Sustainability Report 2024 AB Maskinarbeten



About the Sustainability Report

AB Maskinarbeten is subject to the legal requirement for a sustainability report in the Annual Accounts Act. This Sustainability Report has been prepared in accordance with the requirements of Chapter 6 of the Annual Accounts Act.

The work to identify AB Maskinarbeten's significant sustainability issues and risks has been carried out by the organization's management and selected key employees. This sustainability report summarizes important events and activities during the 2024 financial year within AB Maskinarbeten and is part of the annual report for 2024.

For questions about the sustainability report, you are welcome to contact Eddie Johansson or Henric Hjelm.

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1. About AB Maskinarbeten

AB Maskinarbeten in Alvesta is a true Småland family business – characterized by close cooperation between owners and employees. With short and efficient decision-making paths, we combine a strong respect for our history with a clear focus on the future.

Since 1952, we have worked to be a valuable and reliable partner to our customers. This commitment has enabled us to grow together with and for our customers.

Customer focus is a natural part of our daily work. By listening closely to our customers' needs and consistently meeting expectations, we've built a long and successful track record. Along the way, we have continuously invested in the latest production technology and made employee competence development a cornerstone of our future strategy.

Today, we offer our customers a competitive production facility for sheet metal and machining, with around 150 employees operating in 25,000 square meters of modern, purpose-built premises.







2. Our values

Our core values are based on three cornerstones: Commitment, Participation and Well-being. For us, this means the following:

Commitment

- Focus on both internal and external customers
- Understand our products and processes to create greater value for the customer
- Share knowledge and expertise to build understanding across the organization
- Engage in open dialogue to see the bigger picture

Participation

- Take an active role in daily work to create value for yourself and your colleagues
- Take responsibility for shaping how we work and what we do
- Contribute actively to continuous improvements in quality, safety, and productivity

Comfort

- Enjoy your work and have fun show respect for one another
- Help create a positive and supportive work environment
- Maintain order and structure for everyone's well-being



3. Vision

AB Maskinarbeten is a full-service supplier, with most production processes carried out in-house – including laser cutting, press braking, machining, manual and robotic welding, surface treatment, and final assembly.

We aim to remain a leading and strategic subcontractor to today's modern industries. Our goal is to be a trusted partner for both existing and new customers, where our expertise and machinery enable high-quality, cost-efficient production.

We strive to be involved early in our customers' development projects and to contribute to their growth and innovation. Profitability within our process steps allows us to invest continuously and support long-term development.

We are a financially independent company, with investment and strategic decisions made within the organization.

Environmental responsibility and product development are central to our long-term growth strategy. We contribute to a more sustainable society by:

- Providing sustainable products
- Using energy responsibly
- · Minimizing waste of materials, energy, and unused capacity
- Reducing our carbon footprint through continuous energy efficiency initiatives

We aim to be a safe, inclusive, and attractive employer. Through close collaboration with our employees, customers, and the wider community, we create the conditions for mutual development. Our employees should feel engaged, involved, and valued – enabling them to grow both personally and professionally within AB Maskinarbeten.



4. Sustainability Management

Our business concept has remained strong and clear since the company was founded:

"To manufacture quality products through advanced welding, sheet metal work, and machining using modern equipment – with the least possible impact on the environment."

One of our key strengths is that nearly the entire production process takes place under one roof – from incoming raw materials, parts, and components to finished products. Some of our products are test-run and function-tested in our own facilities. AB Maskinarbeten is a company with deep local roots, long-term employment relationships, and thus strong structural and knowledge capital. This setup gives us extensive control over our production process and ensures compliance with established quality and environmental requirements, as well as good working and employment conditions.

When it comes to sourcing raw materials, parts, and components, we choose suppliers who deliver high product quality and maintain responsible production practices, including good working conditions and a commitment to sustainability. We focus on long-term supplier relationships and regularly visit our key suppliers to assess conditions firsthand.

The company's management is responsible for steering our sustainability work – both in our own production and in supplier selection from a sustainability perspective. Based on our vision and business concept, we have established several policies covering occupational health and safety, the environment, quality, and ethics/anti-corruption. We maintain an open culture to capture potential grievances or concerns within the organization or in relationships with suppliers and other stakeholders.

Preventive health and safety efforts are conducted as part of our systematic occupational health and safety work. Improvement projects aimed at enhancing working conditions and reducing environmental impact are initiated by management in consultation with the organization. Health and safety efforts are planned, implemented, followed up, and continuously improved, involving a wide range of recurring activities.

In 2024, we launched our CSRD initiative with a series of workshops where we conducted a comprehensive double materiality assessment across all ESRS areas. We have also implemented systems to support reporting. The new EU regulations on sustainability reporting and governance – CSRD – will apply starting with the financial year 2025 and are part of the Swedish Annual Accounts Act. Proposed legislative changes are currently under discussion, and we are monitoring developments closely.



5. Anti-corruption

We conduct our business in full compliance with applicable laws and regulations that promote free trade and fair competition.

AB Maskinarbeten is committed to demonstrating honesty and integrity in all interactions – with employees, stakeholders, and the wider community. It is strictly prohibited to offer or accept payments, gifts, or other benefits that could influence – or be perceived to influence – objectivity in business decisions.

Employees of AB Maskinarbeten are not permitted to engage in work or business activities that compete with the company's operations.

Any employee who finds themselves in a situation that may result in a conflict of interest in relation to AB Maskinarbeten's anti-corruption policy must immediately report it to their manager for appropriate handling. No such incidents occurred during 2024.

All suppliers are required to comply with our Code of Conduct.



6. Key sustainability aspects

In identifying our most important sustainability topics, we have based our work on the United Nations Sustainable Development Goals (SDGs) as well as the materiality assessment required under the CSRD. Following this analysis, AB Maskinarbeten has identified the SDGs that are most relevant to our operations – the goals we can influence and actively contribute to.

Goal nr	UN Sustainable Development Goals	Relevance
3	Good health and well-being	Internal, health care for our employees
7	Sustainability energy for all	Internally, increase the share of renewable energy by 50% self-produced electricity in 3 years, (solar cell plant and wind power).
8	Decent working conditions	Internal and at the supplier
12	Sustainability production	Internal and suppliers
13	Climate action	Intern, suppliers

SUSTAINABLE GEALS



7. Sustainable production

The environmental impact of our operations primarily arises during the manufacturing of customer products, the transport of goods to customers, and when customers further process our delivered products – either in their own production or at their end customers.

In our production, the main environmental impacts are related to resource consumption, including raw materials and energy, as well as emissions to air (from solvents and welding gases) and small quantities of oil and metals released into water.

We are certified according to ISO 14001, which provides a structured foundation for continuous improvement of our environmental performance. We monitor our environmental performance in production through indicators such as energy use, raw material consumption, and emissions to air and water. This follow-up work leads to improvement projects aimed at further enhancing our environmental performance.

The expansion of our own solar power generation continued during 2024. Solar energy accounted for 21% of our total electricity consumption, and over 450 MWh was fed into the public grid. Our wind turbine produced 2,391 MWh in 2024, meaning that our own production of electricity from solar and wind covered our annual electricity needs. In 2024, AB Maskinarbeten mapped its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol – the most widely used standard for corporate climate reporting. Scope 1 includes direct emissions from our own production and transport. Scope 2 covers indirect emissions from purchased energy such as electricity and district heating. Scope 3 refers to upstream emissions in our supply chain. The largest share of our emissions comes from the production of the metals we purchase and use in our operations. Our climate work is aligned with the goals of the Paris Agreement.

As part of our double materiality assessment, we also conducted a climate risk analysis, including a heat mapping and a flood risk mapping. The analysis revealed a moderate risk of high indoor temperatures, while the risk of flooding was assessed as low.



8. Staff

<u>Staff</u>

Employment and working conditions are among the most important sustainability issues for AB Maskinarbeten. Since nearly all products are manufactured in our own production facility, we can ensure good working conditions for our employees. When sourcing components and parts, we consciously select suppliers that uphold sound working, employment, and environmental practices.

We conduct structured dialogues with all employees, where topics such as personal development, workplace satisfaction, and the physical work environment are discussed – all with the aim of creating a safe, pleasant, and healthy workplace.

In 2022 and 2023, AB Maskinarbeten launched a targeted initiative to raise awareness among staff about reducing energy use at the workplace. Employees were encouraged to turn off lights and machines when not in use and to actively look for air leaks in the compressed air system. This initiative continued throughout 2024 and is gradually becoming a natural part of internal communication and company culture.

In 2024, AB Maskinarbeten continued the installation of EV charging stations to enable employees to charge their electric cars during work hours. We now offer 17 charging points for our staff.

Work environment

Our overarching goal for the internal work environment is to maintain low absenteeism while fostering a safe, secure, and enjoyable workplace. All accidents and incidents are investigated, and preventive measures are taken to avoid recurrence. When making changes to factory layout or equipment, we incorporate ergonomic and safety considerations from the outset. Examples include installation of lift tables, exhaust systems, appropriate lighting, and other elements that contribute to a better working environment.

Our work environment efforts are grounded in our ambition to meet and exceed the requirements set by our customers, legislation, and regulatory bodies – and in our desire to continuously improve.



9. Social commitment

AB Maskinarbeten is committed to respecting fundamental human rights. We do not tolerate child labor, forced labor, or any other form of involuntary work. Discrimination of any kind – based on race, religion, political opinion, gender, age, or other grounds – is not permitted.

At the local level, we maintain close collaboration with schools, welcoming students for internships in our production facility each year. This helps young people gain insight into working life and strengthens our presence in the local business community.

We also provide sponsorships to several local sports clubs. Within our organization, we are proud to have several employees who serve as part-time firefighters in the local fire and rescue services – a vital function in a small community like Alvesta, contributing to the safety and resilience of the municipality.

We conduct structured development dialogues with all employees to discuss personal development, relationships with colleagues, and perceptions of the work environment – all to support a safe, enjoyable, and healthy workplace.

The year 2024 was again marked by the ongoing war in Ukraine. AB Maskinarbeten contributed to relief efforts by helping provide wood stoves and energy systems to people in need. This aid initiative is coordinated by Väderstad, which has a local sales company in Ukraine and manages the deliveries directly.



10. Risks and consequences

To remain successful in the long term, continuous development and adaptation to external challenges are essential. AB Maskinarbeten has identified and assessed key risks. This process has been carried out internally, involving the relevant expertise within the organization. The risk assessment has been conducted from a broad and inclusive perspective, covering environmental aspects, social conditions for employees, respect for human rights, and anti-corruption. It forms an integral part of our double materiality analysis.

Environmental risks	Assessment and management				
Climate change affecting its own production as well as suppliers and customers.	The big risk lies with customers who may need to make drastic changes in their planning. AB Maskinarbeten can choose different suppliers if someone is unable deliver. Some risk internally, heat mapping indicates the risk of high temperature on the roof which can mean lower productivity and heat-related health problems Flood mapping shows low risk.				
Carbon dioxide emissions from own operations.	Risk internally through customer requirements for low emissions. A feasibility stu- for replacing heating with oil of premises has been initiated and investment in energy conversion is planned to begin in the autumn of 2025.				
Business risks					
Weak krona exchange rate.	Low risk. Affects profitability to some extent. We monitors development and manages changes.				
Access to materials from suppliers.	Large risk. Affects profitability and the need to buy raw materials from lesser- known suppliers.				
Social & economic risks					
Risk of bad behaviour in the event of, for example, giving and taking bribes and corruption.	Low risk. A policy against corruption exists. Good ethics and morals are well established within the company.				
Risk of poor working conditions for new suppliers that are added.	Low risk. New suppliers that have not yet been checked and visited.				
Personnel risks					
Risk of poor working conditions at suppliers.	Low risk, mostly uses well-established suppliers within Sweden's borders. We als have a Code of Conduct for suppliers.				



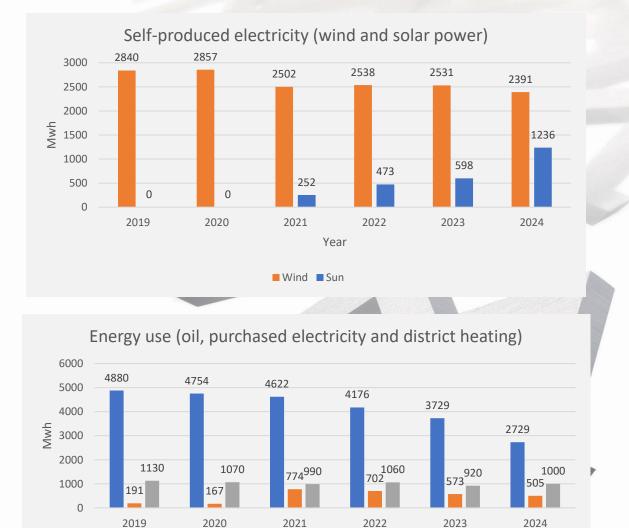
11. Sustainability KPI:s

As part of the governance of our sustainability work, we monitor the development of our sustainability performance through key performance indicators.

UN Sustainable Development Goals		Key figures		Comm	Comment				
3		Sick leave short-term absence			For these key figures, follow-up takes place regularly within the safety committee, where representatives of the company management, safety				
3		Sick leave for long-term absence		of the c					
3, 8		Number of occupational injuries			representatives, production and personnel are represented. Follow-up is documented in a separate				
3, 8		Number of incidents		protoco	protocol for internal use.				
UN SDG:s	Key figures		Year 2024	Year 2023	Year 2022	Year 2021	Year 2020	Unit	
12	Recycling waste (combustible, cardboard, paper)		94	F*	F*	F*	F*	ton	
12	Scrap & metal recycling (iron, aluminium, stainless steel, other metals)		1181	F*	F*	F*	F*	ton	
12	Energy use (purchased renewable electricity)		2 729	3729	4176	4622	4754	MWh	
12	Energy use (district heating)		505	573	702	774	167	MWh	
13	Energy use (oil)		100	92	106	99	107	m3	
12	Water consumption		1680	2279	2155	2470	2202	m3	
12	VOC emissions (total)		6075	8344	7040	6419	7027	kg	
7	Self-produced energy wind power		2 391	2531	2538	2502	2857	MWh	
13	Self-produced energy solar cells (commissioning June 2021)		1236	598	473	252	-	MWh	



11. Sustainability KPI:s

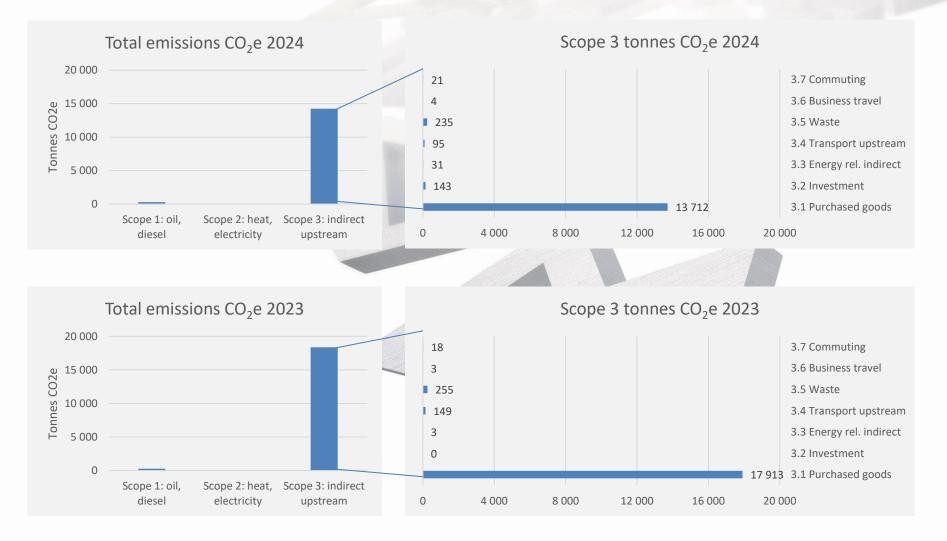


Year

■ Electricity purchased ■ District heating ■ Oil



11. Climate KPI:s



CO2e stands for carbon dioxide equivalents and refers to the total impact of all greenhouse gases, expressed in terms of the amount of CO2 that would have the same global warming potential.



12. Future

AB Maskinarbeten has taken significant steps toward making our operations more sustainable, and we are proud of that. However, we know we can—and want to—do even better.

We are convinced that sustainability will become an even greater focus in the future, and we are ready to take on new challenges.

In 2024, we launched our CSRD efforts with a series of workshops, during which we conducted a comprehensive double materiality assessment across all areas of the reporting system ESRS.

We will continue to invest in our operations while maintaining an active dialogue with our customers and suppliers as part of this continuous improvement process.

Naturally, we will also provide our customers with high-quality, verified sustainability data.

At AB Maskinarbeten, we take a long-term perspective.

