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Environmental Policy

1. Purpose

This policy sets the Group's direction and binding principles to protect the environment and reduce environmental risks across our entire value chain. In doing so, it strengthens our long-term business resilience—the capacity to withstand, adapt and recover—and safeguards long-term value creation and competitiveness.

2. Scope

The Policy applies to FM Mattsson AB and all its subsidiaries (together, "FM Mattsson Group" or "the Group"), as well as all employees and individuals acting on our behalf (e.g., agency staff and consultants). Applicable commitments in this Policy also apply to business partners upstream and downstream in the value chain.

3. Our commitment

We will prevent pollution, reduce greenhouse gas emissions, manage water and natural resources responsibly, and design products for longevity and circularity. We comply with laws and permits, act proactively, and set clear requirements throughout our value chain.

4. Binding principles

- Regulatory compliance & prevention:** We comply with applicable laws and permits and prioritise prevention and reduction of negative impacts before mitigation or compensation.
- Double materiality & strategy integration:** Our priorities are based on double materiality (our impacts on people and the environment, and our financial risks and opportunities). These priorities are integrated into business plans, targets and capital allocation.
- Value chain responsibility & due diligence:** We apply risk-based due diligence upstream and downstream in our value chain, including contractual requirements, follow-up and corrective actions where needed.
- Stakeholder engagement:** We conduct systematic and documented engagement with relevant stakeholders. Insights must be traceable and translated into priorities, targets and actions.
- Data governance & evidence:** Decisions and reporting are based on systematically collected and verifiable data with documented sources, methods and assumptions. In cases of data gaps, risk-based and clearly labelled estimates may be used.
- Target-setting & continuous improvement:** We set clear targets/KPIs, conduct systematic follow-up and continuously improve our environmental management and performance.
- Environmental communication:** Environmental statements must be accurate, verifiable and not misleading. Documentation supporting claims must be retained for an appropriate period.

5. Topic-specific commitments

Our topic commitments are based on a systems perspective so we can take a holistic approach. Where relevant, we address impacts from our facilities and processes, purchasing and logistics, as well as products and their life cycles.

5.1 Climate

- **Reducing emissions across the entire value chain**
 - **Energy & phase-out of fossil fuels in own operations:** We reduce energy consumption, increase the share of renewable energy in our facilities and phase out fossil fuels where technically and economically feasible.
 - **Purchasing, materials & supplier requirements:** We reduce embedded emissions by increasing recycled material content, strengthening sustainability criteria in procurement, and collaborating with suppliers to decarbonise their processes (e.g., renewable electricity, energy efficiency).
 - **Transport & logistics:** We lower transport emissions by optimising cargo load factors and route planning, limiting air freight, and prioritising modes of transport with lower negative climate and environmental impact. We increase the share of fossil-free/electrified options in cooperation with transport partners.
 - **Low emissions in product use:** We design and develop products and solutions that reduce end-user energy and hot-water demand, backed by clear product information that enables informed choices and efficient use.
- **Climate resilience (physical risks):** We strengthen resilience to physical climate risks (e.g., extreme weather, disruptions of supply/logistics) through recurring site-level climate risk assessments, business continuity planning and physical protection measures.
- **Market & regulatory compliance:** We reduce transition risks by meeting—and where reasonable, exceeding—relevant regulatory, procurement and industry standards for climate performance.

5.2 Circular economy & resource use

- **Design & product longevity:** We keep materials in circulation by designing for long lifetime, upgradability, repairability, disassembly, reuse, and high material recyclability.
- **Material choices & resource inflows:** We reduce dependence on virgin materials by increasing recycled content and practicing responsible material substitution across the value chain.
- **Waste hierarchy:** We follow the waste hierarchy (prevention → reuse → recycle → recovery → disposal) and minimise landfill and mixed fractions.
- **Circular business models:** We evaluate and, where appropriate, implement circular business models that extend product use and preserve the value of materials.
- **Circular flows of materials and packaging:** We work to establish circular flows of materials and packaging across our value chain and to improve resource efficiency, where technically feasible and commercially viable.
- **Producer responsibility & end-of-life:** We comply with Extended Producer Responsibility (EPR) requirements (e.g., packaging, WEEE and batteries) and provide clear end-of-life information to support correct reuse, recycling or disposal.

5.3 Water

- **Risk-based water management:** We reduce water consumption in our own operations and value chain through risk-based measures, with enhanced efforts in water-stressed regions. We minimise freshwater use through recirculation and process optimisation and prioritise use of surface water over groundwater where quality, availability and local conditions allow.
- **Efficient end-use:** We enable efficient end-use of water through product design and clear customer guidance.
- **Access to clean water:** We identify opportunities where our solutions can increase access to clean and safe water, and develop/offer products and services that contribute to this where relevant.

5.4 Pollution & Hazardous Substances

- **Prevention & control (air, water, soil):** We prevent and limit pollution in accordance with permits and regulatory requirements, and minimise emissions to the extent technically feasible and economically reasonable. We apply equivalent requirements across our value chain.
- **Phase-out & substitution:** We identify, restrict, and minimise substances of concern, and substitute them where technically feasible; we also phase out non-essential uses of substances of very high concern (SVHCs) on the ECHA Candidate List.
- **Chemical and hazardous waste management:** We ensure safe, legal and correct handling, storage and treatment of chemicals and hazardous waste, and require the same in our value chain.
- **Environmental incidents & emergencies:** We prevent incidents and maintain preparedness for releases, spills, exceedances of permitted limits, and other environmental accidents. In the event of an incident, we act promptly to contain, remediate, and restore impacts on people and the environment. We meet reporting obligations and establish corrective and preventive actions. Equivalent requirements are applied across our value chain.

5.5 Biodiversity

By pursuing targeted action on climate, circular economy, waste, and pollution and hazardous substances, we support improved biodiversity outcomes.

- **Thematic approach:** Through product design, material choices, longer lifetimes, reuse, recycling and safe chemicals, we reduce impacts on nature and species.
- **Value chain risk management:** We identify, assess, and mitigate biodiversity risks associated with raw-material extraction, land use, and emissions through risk-based requirements and monitoring in prioritised supplier tiers.
- **Sensitive areas:** We respect protected areas and key habitats and prioritise solutions that avoid deforestation/nature conversion where prevention is possible.

6. Governance & Responsibility

We foster a culture of environmental integrity. Leaders at all levels set the tone by example and put this Policy into practice with clear responsibilities, resources, and oversight.

- **Board of Directors:** Approves the policy, sets the tone at the top, and reviews risks, targets and major incidents at least annually.
- **CEO (Policy Owner):** Ensures governance, accountability and resources. Reports to the Board.
- **Group Sustainability Function:** Maintains Group-wide governing documents, coordinates data flows, reporting and assurance activities; and drives Group-wide training.
- **Business Area Managers:** Ensure relevant local procedures and governing documents are in place, and that targets and KPIs are defined, implemented, and monitored.
- **Managers:** Embed the Policy in day-to-day operations; assign process ownership and KPIs; monitor performance and drive continuous improvement.
- **Employees & contracted personnel:** Comply with the Policy and related guidelines, and promptly report deviations or concerns through standard channels or the whistleblowing line.

7. Implementation & Training

Employees in relevant roles must be equipped, through skills development, support and involvement, to deliver on the policy's requirements and targets. The policy is implemented through Group-wide guidance and local processes/routines. Local documents may strengthen or specify requirements, but never weaken them. Environmental targets and KPIs are integrated into business plans with clear ownership and follow-up. All employees receive an introduction to the policy; relevant roles receive recurring, role-specific training.

8. Communication & Stakeholder Engagement

We ensure accurate and traceable environmental communication in line with supporting documentation and applicable regulations. Requirements and expectations towards customers and suppliers are communicated clearly. Environmental performance is regularly reported and discussed in management forums. We maintain ongoing dialogue with relevant stakeholders, and insights are used to prioritise actions and update targets, plans and reporting.

9. Monitoring & reporting

We monitor targets and requirements using defined KPIs and ensure data quality and traceability. Sustainability reporting follows applicable legislation (currently ESRS/CSRD and, where relevant, the EU Taxonomy) and is subject to internal and/or external limited assurance as required by law. Deviations are managed through corrective and preventive actions.

10. Consequences of non-compliance

Breaches may lead to corrective actions, disciplinary measures, and contractual remedies in line with applicable law and internal rules.