

BUFAB GROUP POLICY

Environmental

BUFAB

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1. Background and purpose

Bufab Group recognises the importance of sustainable practices in protecting the environment and promoting the well-being of future generations. Our environmental policy demonstrates Bufab Group's commitment to contributing to a sustainable society through our direct and indirect impacts, which are supported by our long-term sustainability efforts. We encourage others to match or exceed our initiatives to enhance their environmental performance.

Bufab Group aims to be the sustainable leader in customer satisfaction by delivering sustainable products and value-added services. Bufab recognises that society is encountering more significant challenges related to issues such as climate change, biodiversity loss, and the growing prevalence of waste and chemicals.

To ensure that all entities within Bufab (the Group) comply with applicable laws and regulations, and that the Group's values and preferred business practices are communicated and upheld throughout the entire organisation, Bufab AB (the parent company) has developed several governing documents, including this policy.

2. Audience

The policy applies to all entities within the Group, encompassing all personnel, management, and board members of the parent company and all Bufab companies, referred to as "sister companies." The Managing Director of each company in the Bufab Group is responsible for ensuring that employees comprehend the policy's content. Additionally, the policy communicates the vision and ambitions to relevant stakeholders: suppliers, customers, investors, authorities, and the public.

3. Policy statement

Our mission is to operate a sustainable business prioritising environmental responsibility, social equity, and economic viability. We are committed to reducing our ecological footprint, supporting our communities, and ensuring long-term success through sustainable practices. As a fundamental principle, we adhere to all applicable laws and regulations. The policy shall also support the ongoing work outlining Bufab's Environmental progression in all Bufab companies.

The policy statement introduces the commitment to the environmental policy. It summarises the sustainability strategy and connects it to the areas defined through the annual materiality analysis and Bufab's strategic process.

We need a shared understanding of our most significant sustainability issues and their objectives and targets to fulfil our commitments. This will be accomplished through a double materiality assessment (DMA), the results of which will also include the stakeholder perspective. It will involve evaluating how our impact affects the planet, people, and business while understanding the most significant opportunities and risks in sustainability and how these can be managed and mitigated.

The Sustainability Director will conduct and/or update a DMA annually, which will be reviewed by the Audit Committee and approved by the Bufab Board of Directors.

4. Business responsibility

4.1. Overall ambition and strategy

Bufab is committed to protecting the environment by preventing pollution and reducing the adverse impacts of resource consumption and waste production in our operations and value chain. This includes optimising our energy consumption and minimising our environmental influence concerning waste and direct greenhouse gas emissions. We measure our scope 1 and scope 2 emissions across all operations so that we can target our improvement projects where they will be most effective. Bufab Group is dedicated to protecting downstream stakeholders by ensuring that all products comply with applicable regulatory, quality, and safety requirements. Our goal is to achieve full compliance with regulations and exceed customer expectations.

Bufab adopts a holistic approach, considering the life cycle and systems perspective from sourcing to consumption and end-of-life to minimise the environmental impacts of its products and services. This includes initiatives that support the circular economy by reducing, reusing, recycling, and remanufacturing products, materials, and substances. Resource efficiency is increasingly vital in our daily operations to optimise the usage of energy, water, materials, and transportation.

4.2. Position of principles

Bufab complies with all relevant environmental regulations, including emissions, waste management, and resource use. We ensure that our products and practices meet legal requirements.

What does this mean for all Bufab companies?

All companies need to have a local plan for reducing carbon emissions and energy consumption while adapting to a circular economy in accordance with the target above. The business review reports on the annual determination and approval of actions and resources linked to focus areas, emphasising ongoing work, progress monitoring and reporting as detailed below:

- Bufab should actively minimise its environmental impact, including its carbon footprint, chemical effects, energy consumption, and waste generation. The company should offer green advisory services and help customers meet their environmental commitments concerning energy, carbon, circularity, waste, water, and chemical compliance.
- Bufab has committed to science-based targets to demonstrate our dedication to actively addressing environmental challenges throughout the value chain.
- Bufab implements structured and proactive internal environmental practices and will actively work to minimise the environmental impact of its operations and the purchased goods and/or services. All operations should follow ISO 14001 and ISO 50001 international standards when applicable.
- We aim to minimise our environmental impact, including CO₂ emissions from transportation and energy consumption, waste management and chemical handling, and overall resource efficiency (reduce, reuse, recycle).
- Energy efficiency and renewable energy are crucial for reducing GHG (Greenhouse Gas) emissions. Our activities to lessen our footprint involve data collection, analysis, and action plans guided by international standards.

4.3. Our material Environmental topics include:

Bufab's environmental responsibility is a group-wide commitment involving all our companies to minimise adverse environmental impacts. Bufab actively collaborates within the Group to ensure that each company sets clear sustainability goals through the efforts of its Board of Directors. Generally, the following environmental impacts, risks, and opportunities are addressed:

- **Impact:** Our initiatives focus on reducing carbon emissions, optimising energy use and minimising waste.
- **Risk Management:** We identify and mitigate climate-related risks through our SBTi program and Sustainable Supplier Engagement Program, ensuring resilience against Environmental challenges.
- **Opportunity Management:** We aim to create business opportunities and long-term competitiveness by adopting sustainable practices.
- **Governance:** Bufab's Board of Directors oversees the implementation of sustainability goals across all companies. Each company is responsible for integrating these goals into its operations and value chain.
- **Metrics and Targets:** Key performance indicators (KPI:s) monitor progress in areas such as the Sustainable Supplier Engagement Program, energy consumption, and CO₂ emissions.

4.4. Bufab key Environmental responsibility areas:

- **Climate Change Mitigation:** We aim to reduce our carbon emissions from our operations (Scope 1 and 2) to zero by 2030 and minimise emissions in our value chain (Scope 3) by 55% by 2031.
- **Energy Efficiency:** We strive to reduce energy consumption annually and increase the use of renewable energy sources.
- **100% compliance with REACH legislation and the RoHS Directive:** We ensure that all our products and processes meet the stringent requirements of the Registration, Evaluation, Authorisation, and Restriction of Chemicals (REACH) legislation and the Restriction of Hazardous Substances (RoHS) Directive. By doing so, we minimise the environmental and health impacts associated with hazardous chemicals and materials.
- **Zero high-risk smelters:** We are dedicated to maintaining a supply chain free from high-risk smelters. We conduct thorough due diligence to ensure our materials are sourced responsibly and ethically, avoiding any association with smelters that pose environmental or social risks.
- **100% response rate:** We aim for complete transparency and accountability in our operations. We commit to responding to all inquiries and audits related to our environmental and ethical practices with utmost diligence and timeliness. This includes providing accurate and comprehensive information in line with regulatory requirements and stakeholder expectations.
- **Circular Economy:** We are committed to optimising resource use by promoting circular principles and reducing waste.

4.5. Bufab companies shall be able to demonstrate

- How your company implemented this policy and informed employees and suppliers of their rights, duties, and responsibilities.
- How your company and all employees adhere to local and regional environmental laws and Bufab Group policies. To fulfil compliance obligations, the company should keep easily retrievable records.
- How will your company produce or procure 100% of its energy from renewable sources by 2030, resulting in zero scope 1 and scope 2 emissions?
- How will your company reduce its scope 3 carbon emission intensity by 55% by 2031, calculated from the baseline year 2021?
- How will your company achieve zero waste in landfills by 2030, with a material recovery rate of > 90%?
- How does your company plan to reduce total operational waste by 20% by 2030?
- How does your company achieve a material recyclability rate of >90% by 2030?
- How has your company considered legal and environmental implications before implementing significant operational/business changes or making new acquisitions?
- How does your company work to enhance its material efficiency through circular initiatives?
- How your company fulfil environmental rules and legislation where you operate.
- How does your company comply with chemical compliance regulations, e.g., REACH legislation and the Rohs Directive?
- How the company assesses exposure to and mitigates local risks, such as operations in high conservation value areas or local water risks.
- How your company act transparently and reports on material environmental impacts
- How the company collects and ensures the environmental data requested for the Bufab Group sustainability report.
- How does your company ensure you provide all employees with the tools, information, and opportunities to support our shared commitments and targets as stated in this environmental policy?
- How your company incorporates ISO 14001 guidelines into its Bufab Best Practice.
- Creating a continuous improvement cycle for our environmental performance.
- How your company has adopted a management system by ISO 14001
- How the company has adopted procedures to control its significant environmental aspects.
- How does your company actively transfer knowledge and best practices across the Bufab Group?

5. Roles and responsibilities

As the decision-maker on matters affecting Bufab, the CEO is responsible for the company's operations, including the Environment. The CEO has delegated operational responsibilities to appointed Regional Directors, BU (Business Unit) managers and MD's. To achieve Sustainable Leadership, a Sustainability Director ensures that plans and actions are in place for the group to reach its targets.

Furthermore, as Environmental regulations are national and sometimes differ between countries, with varying rules and practices, the responsibility for Environmental work lies with the respective companies.

To ensure progress in our commitments to reduce GHG emissions and other environmental areas, such as resource efficiency, energy management, and chemical compliance, a Sustainability Coordinator and a Quality Manager are appointed to work with action plans and training within each Bufab region and its suppliers.

6. Exceptions

This policy does not allow exceptions. Any need for exceptions must be clearly defined and documented. The Bufab Board of Directors shall approve all exceptions.

7. Monitoring and compliance

Bufab is following up on KPIS within all environmental areas, which includes reporting on Science-Based Target Initiatives (SBTi). These are presented in Bufab's Annual Report. Bufab's Annual Report reports on our global sustainability efforts. It provides information that identifies Bufab's development, performance, status, and impact of its operations, which includes reporting on Science Based Target Initiatives (SBTi). Where concerns relating to irregularities and infringements arise, a secure reporting process is in place that assures confidentiality.

Environmental KPI's:

- By 2030, Bufab shall produce and/or procure 100% of its energy from renewable sources, resulting in zero scope 1 and scope 2 emissions 2030.
- By 2031, Bufab shall reduce its scope 3 carbon emission intensity by 55%, and by 2025, 70% of our spending will be with suppliers in the Sustainable Supplier Engagement Program.
- To achieve a 90% material recyclability rate (excluding hazardous waste) with 0% of waste going to landfill by 2030.
- Reduce total waste by 20% by 2030.
- Material recyclability is above 90% for products and packaging.
- Zero safety-related incidents or claims.
- 100% compliance with REACH legislation and the RoHS Directive.
- Zero high-risk smelters and 100% response rate.
- 100% site water risk assessment and develop action plans to limit water risk.
- 100% site biodiversity risk assessment and develop action plans to limit biodiversity risk.
- Be transparent, report on material environmental impacts, and perform supplier sustainability audits on 80% of our spend by 2026.

8. Bufab Best Practices

Management review ensures that Environmental is integrated into all processes and operations, covering KPIs (key performance indicators), target setting and continuous improvement.


9. References to associated documents

Apart from this environmental policy, Bufab has several related group-wide policy documents describing our way of working, which can be found at [SolutioNet](#).

- Code of Conduct
- Quality policy
- Sustainable Procurement policy
- Supplier Code of Conduct
- Supplier Manual



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