



## **Environmental Policy**

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## 1. Introduction

This policy applies to all companies within XANO Industri AB. It defines a minimum standard for environmental responsibility that all units and employees are expected to meet.

We are committed to being a part of the transition to a sustainable society. We achieve this through a clear focus on more sustainable business practices, concrete and measurable objectives, and engagement throughout all areas of our operations.

We work systematically to achieve the best possible results, comply with applicable national and international legislation, and support relevant frameworks such as the UN's Sustainable Development Goals and the Paris Agreement.

The content of this policy is based on the areas to be material in XANO Industri AB's Double Materiality Assessment, with the addition of the area of biodiversity.

The environmental policy outlines our commitments at an overarching level and is best understood together with our other sustainability-related policies and plans.

The overall responsibility for this policy lies with the XANO Group Management and the Board of Directors. The responsibility for its implementation and communication lies with the Managing Director of each group company.

## 2. Climate change

### 2.1. Climate change mitigation

We are committed to actively reducing our greenhouse gas emissions by transitioning to renewable energy, circular and renewable material flows, optimised transport logistics, and continuously improving our processes. Collaboration across the value chain and a high degree of innovation are fundamental to our success, and we have set concrete and measurable targets in both these areas. We also establish specific emission reduction targets, which are continuously evaluated to ensure relevance and compliance.

We conduct climate reporting in accordance with the guidelines of the GHG Protocol and constantly work to improve the accuracy of these measurements. All companies within the Group are expected to report according to specified instructions and are responsible for the accuracy of the data they report.

### 2.2. Climate change adaptation

We actively assess and manage climate-related risks. Potential impacts of extreme weather events on our facilities are identified and mitigated based on the potential scope and likelihood. Each XANO company is responsible for minimising risks in the facilities they operate in.

Material supply is ensured through strategic sourcing management, including risk analyses and measures such as geographical proximity and diversification, multiple sourcing options, and clear requirements of preventative actions by suppliers. We also conduct regular analyses of our material flows to identify materials posing the highest risk for negative impacts linked to climate change and work to phase out these materials from our operations.

### 3. Energy

#### 3.1. Energy efficiency

We prioritise the use of energy-efficient technologies and processes to reduce our energy consumption. In parts of our operations, where this is applicable, we also work to help our customers reduce their energy consumption by developing energy-efficient solutions.

#### 3.2. Renewable energy

We procure energy from renewable sources wherever possible and collaborate with suppliers and other partners to ensure availability.

### 4. Biodiversity

Although our operations do not have a significant direct impact on biodiversity, we recognise our responsibility to contribute to the preservation of natural ecosystems and species. The majority of our impact arises from activities within our value chain. We strive to minimise negative impacts on biodiversity through the following measures:

- Sustainable supplier selection: We choose suppliers who actively work to protect biodiversity and comply with international guidelines and laws, such as the Convention on Biological Diversity (CBD) and the EU Deforestation Regulation (EUDR).
- Responsible purchasing processes: We promote sustainable production methods by prioritising raw materials and materials from certified sustainable sources where possible. We encourage suppliers to implement measures to protect ecosystems and preserve species.
- Promoting innovation: We support and encourage innovation and technological solutions that help reduce environmental impacts and preserve biodiversity within our business processes and value chain.

### 5. Resource use and circular economy

#### 5.1. Resource use

We base our resource use on the waste hierarchy:

1. Prevention: We work to minimise the use of materials and waste through efficient production methods and product design.
2. Reuse: We strive to design products and solutions with long lifespans and possibility for refurbishment and reuse. In our own operations, we focus on maintenance to extend lifespans and procure refurbished equipment where possible.
3. Recycling: We aim to use materials that can be recycled when our products and solutions are no longer usable. In our own operations, we strive for a high degree of recycling of the waste we generate.

4. Other Recovery: When recycling is not possible for our waste, we aim for energy recovery or other recovery methods.
5. Disposal: We ensure that waste that cannot be reused or recycled is disposed of in an environmentally responsible way.

### **5.2. Circular economy**

With concrete and measurable goals, we increase the proportion of recycled materials in our products and solutions. By viewing waste as a resource, we improve the recycling rate for the waste we generate. Where the production process allows, we create closed circular flows at the manufacturing stage.

We design products and solutions that allow for reuse, repair, and recycling and strive to develop circular business models responsibly and sustainably.

### **5.3. Sustainable purchasing processes**

To ensure sustainable resource use, we work systematically and strategically with our purchasing processes. This includes measurable targets for the signing our Code of Conduct by suppliers, identifying and minimising purchases from high-risk areas, setting requirements for supplier sustainability efforts, and carefully evaluating the materials we purchase from a sustainability perspective.

## **6. Pollution**

### **6.1. Air, soil and water**

We are committed to minimising our environmental impact by reducing pollution within our operations and value chain. We comply with applicable legal requirements and conduct regular follow-ups to identify opportunities for improvement. We actively work with our suppliers to reduce pollution and ensure sustainable and responsible practices across all levels.

### **6.2. Substances of Concern**

In handling substances with potential environmental and health impacts (Substances of Concern and Substances of Very High Concern), we comply with applicable national and international legislation. We ensure compliance both in our own operations and throughout the supply chain, utilising clear processes and continuous follow-up.

We proactively identify and manage the use of substances listed in the European Chemicals Agency's (ECHA) candidate list of Substances of Very High Concern (SVHC) under the EU REACH regulation. Our goal is to reduce reliance on these substances within our operations and value chain and, where possible, replace them with safer alternatives.