save on materials. We also have our 80×80 pole with reduced material thickness, which reduces steel consumption while improving the strength of the system. Our patented Smart Splice contributes to reduced packaging requirements during transportation, which is a step towards more sustainable logistics solutions. Several development projects are underway, focusing on reducing material flow without compromising product quality. At a global level, our operations, including Folding Guard in the US and Satech in Italy, are actively working on environmental assessments in product development, while Natom Logistic in Poland is preparing for roll-out. In addition, we are replacing printed assembly instructions with digital alternatives, which not only improves accessibility but also drastically reduces the use of paper.

3.1.5 ENVIRONMENTAL ASPECTS IN OUR LOGISTICS PROCESS

At Troax, we work with our transport partners to minimise the impact we have on our environment. Our aim is to use the most environmentally friendly vehicles for road freight as far as possible, with the goal that eventually 70% of freight within Europe will be classified as Euro 6. With this in mind, we have an active on-going dialogue with our main freight forwarders and follow up on outcomes with them at regular intervals. In 2023, we continued towards our goal of at least 70% of road freight within Europe being classified as Euro 6. Where customers request that we fly our goods, Troax will use air freight forwarders who offset their carbon emissions as far as possible. This also includes courier and express package deliveries.

We are continuously streamlining our packing methods in order to maximise cargo space in trucks and thereby minimise the number of trips. In addition to reducing the impact our freight has on the environment, we are also working to reduce trips by increasing the share of local production of Troax products in the United States for the North American market and in China for the East and South-East Asian (APAC) markets. From 2020 onwards, the share of local production in the US and APAC has increased significantly compared to previous years, resulting in fewer trips from Sweden to these regions.

3.1.6 TROAX'S 2023 CLIMATE CALCULATIONS

Troax began extensively mapping out and calculating its climate impact according to the international standard Greenhouse Gas Protocol (GHG Protocol) in 2020. During this initial phase, we focused on the emissions from our production facility in Sweden. In 2022, several of the other manufacturing companies in the Group began reporting their environmental key performance indicators (KPIs), and in 2023 all our manufacturing units reported their climate impact according to the GHG Protocol.

Troax plans to begin the process of establishing a science-based climate target for all operations in line with the Science Based Targets (SBT) by 2025. We apply an operational verification approach to provide a comprehensive picture of the emissions that our operations generate. The results of our climate calculations are presented in the accompanying graph, where our emissions are broken down according to the GHG Protocol's three "Scopes".

Scope 1 corresponds to direct emissions of greenhouse gases from our operations, which includes the use of diesel and petrol for our own vehicles, as well as leakage of coolants.

Scope 2 corresponds to indirect emissions from purchased energy, heating and cooling used within our operations. Scope 2 emissions are reported in accordance with the GHG Protocol, using both market-based and site-based emissions. Market-based emissions are based on supplier-specific information, since Troax's aim is to procure 100% renewable electricity. Site-based emissions are calculated using an emissions factor based on the Nordic energy mix.

Scope 3 corresponds to indirect emissions in Troax's value chain. The first stage of mapping Scope 3 focused on five categories: outgoing transportation (to customers), business trips, waste, commuting to and from the workplace, and procurement of steel. We apply emissions factors from DEFRA. The result was reported in the number of tonnes of carbon dioxide equivalents (CO_2e) using GWP 100.

Over the past four years, our analysis of CO_2 emissions has shown that the majority of emissions at Troax fall under Scope 3, with significantly lower Scope 1 and Scope 2 emissions. From 2020 to 2022, reporting was limited to Troax AB only. For 2023, reporting is being expanded to include the entire Troax Group, resulting in a change in the percentages attributable to each Scope. Material procurement remains by far the biggest influencing factor. This extended reporting for 2023 allows us to present our CO_2 emissions in absolute terms, and offers an in-depth overview of our overall environmental impact.

Increasing the use of recycled steel is a key factor when it comes to reducing the impact Troax has on the environment. This, combined with continuous work in the product development phase to reduce the use of steel in our mesh panels without compromising safety, will continue to be two of the main areas of focus in our environmental work. Troax will also continue to actively seek out cooperation with freight forwarders that can offer environmentally friendly alternatives.

	TONNES CO_2e				
	TROAX AB			TROAX GROUP	
EMISSIONS SCOPE	2020	2021	2022	2023	
Scope 1	0.35%	0.05%	0.10%	1.60%	1,591
Scope 2	1.00%	0.30%	1.30%	3.30%	3,278
Scope 3 – material procurement	93.30%	92.80%	92.30%	92.74%	92,069
Scope 3 – out-going transportation	4.80%	6.20%	5.30%	1.71%	1,695
Scope 3 – other emissions	0.55%	0.65%	1.00%	0.65%	645
Total Scope 1 & 2	1.35%	0.35%	1.40%	4.90%	4,869

3.1.7 ENVIRONMENTAL ASPECTS IN OUR SALES PROCESS

As shown by our climate calculations and the texts mentioned above, the use of steel in our products is the most significant factor when it comes to our negative impact on the environment. For that reason, one of our core strategies is to continuously strive to maximise the use of recycled steel while reducing the amount of steel used in the development of new products, without compromising the guaranteed level of safety.

We are committed to being transparent about our climate impact, which is why we present this information openly on our website. In addition, we continuously train our sales staff so that they can guide our customers to make informed environmentally friendly choices when selecting our products.

PRODUCT	PRODUCT COMPARISON	DIFFERENCE
Panel ST20 2,050×1,500	Panel ST20 2,050×1,500 vs Panel ST30 2,050×1,500	**–15%**
Panel ST30 2,050×1,500	Panel ST30 2,050×1,500 vs Panel ST20 2,050×1,500	18%
Post 60×40×2,200	Post 60×40×2,200 vs Post 80×80×2,200	**–54%**
Post 80×80×2,200	Post 80×80×2,200 vs Post 60×40×2,200	116%
	SYSTEM COMPARISON	
	Smart Fix 60×40 vs Strong Fix 80×80	**–27%**
	Strong Fix 80×80 vs Smart Fix 60×40	37%

3.1.8 TAXONOMY REPORTING 2023

The EU's Taxonomy Regulation (EU 2020/852) came into effect in 2021, after which Troax carried out its first assessment of which economic activities fall within the EU's taxonomy, so-called taxonomy-eligible. An assessment of the sectors defined in the taxonomy shows that none of Troax's turnover in 2021–2023, defined as net turnover, see Note 1 on page 23 in the Annual Report for 2023, arose from those economic activities which the Taxonomy Regulation defines as making a substantial contribution to the green transition. Troax has chosen to make a few distinctions with regards to the collection of data on operating and capital expenditures. These distinctions and clarification of the definition of the respective key figures are described below, as well as in the tables in Section 5.

According to the taxonomy, operating expenditures (OPEX) include expenditures from assets or processes related to the production of products and the provision of services that ultimately generate turnover from the economic activity. OPEX includes expenditures for product development, renovation of buildings, short-term leasing, repair and maintenance, and all other direct costs necessary for the day-to-day servicing of tangible fixed assets. Troax has chosen to exclude expenditures which will result in low-carbon operations or a reduction in CO_2 emissions, so-called stand-alone OPEX, from the taxonomy-eligible and/or aligned OPEX, since the amount is considered to be insignificant.

Capital expenditures (CAPEX) according to the taxonomy include all types of investments capitalised during the year, such as acquisitions of tangible and intangible fixed assets and rights-of-use assets, excluding leases that are not capitalised as rights-of-use assets under IFRS 16. Goodwill is not included in CAPEX, since it is not defined as an intangible asset under IAS 38. For more information on our accounting standards for sales of goods and services and investment expenditures, see Note 1 on pages 23–25 of the Annual Report 2023. Troax has chosen to set a lower threshold of EUR 50 thousand for investments leading to low-carbon operations or a reduction in CO_2 emissions, so-called stand-alone CAPEX, for taxonomy-eligible and/or aligned CAPEX, since the amount below the threshold is considered to be insignificant. Troax has no investment plans which aim specifically to create new taxonomy-aligned activities. Therefore, no eligible or aligned OPEX or CAPEX related to such plans has been reported.

Troax supports the initiative and the underlying principle of the EU taxonomy. However, it is important to emphasise that economic activities not directly covered by the sectors defined in the taxonomy should not automatically be considered unsustainable. Although these activities are not included in the categories identified by the EU as making the most substantial contribution to the green transition, they can still play an important and sustainable role in their specific industries.

3.2 SOCIAL SUSTAINABILITY – GOOD WORKING CONDITIONS

AT TROAX, OUR AMBITION IS TO BE AN ATTRACTIVE AND RESPONSIBLE EMPLOYER THAT OUR EMPLOYEES FEEL MOTIVATED TO BE A PART OF IN THE LONG TERM. WE ARE CONVINCED THAT THE COMPANY'S SUCCESS IS DIRECTLY LINKED TO A STRONG CORPORATE CULTURE THAT PROMOTES DIVERSITY, CONTINUOUS LEARNING AND A HIGH LEVEL OF COMPETENCE AMONG OUR EMPLOYEES. IN ORDER TO SUCCEED IN THIS AMBITION, IT IS VITAL THAT WE OFFER TROAX EMPLOYEES DECENT WORKING CONDITIONS.

3.2.1 OCCUPATIONAL HEALTH, SAFETY AND WELL-BEING

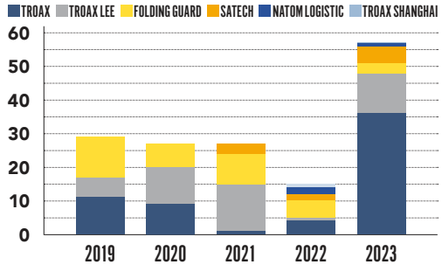
Good health is fundamental for people to be able to realise their full potential and contribute to the development of society. Troax companies are committed to providing a safe and healthy work environment, and we operate a zero vision for employee accidents and customer accidents caused by our products. A strong occupational health and safety culture supported by employees who take good care of each other helps us to achieve this goal.

Our subsidiaries are directly responsible for maintaining a safe work environment that complies with local legal requirements. The Troax Group's manufacturing companies compile monthly reports that include employee statistics, such as overtime, sickness, incidents and accidents. These reports are reviewed continuously by Group Management. In the event of abnormal illness-related absences and incidents or accidents, thorough investigations are carried out, with accidents reported to the relevant authorities in accordance with the applicable legislation. We also prioritise internal fire safety controls in order to minimise the risk of property damage and personal injury, contributing to a safe and healthy work environment.

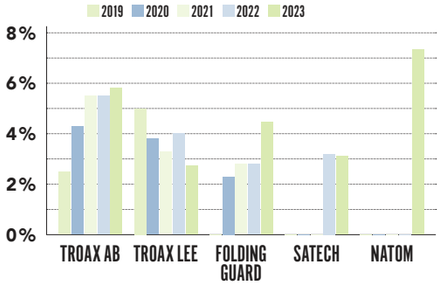
In 2023, we saw a significant increase in the number of accidents reported, which we consider to be a result of an improvement in reporting methods and an increased focus on reporting that were rolled out in late 2022 and 2023. This increase has been analysed and we consider it to be less an actual negative trend in employee health, and more a positive development as it means that we are identifying more potential risks that we can prevent in the future.

During the period 2020–2022, we observed an increase in illness-related absences, which can be mainly attributed to the coronavirus pandemic. This is partly due to the strict guidelines that prevented employees from coming in to work if they were exhibiting signs of illness, and partly due to the requirement to be symptom-free for several days before being allowed to return to work. In 2023, we did not identify any other factors that contributed to the increase in illness-related absences, but we are now establishing a new standard practice where employees will remain home if they are more seriously ill.

ACCIDENTS REPORTED



AVERAGE SICKNESS ABSENCE RATE, TROAX AB



3.2.2 UNIVERSAL HUMAN RIGHTS

Our commitment to respecting human rights and decent working conditions is emphasised in our Code of Conduct and in our Code of Conduct for Suppliers, in which we express our support for human rights laws and the UN Guiding Principles on Business and Human Rights, for example.
To prevent risks relating to human rights, we are committed to complying with national legislation and international conventions on human rights. Troax's Code of Conduct, supported by our core values, also provides guidance on identifying, preventing and combatting risks relating to human rights and decent working conditions. We do not tolerate child labour or any form of forced or hard labour and we support the rights of the child and the right to education. All our direct and indirect employees must be treated with respect according to basic human values. Troax supports freedom of association, which means that all employees have a right to join a trade union, if they so wish, and are covered by collective agreements on markets where this is possible.

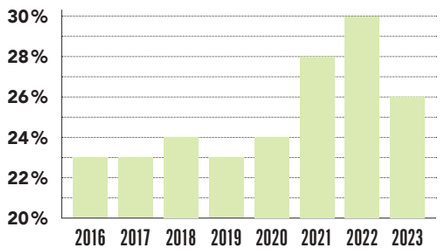
3.2.3 DIVERSITY AND EQUAL OPPORTUNITIES

Troax's primary goal is for diversity and equal opportunities to be a natural and integral element in all of our activities. As an employer, Troax has a responsibility for ensuring that all employees are treated equally and with respect. This applies to all types of workplaces, levels and also to management and decision-making bodies.
An equal opportunities workplace with diversity is conducive to an attractive and dynamic workplace. We strive to promote an inclusive culture where employees enjoy respect and where the workforce reflects society at large. Troax has zero tolerance of all forms of discrimination and harassment, be they based on gender, age, ethnic origin, religion or creed, disability, sexual orientation, social group or other characteristics.

Gender equality is a prerequisite for sustainable development. The Group is committed to achieving no difference in pay between men and women who perform similar jobs. For Troax, diversity means not only a diversified workforce possessing relevant skills, but also an inclusive workplace. The diversity policy is observed in all HR processes, and the company adheres to a strict policy on non-discrimination.

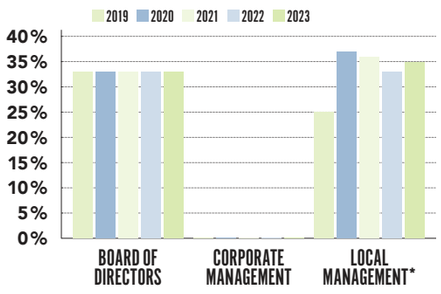
Troax is committed to increasing the number of women in managerial positions and the Board of Directors of the parent company promotes gender equality and diversity in its recruitment process for new board members. Like many industrial companies, a predominant proportion of employed personnel are men. The proportion of women has decreased from 30% in 2022 to 26% in 2023. An assessment shows that this is largely due to the fact that a small number of the larger companies in the Group reduced their share of women during the year.

PROPORTION OF WOMEN EMPLOYED IN THE TROAX GROUP



With respect to senior executives, the Board of Directors of Troax Group AB, which is elected by the AGM, comprises 33% women, while the central management group still lacks female representation. With respect to local management groups within Troax, the share of female representation has increased slightly from 33% in 2022 to 35% in 2023.

PROPORTION OF WOMEN MANAGERS/EXECUTIVES/DIRECTORS



**Refers to local management teams in the six manufacturing divisions within the Group.*

3.2.4 GOOD PROFESSIONAL DEVELOPMENT OPPORTUNITIES

Troax has a strong company culture and a work ethic informed by our core values of customer focus, respect and cooperation. We offer market-rate wages and employee benefits, a multicultural and inclusive workplace and employment terms which respect employee needs. Opportunities for career-building and in-service training are crucial for attracting and retaining employees. High-level skills and engagement among employees are core to Troax's company culture. In order to promote greater skills and engagement, the company regularly gathers feedback from employees in the form of employee surveys and annual employee-manager performance appraisals. This annual appraisal is vital not only to promoting employee development, but also to translating company goals into specific work-related goals for each individual employee.

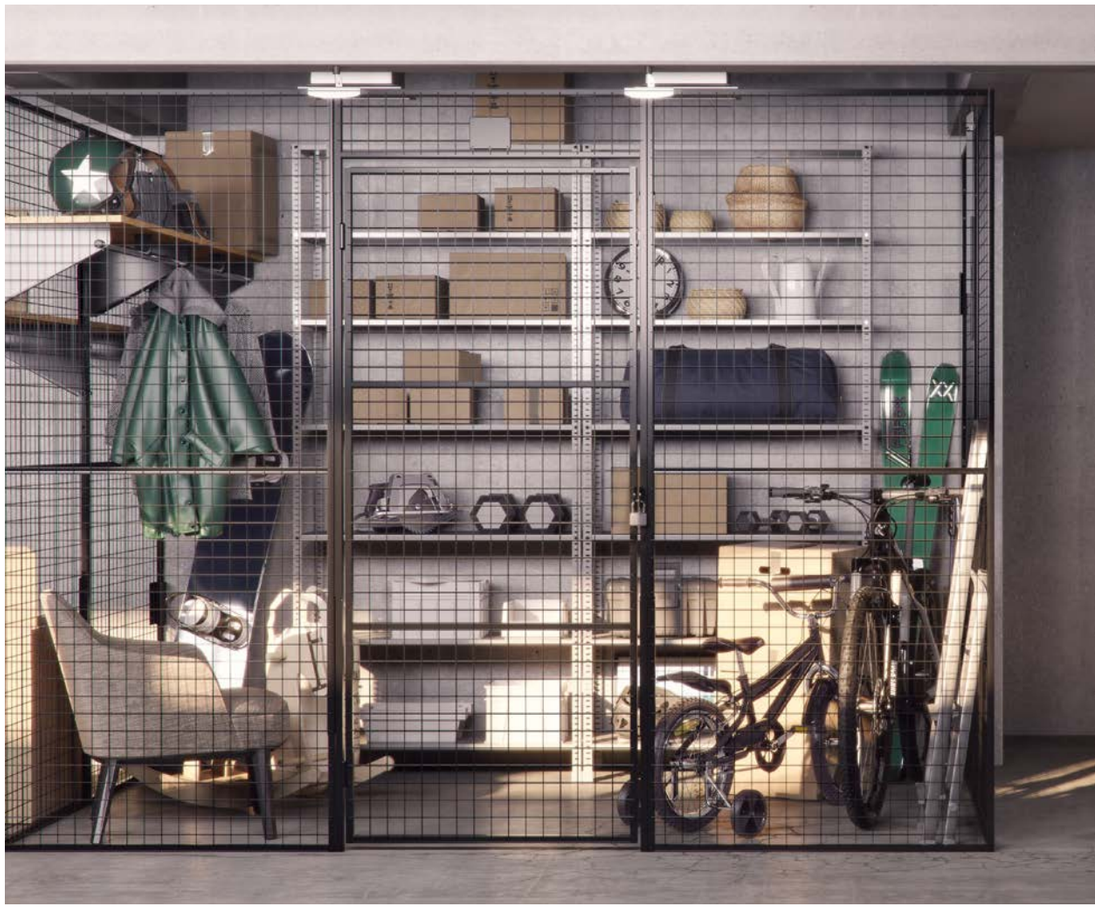
Most of the Group's companies have introduced a process that requires a documented employee appraisal with the manager to be held at least once a year. Opportunities for upskilling are provided for both workers and management through internal and external trainings. Troax often recruits for new positions internally and all vacancies within Troax are advertised internally even if they are also advertised externally.

3.3 ECONOMIC SUSTAINABILITY – A HIGH STANDARD OF BUSINESS ETHICS

Peaceful societies and freedom from violence are a goal and a path towards sustainable development. Inclusive, accountable and fair institutions are the foundation of good governance, free from conflict, corruption and violence. Troax's attitude towards business ethics is summarised in the Troax Code of Conduct, Troax Ethical Guidelines and Troax Whistleblower Policy.

Our business is based on nine core and ethical values, as well as our core values of customer focus, respect and collaboration. In order to make things easier for our employees, suppliers, partners and other stakeholders, we have compiled our thoughts and views on the values in the Troax Code of Conduct and the Troax Code of Conduct for Suppliers. We also have a policy for distributors regarding anti-corruption, export controls and sanctions. It is the responsibility of the management to advocate for the values underpinning the Code of Conduct and to monitor how these values are respected and observed. The Code of Conduct calls for a high standard of business and personal ethics among Troax employees and includes aspects such as:

- Undue influence: Troax operates a zero-tolerance policy on bribery and other forms of corruption. All forms of marketing activities/hospitality must comply with internal rules, and the business practices and legislation that apply on the markets where we operate. Troax does not tolerate any attempt to exert undue influence on the part of existing or potential business partners, customers or other stakeholders. Undue influence must not be exerted over either Troax employees or contractors acting on behalf of Troax. Employees and contractors must not accept or receive, accept a promise of, or request any form of benefit that could be perceived as a form of corruption. Equally, employees and contractors acting on behalf of Troax must not commit any



act that is or might be construed as an attempt to unduly influence the decisions of others.

- **Conflicts of interest:** Troax's decisions must not be influenced by personal interests such as private economic interests, family or friendship ties or other vested interests which are of no relevance to Troax's business. Line managers must always be informed any time there is a risk of a conflict of interest and reasonable measures shall be taken to resolve the issue.
- **Competition:** Effective competition on equal terms is an important part of a healthy economy. Competition drives the development of business and industry stakeholders, which benefits customers and society at large. This means that we must not conduct any activities that unduly limit effective competition.

All Troax employees are reminded of the Troax Code of Conduct and the Whistleblower Policy each year, and the provision and review of these documents is also a mandatory part of the on-boarding process for new employees. The Troax Code of Conduct, Ethical Guidelines, and Whistle-blower Policy are available in local languages in those countries where the company's employees cannot access English-language texts. Starting in 2021, all employees of the Group have been able to confirm that they are familiar with, understand and intend to comply with the principles set out in the Troax Code of Conduct by signing a document. This process was repeated in 2023 and will continue to be repeated every year moving forwards.

Employees must perform their work with a high degree of business ethics and ethical conduct in accordance with the Code of Conduct. Being an employee also means being a representative of Troax. Everyone is therefore expected to act with honesty, integrity and in accordance with applicable legislation.

In early 2024, we developed and implemented an anti-corruption policy. The aim of this policy is to demonstrate our commitment to maintaining the highest possible standards of integrity and transparency in all aspects of our business.

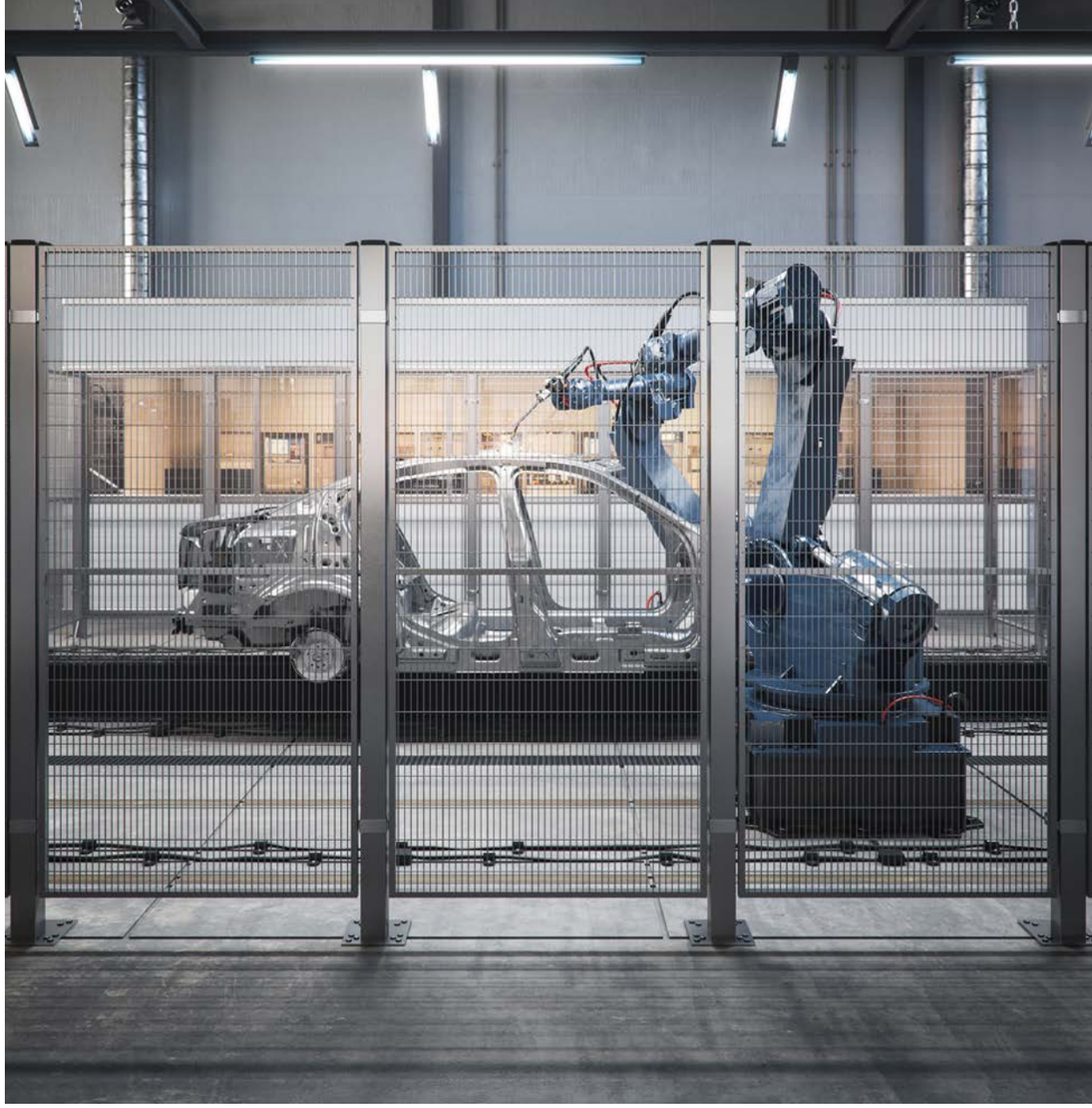
Our Anti-Corruption Policy strengthens our efforts to prevent, identify and manage corruption and non-compliances, ensures that we are acting in compliance with laws and regulations, and maintains trust among our customers, suppliers and employees. Our Anti-Corruption Policy is a central part of our commitment to ethical business and responsible leadership.

In 2023, Troax implemented a new whistleblower management process to improve the safety and security of our employees and stakeholders. In this new process, all cases are handled by an external and independent party via a digital platform, ensuring objectivity and transparency. This party reports cases directly to the Board. When implementing this process, we placed great emphasis on educating and informing our employees about the new procedures.

Since the introduction of this new process, we have observed a significant increase in the number of cases reported during the year. A total of six cases were handled. At Troax, we take these cases very seriously and have followed the established process in order to handle them as a matter of utmost priority. We see this increase in reporting as a sign that our employees and stakeholders have confidence in the new process. This allows us to proactively prevent and manage potential risks in future.

Troax also has a policy in place regarding export control and sanctions to ensure that Troax's operations comply with the sanctions that have been implemented by the United Nations and the European Union, in particular. Troax pays taxes in accordance with local tax legislation in all countries in which the Group has companies and every company pays income tax on the basis of its reported operating profit. No legal structures have been established to optimise the Group's tax costs. We value our excellent reputation which should apply to all our divisions and companies, both internally and externally. It is important for employees to understand how their actions both within and outside the business reflect on Troax. Our employees must therefore take responsibility for their personal statements and opinions.

PROCESSES IMPLEMENTED TO PROMOTE A HIGH STANDARD OF BUSINESS ETHICS	2020	2021	2022	2023
Whistleblower function covering all Group companies	√	√	√	√
The Troax Code of Conduct and Whistleblower Policy have been communicated to all Group employees throughout the year	√	√	√	√
All new hires are made aware of the Troax Code of Conduct and Whistleblower Policy during on-boarding	√	√	√	√
The Troax Code of Conduct and Whistleblower Policy are translated into the local language in those countries where employees cannot read English	√	√	√	√
Number of cases reported via the whistleblower system	1	1	0	6



3.4 SUSTAINABILITY IN THE SUPPLIER AND DISTRIBUTOR CHAIN

Troax strives to use sustainable procurement methods which minimise the negative impact on society and the environment, improve our suppliers' sustainability performance and create value for the business, our customers and society as a whole. It is important for us that we work with suppliers who understand and comply with our sustainability standards in areas such as the environment, working conditions, human rights and business ethics. The principles contained in the UN Global Compact and mentioned in the introductory sections of this report are embedded in the Troax Code of Conduct for Suppliers, a document that was implemented in 2020 and in which Troax requires the supplier to accept our terms and conditions by signing the Code of Conduct.

In order to ensure and take responsibility for our suppliers maintaining our sustainability standards, the Troax Group introduced a system in 2023 whereby all suppliers will report over time on how they are managing and meeting our requirements for working conditions, business ethics and environmental impact. We began working on this process this year with Troax Swedish Business, and our plan for 2024 is to expand the system to include all production units within the Group.

By working together with our partners in the value chain, we are committed to ensuring that both our and their operations fulfil sustainability requirements and standards at all times. Our focus is on collaborating and developing in tandem with our partners, with a strong emphasis on taking responsibility for our impact throughout the value chain.

All major suppliers of materials to Troax AB (Sweden), Troax Shanghai (China), Troax Lee, Folding Guard and Satech Safety Technology Spa (Italy) have signed the Supplier Code of Conduct. Work has begun for Natom Logistic. Our Code of Conduct is reviewed and a request for signature submitted every other year in accordance with our process in order to ensure that we are up-to-date.

4 OUTCOMES AND GOALS REGARDING TROAX'S SUSTAINABILITY INITIATIVES

The aim of Troax's sustainability initiatives is to create value for our stakeholders. By continuously improving our sustainability efforts, we aim to minimise risks to Troax, to develop and enhance the company's offering to customers, and to identify new, future business opportunities, thereby reinforcing our financial strength. An important pat of this commitment is transparent reporting on Troax's performance on key sustainability factors. We work on and report our goals within the areas of focus described above:

1. Reduced environmental impact
2. Decent working conditions
3. High standard of business ethics

All three of the above focus areas will also apply to Troax's main suppliers.

Troax's sustainability initiatives have been focused on implementing a range of activities aimed at achieving specific goals which are presented in the table enclosed. We reached a significant milestone in 2023, with all our production units reporting their environmental impact in accordance with the Greenhouse Gas Protocol (GHG Protocol).

A significant amount of resources have been put towards ensuring that our operations are reporting in accordance with the Corporate Sustainability Reporting Directive (CSRD).

By 2025, we will begin work on establishing a science-based climate target for the entire Group, in line with the Science Based Targets (SBT). This initiative will further strengthen our commitment to acting in line with global standards for sustainability reporting and climate targets.

A special working group has been set up and continuously reports to Group management regarding progress on our sustainability initiatives. Troax is part of the circular economy, but we cannot guarantee that this circle is closed. Our products are adapted for long-term use, so that when they are no longer used they can be recycled. We cannot currently control what our customers do with their used products but we urge everyone to put the steel back into circulation so it can be turned into new products. Since our products last a long time and can withstand tough demands, they can also be reused as long as they have not been damaged.

SUSTAINABILITY FACTOR	GOALS 2020–2030	2021	2022	2023
Reduced environmental impact – energy use	Troax aims to reduce energy consumption by 2% per year at its three largest production facilities, measured in kWh per kilogram produced	Troax AB: 1.33 kWh/kg	Troax AB: 1.10 kWh/kg	Troax Group: 1.18 kWh/kg
Reduced environmental impact – out-going transport	70% of all road freight by Troax's main freight forwarders shall be in line with Euro 6	67% for transportation from Sweden	75% for transportation from Sweden	75% for transportation from Sweden
	100% of carbon emissions from all air freight with Troax main forwarders shall be compensated	100% of Swedish entity	100% of Swedish entity	100% of Swedish entity
Reduced environmental impact – product development	All product development within the Group must involve an environmental assessment, taking into account environmental aspects	Troax AB: 100% Satech: Work initiated on environmental assessments Folding Guard: Work initiated on environmental assessments	Troax AB: 100% Satech: Work initiated on environmental assessments Folding Guard: Work initiated on environmental assessments Natom Logistic: Environmental assessments not yet initiated	Troax AB: 100% Satech: Work initiated on environmental assessments Folding Guard: Environmental assessment performed for development of new products Natom Logistic: Environmental assessments not yet initiated
Reduced environmental impact – use of steel	By 2030, 80% of steel used at Troax AB shall be either recycled steel or alternative steel	*Percentage of recycled steel* Troax AB: 51%	*Percentage of recycled steel* Troax AB: 49% Satech: 59% Folding Guard: 82%	*Percentage of recycled steel* Troax Group: 53.6%
	Targets shall be set for other production facilities in connection with roll-out of GHG Protocol work	Other production facilities: Collection of data from suppliers initiated	Other production facilities: Collection of data from suppliers initiated	Three out of six production facilities collecting data from suppliers

SUSTAINABILITY FACTOR	GOALS 2020–2030	2021	2022	2023
Reduced environmental impact / Decent working conditions / High standard of business ethics	All Troax priority suppliers must sign the Troax Supplier Code of Conduct or an equivalent document	Troax AB: 100% of Class A suppliers Troax Shanghai: 100% Satech: 80% of purchase volume Folding Guard: Work initiated Troax Lee: Work initiated Natom Logistic: Work not yet initiated	Troax AB: 100% Troax Shanghai: 100% Satech: 100% Folding Guard: 20% Troax Lee: 20% Natom Logistic: Work not yet initiated	Troax AB: 100% Troax Shanghai: 100% Satech: 100% Folding Guard: 100% Troax Lee: 100% Natom Logistic: Work initiated
Decent working conditions – minimise number of accidents	Troax shall employ preventative measures to reduce the number of accidents in its operations	Troax AB: 0 pcs Folding Guard: 9 Troax Lee: 14 pcs Satech: 3 pcs	Troax AB: 14 pcs Folding Guard: 8 pcs Troax Lee: 1 pc Satech: 2 pcs Troax Shanghai: 1 pc Natom Logistic: 2 pcs	Troax AB: 36 pcs Folding Guard: 3 pcs Troax Lee: 12 pcs Satech: 5 pcs Troax Shanghai: 0 pcs Natom Logistic: 1 pc
Decent working conditions – more even gender ratio	In its recruitment of senior executives, Troax shall pursue an ambition to have a more even gender ratio	*Proportion of women* Board of Directors: 33% Central Management: 0% Local management groups (6 companies): 36% women	*Proportion of women* Board of Directors: 33% Central Management: 0% Local management groups (6 companies): 33% women	*Proportion of women* Board of Directors: 33% Central Management: 0% Local management groups (6 companies): 35% women
Decent working conditions – liaison unit	Manufacturing companies with more than 20 employees shall have a liaison unit, and all companies shall have procedures in place for pay reviews and recruitment to ensure that aspects relating to equal opportunities issues are observed during these processes	Process implemented for Troax AB	Process implemented for Troax AB	Process implemented for Troax AB
Decent working conditions – annual performance reviews	100% of Troax employees shall have a documented employee performance review with their line manager at least once a year	Most of the companies in the Group have a process in place for documenting annual performance reviews	Troax AB: 100% Folding Guard and Troax Shanghai: White collar 100% Troax Lee: 10% Satech: 10% Natom Logistic: Work initiated in 2023 Within the rest of the Group, the majority of companies have conducted performance reviews with 100% of employees	Troax AB: 75% Folding Guard: 0% Troax Shanghai: 100% Troax Lee: 100% Satech: 10% Natom Logistic: 5% Claitec: 40% Within the rest of the Group, the majority of companies have conducted performance reviews with 100% of employees
High standard of business ethics – information	100% of Troax employees shall be informed of the Troax Code of Conduct and Whistleblower Policy every year	100%	100%	100%
High standard of business ethics – training	100% of all employees in constant contact with customers and suppliers shall have been provided with training on business ethics issues	Training not initiated	Training not initiated	Training not initiated

5 TAXONOMY TABLES

TAXONOMY OF TURNOVER (Note 3 in the Annual Report for the financial year 2023)

				CRITERIA FOR SUBSTANTIAL CONTRIBUTION						CRITERIA FOR DO NO SIGNIFICANT HARM (DNSH)									
ECONOMIC ACTIVITIES	Code	Turnover SEK million	Proportion of turnover %	Climate change mitigation Y; N; N/EL	Climate change adaptation Y; N; N/EL	Water Y; N; N/EL	Pollution Y; N; N/EL	Circular economy Y; N; N/EL	Biodiversity Y; N; N/EL	Climate change mitigation Y/N	Climate change adaptation Y/N	Water Y/N	Pollution Y/N	Circular economy Y/N	Biodiversity Y/N	Minimum safeguards Y/N	Proportion of turnover taxonomy-aligned (A.1) or taxonomy-eligible (A.2), in 2022 %	Category enabling activity or E	Category transitional activity T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Turnover of environmentally sustainable activities (A.1)		**0**	**0%**	**%**	**%**	**%**	**%**	**%**	**%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0%**		
Of which enabling			**%**	**%**	**%**	**%**	**%**	**%**	**%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**%**	**E**	
Of which transitional			**%**	**%**						**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**%**		**T**
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		262,272	100%																
TOTAL		**262,272**	**100%**																

OPEX TAXONOMY

				CRITERIA FOR SUBSTANTIAL CONTRIBUTION						CRITERIA FOR DO NO SIGNIFICANT HARM (DNSH)									
ECONOMIC ACTIVITIES	Code	Operating expenditures SEK million	Percentage of operating expenditures %	Climate change mitigation Y; N; N/EL	Climate change adaptation Y; N; N/EL	Water Y; N; N/EL	Pollution Y; N; N/EL	Circular economy Y; N; N/EL	Biodiversity Y; N; N/EL	Climate change mitigation Y/N	Climate change adaptation Y/N	Water Y/N	Pollution Y/N	Circular economy Y/N	Biodiversity Y/N	Minimum safeguards Y/N	Percentage of OpEx taxonomy-aligned (A.1) or taxonomy-eligible (A.2), in 2022 %	Category enabling activity or E	Category transitional activity T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**	**%**	**%**	**%**	**%**	**%**	**%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0%**		
Of which enabling			**%**	**%**	**%**	**%**	**%**	**%**	**%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**%**	**E**	
Of which transitional			**%**	**%**						**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**%**		**T**
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**0**	**0%**	**%**	**%**	**%**	**%**	**%**	**%**								**0%**		
A. OpEx of taxonomy-eligible activities (A.1+A.2)		**0**	**0%**	**%**	**%**	**%**	**%**	**%**	**%**								**0%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of non-taxonomy-eligible activities		7,631	100%																
TOTAL		**7,631**	**100%**																

TAXONOMY OF CAPEX (Notes 12, 13 and 15 of the Annual Report for the financial year 2023)

				CRITERIA FOR SUBSTANTIAL CONTRIBUTION						CRITERIA FOR DO NO SIGNIFICANT HARM (DNSH)									
ECONOMIC ACTIVITIES	Code	Capital expenditures SEK million	Percentage of capital expenditures %	Climate change mitigation Y; N; N/EL	Climate change adaptation Y; N; N/EL	Water Y; N; N/EL	Pollution Y; N; N/EL	Circular economy Y; N; N/EL	Biodiversity Y; N; N/EL	Climate change mitigation Y/N	Climate change adaptation Y/N	Water Y/N	Pollution Y/N	Circular economy Y/N	Biodiversity Y/N	Minimum safeguards Y/N	Percentage of turnover taxonomy-aligned (A.1) or taxonomy-eligible (A.2), in 2022 %	Category enabling activity or E	Category transitional activity T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**	**%**	**%**	**%**	**%**	**%**	**%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0%**		
Of which enabling			**%**	**%**	**%**	**%**	**%**	**%**	**%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**%**	**E**	
Of which transitional			**%**	**%**						**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**%**		**T**
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Acquisition and ownership of buildings	**CCM 7.7**	922	2%	**EL**	**N/EL**	**N/EL**	**N/EL**	**N/EL**	**N/EL**								**0%**		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**922**	**2%**	**2%**	**%**	**%**	**%**	**%**	**%**								**0%**		
A. CapEx of taxonomy-eligible activities (A.1+A.2)		**922**	**2%**	**2%**	**%**	**%**	**%**	**%**	**%**								**0%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of non-taxonomy-eligible activities (B)		43,438	98%																
TOTAL		**43,438**	**100%**																

TAXONOMY FOSSIL GAS AND NUCLEAR ENERGY

NUCLEAR ENERGY RELATED ACTIVITIES	YES/NO
The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
FOSSIL GAS RELATED ACTIVITIES	
The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

HILLERSTORP, 22 MARCH 2024

FREDRIK HANSSON
Board Member

EVA NYGREN
Board Member

THOMAS WIDSTRAND
CEO

ANNA STÅLENBRING
Board Member

ANDERS MÖRCK
Chair

BERTIL PERSSON
Board Member

STEFAN LUNDGREN
Employee Representative

Our statements regarding the statutory sustainability report were issued on 1 April 2024.
Öhrlings PricewaterhouseCoopers AB

JOHAN PALMGREN
Authorised Public Accountant

AUDITOR'S STATEMENT ON THE STATUTORY SUSTAINABILITY REPORT

To the Annual General Meeting of Troax Group AB (publ), corp. ID no. 556916-4030

DUTIES AND RESPONSIBILITIES

The Board of Directors was responsible for the Sustainability Report for the 2023 financial year and for ensuring that it was prepared in accordance with the Swedish Annual Accounts Act.

FOCUS AND SCOPE OF THE AUDIT

Our review was carried out in accordance with FAR's recommendation RevR 12 *Auditor's review of the Statutory Sustainability Report*. This means that our review of the Sustainability Report has a different focus and is significantly lesser in scope than the focus and scope of an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that this review provides sufficient basis for our opinion.

OPINION

A Sustainability Report was prepared.

Gothenburg, Sweden, 1 April 2024
Öhrlings PricewaterhouseCoopers AB

JOHAN PALMGREN
Authorised Public Accountant

Making your
world safe.

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