

# SUSTAINABILITY REPORT 2025

# TERRA TECH



This report is prepared in accordance with EFRAG's VSME Standard

# TERRATECH SUSTAINABILITY REPORT 2025

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# ABOUT THE REPORT

The purpose of this 6th sustainability report – but the first in line with the VSME Standard (Voluntary Sustainability Reporting Standard for SMEs) is to present Terratech's approach to managing environmental, social, and governance (ESG) issues. It highlights the key sustainability priorities, material topics, and ongoing initiatives for all three Terratech companies in their headquarter country (Sweden for Steelwrist and SVAB, and Denmark for Sjørring), as well as all production and office operations, including supply chain-related sustainability initiatives.

The report is intended to inform stakeholders, including employees, customers, and financial partners about our sustainability performance in environmental management, social conditions and governance practices, as well as future objectives. It also provides a foundation for continuous improvement and strategic decision-making in sustainability matters.

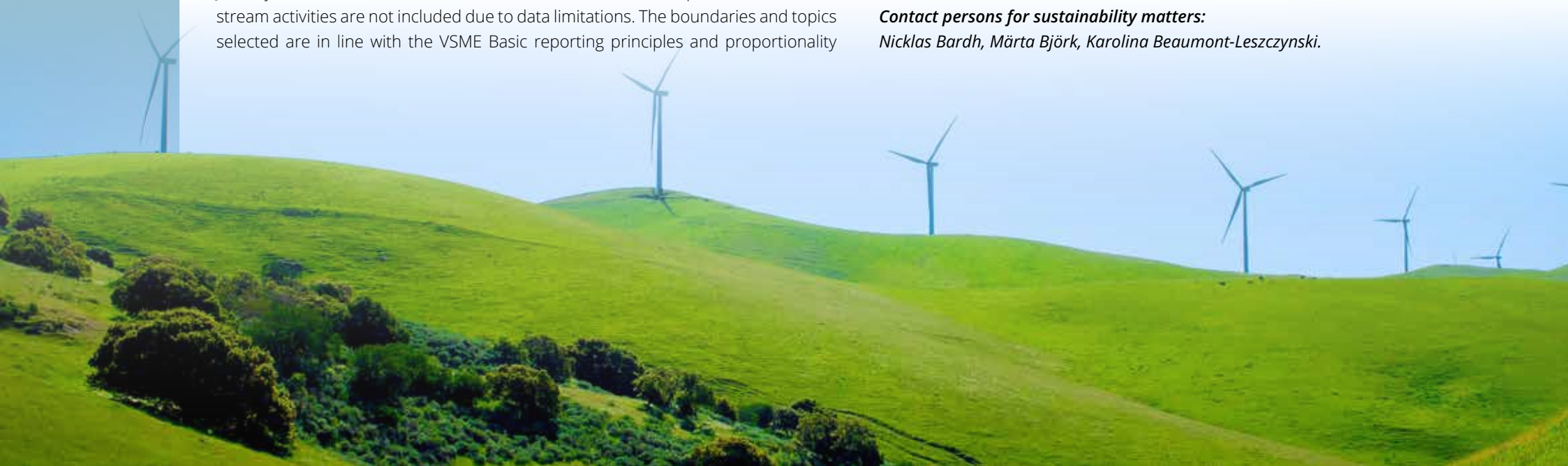
The data presented in this report is gathered quarterly and reported upon yearly. Therefore, the 2025 report presents data and initiatives pursued from the 1st of January 2025 to the 31st of December 2025. Certain minor upstream and downstream activities are not included due to data limitations. The boundaries and topics selected are in line with the VSME Basic reporting principles and proportionality

approach. However, some data presented, namely in the Social and Governance sections, are added to the report although it is not required by the standard.

The methodology of our ESG data collection and analysis combines primary data extraction from our ERP systems with supplier-reported information and carefully defined estimations where direct data is not available. Operational metrics are sourced from internal financial and operational records, while supplier data is collected through questionnaires and personalised supplier portals available online. In cases of data gaps, estimations are applied using transparent assumptions aligned with recognised ESG frameworks. The emission factors used are sourced through official data (the Danish Business Authority's Klimakompaset, Position Green, SustainX). The methodology is supported by close collaboration within the three Terratech companies to harmonise data definitions, improve data quality over time, and share best practices. Although some data elements are not a requirement under the VSME standard- Basic Module (results from Scope 3, for example), we chose to include them, since they are already gathered internally.

**Contact persons for sustainability matters:**

*Nicklas Bardh, Märta Björk, Karolina Beaumont-Leszczynski.*



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## LETTER FROM OUR CEO, STEFAN STOCKHAUS

Each year brings its own challenges and opportunities, and 2025 was no exception for the Terratech Group. The year was marked by continued geopolitical uncertainty, with the war in Ukraine still affecting the broader business environment and US tariffs creating additional pressure in one of our most important markets. Even so, we continued to move forward with a long-term perspective, strengthening our global position and staying focused on what has always been at the core of Terratech: helping our customers work more efficiently, more safely, and with better use of resources.

I continue to believe something very simple: our biggest contribution to sustainability is to help our customers do more with less. When an excavator is equipped with Terratech products: a Steelwrist tiltrotator, a machine coupler, advanced operator controls from SVAB, as well as work tools and buckets from Sjørring, the whole machine becomes more productive. It can do the job faster, with less fuel, fewer movements, less wear, and less need for transportation or support equipment on site. It also makes the work safer. That is the basic logic behind our business, and it remains the foundation of how we think about sustainability.

During the year, we continued to strengthen the way we work with sustainability across the Group. Our internal organization became more structured, our competence increased, and we took important steps in harmonizing our data and

ways of working across the three companies. One important area was Scope 3, where we made progress in both data collection and definitions. We also initiated the work on a common Terratech sustainability roadmap, which will help us make better priorities over time and stay aligned with our long-term commitments. This year's report is also our first one prepared in line with the VSME framework. That is an important step for us, but our main focus remains unchanged: practical improvements in the business and real progress in our operations.

At Terratech, sustainability is not a separate initiative running beside the business. It is part of how we develop products, how we improve production, how we work with suppliers, and how we build our organization. We are here to build a company that is fast, innovative, responsible, and strong over time – and to deliver solutions that make a real difference for our customers every day.



*Stefan Stockhaus*  
Stefan Stockhaus,  
CEO Terratech Group AB,  
May 2026



# INTRODUCTION

Terratech Group AB continues to strengthen its position as a global leader in enhancing excavator, operator control and wheel loader efficiency, while enhancing our sustainability efforts. Our core contribution to environmental performance lies in equipping excavators with advanced tiltrotators and fully automatic quick couplers; efficient and ergonomic operator controls; as well as optimized but robust attachments—solutions that dramatically increase productivity while reducing fuel consumption, machine wear, and site congestion. However, our engagement in the Science-Based Targets system implies that we also work towards streamlining sustainable solutions throughout all the stages of our value chain, from design to end-of-life, through production.

While 2025 was marked with geopolitical instability both in the west, with US tariffs impacting our activities, and in the east with the raging war in Ukraine, Terratech Group managed to expand, develop and stabilize its markets with long-term commitment, while implementing sustainable solutions at production stage. Another crucial topic in 2025 was IT security, which involved the creation of an IT security policy at Sjørring and Steelwrist.

Despite being deprioritized on a global scale, sustainability remained a core topic in Terratech's work. The restructuring of our ESG organization, which started in 2024, became more solid with more human capacities and better knowledge about ESG developments and requirements. This work culminated with the start of a common work towards a Terratech Sustainability Roadmap aiming at achieving the STBi targets we are committed to. Another key ESG development common to the three companies was the restructuring, expansion, optimization and harmonization of our Scope 3 data collection. Lastly, this year's analysis of sustainability allowed for a better understanding

not only of the challenges of Terratech as a Group, but also of those experienced by each of the three partners. It enabled the development of new strategies and focus points for 2026.

This year has been rich in **environmental sustainability** developments, with the most important being discussions around a common sustainability Roadmap, which finalization is planned for 2026.

Steelwrist celebrated its 20th anniversary this year, which allowed for a reflection about sustainability efforts and goals. Steelwrist also continued the rollout of the third generation of tiltrotators and the new quick coupler SQ40, both designed for better efficiency in the use phase. Steelwrist continues valuing Open-S as a standard for its openness, better compatibility between manufacturers, greater flexibility for machine owners, and improved resource utilization.

SVAB launched Quantum Connect, a new control system generation platform for tiltrotators designed for sustainable performance. Through modular architecture and integrated connections, the platform creates the possibility for enhanced productivity, resource effectiveness, reliability, and a more efficient installation process. Quantum Connect is also adapted to new machine standards, such as the MiC4.0 (machines in construction).

At Sjørring, the addition of an ESG & Sustainability Department allowed, in close collaboration with Steelwrist and SVAB, for a better development of ESG data and initiatives, as well as a regular registration of product materials in the CDX (Compliance Data Exchange) database. In addition, while sustainability efforts can be observed throughout all the ESG scopes, the most significant

impact was made by the transition from natural gas to district heating in the production processes, which allowed for a reduction by over 50% of CO<sub>2</sub> emissions in comparison with 2024.

**Social sustainability initiatives** such as wellness programs, cooperation of Steelwrist and SVAB with Samhall, efforts to improve diversity and age balance, as well as optimization of our employees' work environment and mental health (with access to an psychologist for employees once a month at Sjørring), reflect our broader view of what it means to run a responsible and people-oriented business.

Sjørring's participation to "the Green Travelling Team" allowed for strengthened social outreach. Four young interns on the programme worked on proposing sustainable alternatives to paint and a reduction in the impact of painting processes, while gaining professional experience and boosting their knowledge about ESG.

Lastly, SVAB developed a new production line which, besides enabling a greater output, made it possible to make ergonomic changes in production to ensure a physically sustainable working environment for our employees.

During 2025, in relation to **governance**, all three Terratech companies increased the scope of their Codes of Conduct to ensure that they encompass sustainable practices and standards throughout the supply chain. This work has resulted, for SVAB, in new targets for 2026, notably in terms of supplier contracts.

Terratech remains fully committed to building a safer, more efficient, and more sustainable future — together with our customers, partners, and employees. This sixth sustainability report outlines our ongoing journey to integrate environmental, social, and governance considerations into the heart of everything we do.



# 3

## BASIC MODULE- GENERAL INFORMATION




### B1.1: Basis for preparation

(a) This report is based on the standards included in the Basic Module. (b) The report does not disclose data about turnover. GHG intensity is calculated according to headcount. The report does not include downstream emissions in scope 3, as well as other minor data points, for which data is unavailable.

(c) The report has been prepared on an individual basis. The Terratech group includes three companies. (d) Company profile (see table below).

GENERAL INFORMATION		GLOBAL PRESENCE	
<b>Legal form:</b>	Limited Company	<b>Steelwrist subsidiaries are located in:</b>	
<b>NACE code:</b>	28.92	Norway, Finland, the UK, France, Germany, Belgium, the Netherlands, Italy, Poland, USA, Canada, Australia, New Zealand, Japan, South Korea and China.	
<b>Country of Registration:</b>	Sweden		

KEY PERFORMANCE INDICATORS (2022-2025)				
	2022	2023	2024	2025
NUMBER OF EMPLOYEES	447	448	458	491
FTES (used for GHG Intensity)	447	448	458	491

 <b>STEELWRIST AB</b> <b>Facility:</b> Production facility + office <b>Address:</b> Titangatan 9, 195 72 Rosersberg, Sweden <b>Coordinates:</b> Latitude: ~57.0180° N, longitude: ~8.5719° E	 <b>SVAB HYDRAULIK AB</b> <b>Facility:</b> Production facility + office <b>Address:</b> Maskinvägen 6 B, SE-694 60 Åsbro, Sweden <b>Coordinates:</b> Latitude: 58.99472° N, longitude: 15.04788° E	 <b>SJØRRING MASKINFABRIK A/S</b> <b>Facility:</b> Production facility + office <b>Address:</b> Sjørringvivej 4, 7700 Thisted, Denmark <b>Coordinates:</b> Latitude: ~57.0180° N, longitude: ~8.5719° E
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CERTIFICATION SUMMARY				
COMPANY	ISO CERTIFICATE	STATUS	RECERTIFICATION DATE	RATING SCORE
Steelwrist	ISO 9001	Recertified	10/2 2025	100%
	ISO 14001	Recertified	10/2 2025	100%
SVAB	ISO 9001	Recertified	25/11 2025	100%
	ISO 14001	Recertified	25/11 2025	100%
Sjørring	ISO 9001	Recertified	9/12 2025	100%
	ISO 14001	Recertified	9/12 2025	100%
	ISO 3834	Recertified	9/12 2025	100%



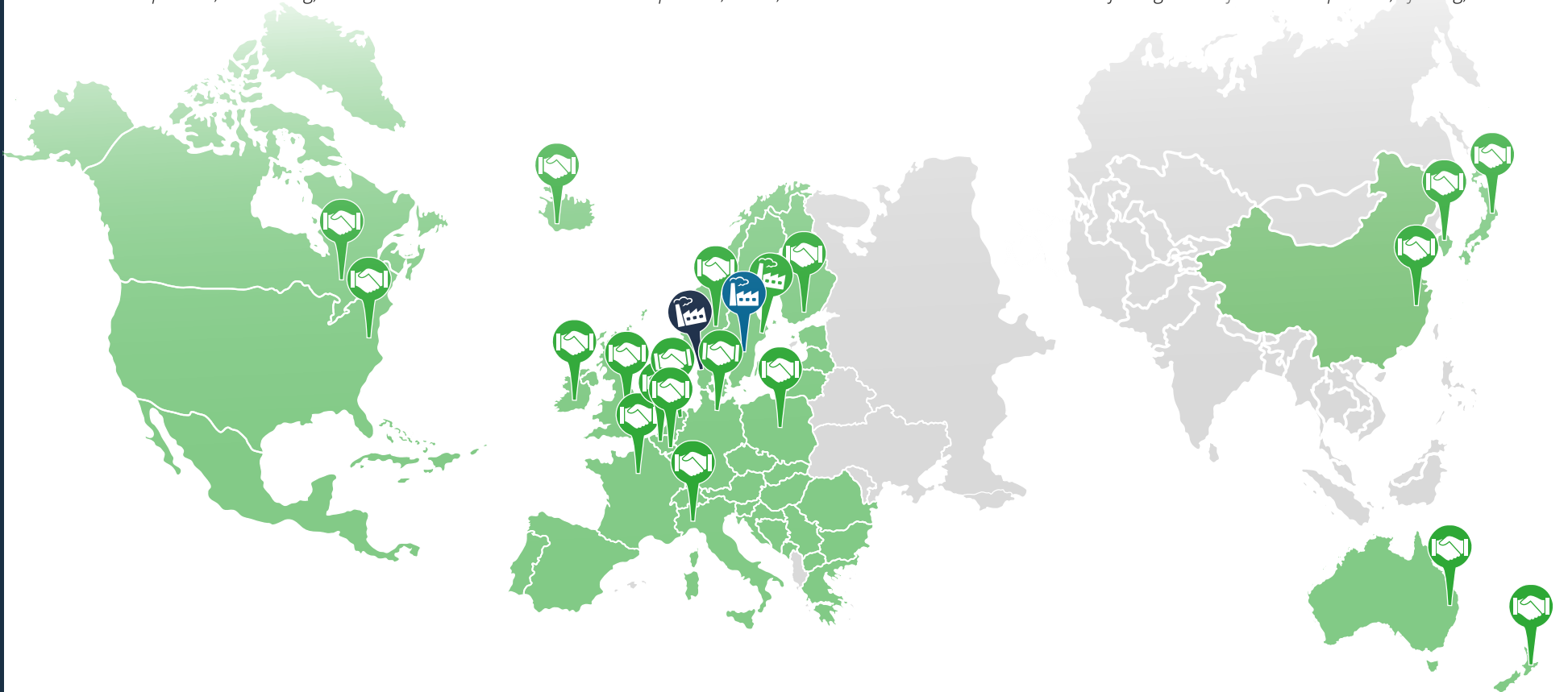
*Steelwrist headquarters, Rosersberg, Sweden*




*SVAB headquarters, Åsbro, Sweden*



*Sjørring Maskinfabrik headquarters, Sjørring, Denmark*



 Terratech facilities and headquarters

 Steelwrist local offices

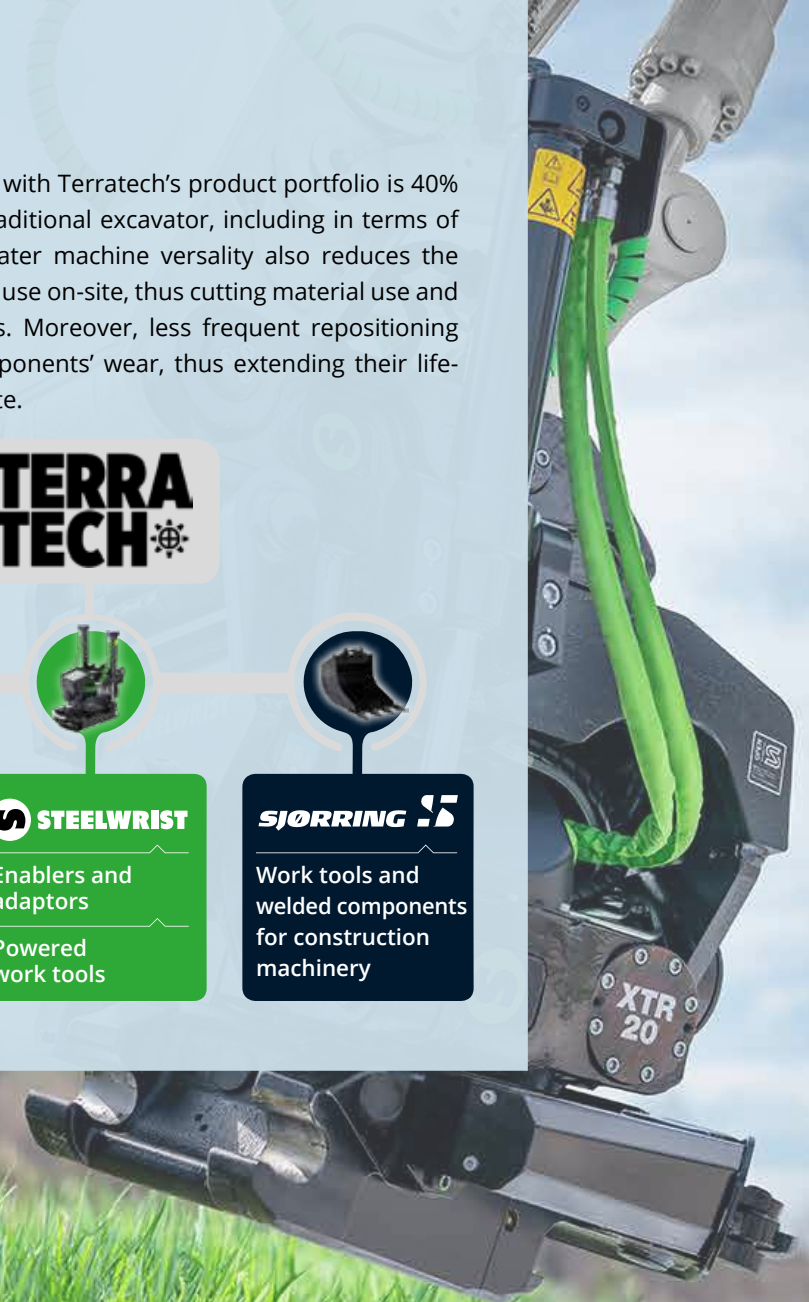
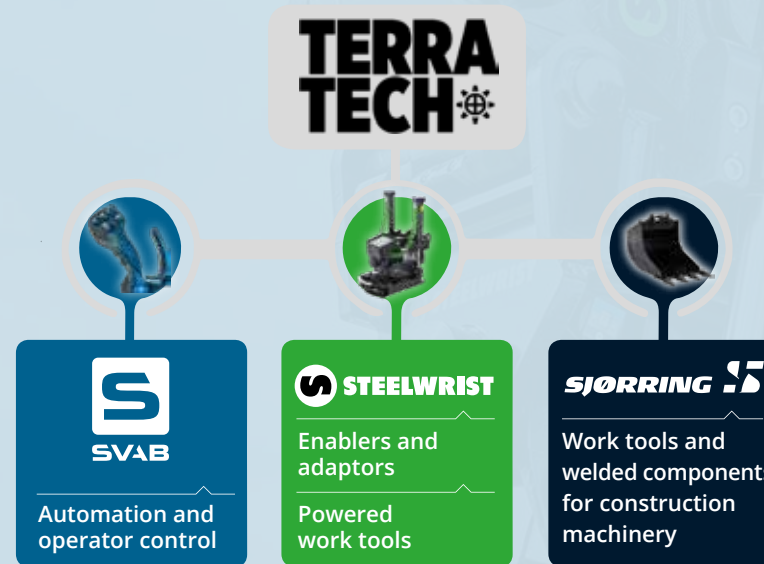
## B1.2. Main activities, products, and services

The Terratech Group consists of three companies with a head office and production facilities: SVAB Hydraulik AB (SVAB) and Steelwrist AB (Steelwrist), headquartered in Sweden; and Sjørring Maskinfabrik A/S (Sjørring), based in Denmark. Steelwrist also includes ten subsidiaries, allowing Terratech to be present in over 20 countries. Altogether, Terratech employs 495 people.

Terratech was founded in 2015 with Steelwrist as its first subsidiary. In 2016, SVAB joined, followed by Sjørring in 2022. Since its inception, and with the expansion to Sjørring and SVAB, Terratech's focus has grown to a broad product portfolio that delivers a complete solution for excavators.

Steelwrist, focused on effectiveness and optimization, leads the development and production of enablers, adaptors, and powered work tools, with its advanced and robust quick couplers and tiltrotators. It is now expanding its manufacturing facilities to two new locations: Taicang, in China and Newington in Connecticut, USA. SVAB has overall responsibility for automation, operation and operator controls, contributing with its expertise in innovative technology. Sjørring brings decades of experience in engineering and manufacturing a wide range of non-powered work tools, such as excavator and wheel loader buckets as well as other robust attachments.

An excavator equipped with Terratech's product portfolio is 40% more efficient and a traditional excavator, including in terms of fuel consumption. Greater machine versatility also reduces the number of machines to use on-site, thus cutting material use and transport requirements. Moreover, less frequent repositioning further minimizes components' wear, thus extending their lifespan and reducing waste.

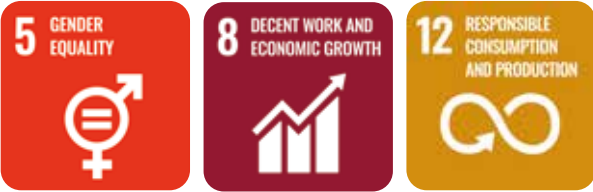


### B1.3. Sustainability strategy and approach

As climate change drives more frequent and severe weather events — including floods, landslides, and storms — the demand for effective infrastructure repair, land restoration, and disaster response is growing. Despite their own environmental footprint, excavators and their attachments are essential in this context: they are core equipment for rebuilding damaged infrastructure, reinforcing flood defenses, clearing debris, and restoring affected landscapes. As the frequency of such events increases, the role of reliable, high-performance excavation equipment in climate adaptation efforts becomes ever more pronounced.

Our primary ESG objective is to maintain and strengthen both a sustainable business model and a sustainable product portfolio. ESG work in all three companies is embedded in our daily operations, since the Terratech Group is a member of the Science-Based Targets initiative. With the ambitious goal of going carbon neutral in 2040, we are investing in sustainability solutions and monitoring innovation developments to reach the target. Terratech, based on its Double Materiality Assessment, defined three key sustainability focus areas: achieving net zero emissions, ensuring zero accidents from Terratech products and businesses, and operating as a responsible business, which involves accountability and transparency.

We mark our contribution to the UN's sustainable development goals through our engagement towards gender equality, decent work, and responsible and sustainable business. We strive to be a responsible and sustainable business regarding both production and consumption. We aim at developing sustainable practices including reducing waste as well air, water and soil pollution.



## B1.4. Business model and value chain

Terratech's core business idea is to develop, manufacture, sell, and support products that enhance excavator efficiency. While much of our marketing is directed at end users — through social media, trade fairs, and product demos—sales are conducted either via OEDs (Original Equipment Distributors) or OEMs (Original Equipment Manufacturers). Our complete value chain can be described in the following eleven steps:

### › STEP 1. DESIGN

In the business model and value chain, product design is where everything starts. Terratech's core mindset at this stage is focused on efficiency, high-end technological solutions, and integration of sustainability solutions. Continuous skills improvement and employee training are also a focus point.

### › STEP 2. REFINEMENT OF RAW MATERIAL

The materials used in our products come either from refined raw materials extracted directly from mines or from recycled materials processed through various refinement methods. We continue to work on increasing transparency in the material mix by identifying the proportion of recycled versus virgin material used in our products and expanding the use of recycled materials, while focusing on high quality and EU produced or refined raw materials. As raw steel is a major source of CO<sub>2</sub> emissions for Sjørring, we are closely tracking SSAB's development of fossil-free steel expected in 2026. Securing access to this material is a priority for next year, in response to its positive contribution to our Scope 3 ESG performance.

### › STEP 3. SUPPLIERS

Once raw materials have been refined, our suppliers transform them into components such as steel castings, welded structures, hydraulic parts, and electrical systems. Most of our suppliers are based in Europe, with a significant concentration in Europe. As our presence grows in North America and the Asia-Pacific region, we are increasingly establishing local supplier relationships to reduce environmental impact from long-distance transportation. We currently collaborate with approximately 240 production suppliers. To ensure responsible sourcing, we conduct regular follow-ups to confirm that our suppliers adhere to our Code of Conduct and comply with fair and ethical business practices.

### › STEP 4. UPSTREAM TRANSPORTATION

Once our components leave our suppliers, they are transported to us – mainly via truck, ship, or air freight — through our logistics partners. Again, at this stage, we prioritize sourcing from local suppliers to reduce transportation distances and emissions. We are also continuously working to coordinate and consolidate shipments in batches wherever possible to minimize environmental impact. One important improvement in our upstream logistics is the continued optimization of transport flows from our work tool hub at Sjørring to our group companies across the globe.

### › STEP 5. PRODUCTION

When materials and components arrive at our three production facilities, they are processed and assembled according to each company's specialization. At SVAB, we assemble advanced electronic components. At Steelwrist, we handle the machining and assembly of electrical, mechanical, and hydraulic systems. At Sjørring, we manufacture a wide range of high-quality buckets and attachments for the construction equipment industry, as well as other welded components. Terratech's production facilities are equipped with smart tools allowing for digital monitoring of energy consumption and heating/cooling, as well as predictive maintenance. Focus is set on the minimization of downtime for better efficiency. Lastly, all our three companies are certified in ISO 14001, guaranteeing efforts for sustainable production.

### › STEP 6. DOWNSTREAM TRANSPORTATION

When products are ready for delivery, we primarily rely on our logistics partners to ship goods either directly to OEM factories, to OED excavator dealers, or to our own subsidiaries, which maintain local stock for standard products and spare parts.

To minimize environmental impact, we aim to follow an optimized fixed freight schedule to our subsidiaries, consolidating shipments whenever possible – by truck within Europe and by container sea freight to destinations such as the United States, South Korea, Japan, and Australia. This reduces the number of urgent shipments and lowers our reliance on air freight.

### › STEP 7. SALES

Our products are sold either directly from our three production facilities in Sweden and Denmark or through one of our seventeen subsidiaries with local inventory. We supply OEMs with direct deliveries to their production sites around the world, while OEDs are primarily served via our regional sales offices and local representatives. One of our core focuses is the constant strengthening of customer relations. In 2025 we started an open dialogue with our clients about sustainable alternatives, notably fossil-free steel and paint-free buckets or low-emission painted components.

### › STEP 8. PRODUCT USAGE

Product usage is primarily focused on efficiency. Terratech's tiltrotators significantly improve excavator productivity compared to conventional setups, saving time and reducing fuel consumption. An independent Japanese study (2023–2024) showed over 50% higher productivity and around 40% lower fuel use, while also improving site safety by eliminating the need for additional personnel near the machine. Comprehensive guidance, training materials, and full lifecycle support are provided to customers and users to ensure safe and effective use.

### › STEP 9. SUPPORT AND SERVICE

Our customer support system operates across four levels:

- › **Level 1** involves the dealer or service partner that installed the product.
- › **Level 2** is handled by the local subsidiary's support team.
- › **Level 3** is managed by our global support function based in Sweden.
- › **Level 4** includes the R&D teams within each company for specialized technical support.

We continuously expand our support network and partnerships with local service providers to ensure that assistance is available close to the end user and in their local language. Steelwrist offers a full-service refurbishment for its clients in Sweden, allowing for a thorough restoration of the product and the issue of a renewed warranty, thus extending the product's lifespan.

### › STEP 10: COMMUNITY AND LOCAL IMPACT

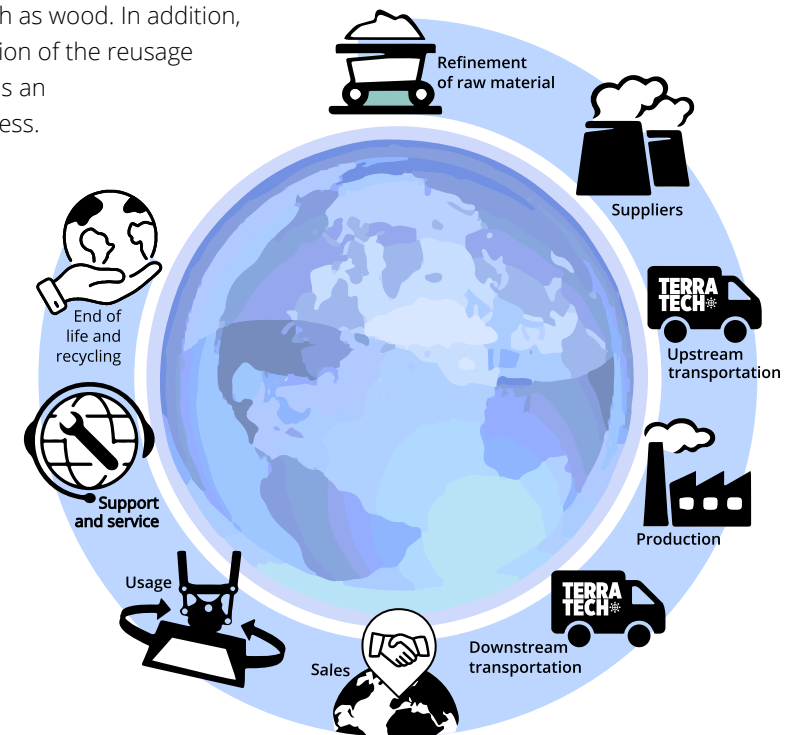
Community and local impact are an area of growing focus at Terratech. The group's strategy involves prioritization of local sourcing, the support of regional employment, and community initiatives related to sustainability. In 2025, Sjørring took part of a program, the "Green Travel Team", in partnership with a higher education institution

in Aalborg (UCN), where a team of four interns were assigned with the task of finding a sustainability solution focused on production stage. The team came up with an analysis of the emissions of paint and developed alternative solutions (bio-based paint, partly painted attachment or unpainted attachments).

### › STEP 11. END OF LIFE AND RECYCLING

Most materials used in our products are recyclable. Since 2023, we have been using the CDX platform to map all materials included in our products — an ongoing effort that also involves training our suppliers in the system to handle complex assemblies, as well as to identify relevant and reliable data.

We also register any applicable Substances of Very High Concern (SVHC) in the SCIP database (Substances of Concern In articles as such or in complex objects), further strengthening our compliance and transparency. We are increasingly investigating potential room for improvement in the context of end-of-life and recycling, such as the reuse and recycling of spare parts and of packaging materials such as wood. In addition, the optimization of the reuse of our waste is an ongoing process.



## B1.5. Double Materiality Assessment

At Terratech, we understand our role in society and that the risks and opportunities shaping our future are central to our strategy. Although it is not required in the VSME standard, we conducted a Double Materiality Assessment (DMA) to identify the sustainability issues that matter most — from both the perspective of our impact on people and the environment and the financial implications for our business. The results guide our sustainability priorities, risk management, and long-term value creation.

### B1.5.1. METHODOLOGY

The current double materiality assessment (DMA) is based on data gathered in 2024 within Steelwrist, SVAB and Sjørring and is updated every two years. Stakeholder consultations involved customers, employees, suppliers, shareholders – as well as external actors, such as banking institutions, auditors, and industry organisations. These consultations allowed us to evaluate the importance and impact of relevant sustainability topics. The identification of the latter was based on ESRS topical standards, peer benchmarking, regulatory requirements, internal policies, and sector-specific risks. This resulted in a list of potential material matters. For impact materiality, we assessed actual and potential positive and negative impacts across our operations and value chain. Each topic was evaluated qualitatively based on Likelihood, Scale, Scope, and Irremediability. Its assessment relied on expert judgment, internal data, stakeholder input, and sector guidance.

### B1.5.2. DOUBLE MATERIALITY TOPICS

The following topics were identified as most critical both from a financial and a sustainability perspective (double materiality).

#### » Climate Change

Categorized under E1 – Climate Change, this topic includes both climate resilience and emissions reductions (Scopes 1–3), aligned with SBTi targets and critical for the Terratech Group.

#### » Products and Processes Free from Harmful Substances

This is a key risk area under E2 – Pollution & emissions, since regulatory pressure and customer expectations demand safe and compliant product design and chemical management.

## RESULTS OF THE DMA

DOUBLE MATERIALITY ANALYSIS RESULTS;			
	Steelwrist	SVAB	Sjørring
E1- Climate Change	X	X	X
E2 Pollution	X	X	X
E3 Water and marine resources	–	–	–
E4 Biodiversity and ecosystems	–	–	–
E5 Resource use & circular economy	XX	X	X
S1 Own workforce	X	–	X
S2 Workforce in the value chain	X	X	–
S3 Affected communitie	–	–	–
S4 Consumers and end-users	–	–	–
G1 Business conduct	X	X	X

X Positive impact or Opportunity X Negative Impact or Risk – Not material

#### » Renewable Materials and Sustainable Production

This relates to E5 – Resource Use and Circular Economy, where both risks and opportunities were identified. Sustainable resource use and circularity are key enablers of long-term competitiveness.

#### » Fair and Equal Treatment of Individuals

Closely linked to topics S1 (own workforce) and S2 (value chain workforce), the fair and equal treatment of individuals is particularly relevant for Terratech in a global supply chain context.

#### » A safe and stimulating work environment for employees

This continues to be a core area, especially given the risks identified in Steelwrist and Sjørring (S1 – negative impact). Occupational health and safety, as well as employee engagement and competence development, are critical both ethically and strategically.

#### » Customer Satisfaction and End-User Safety

While not marked as material in the DMA (S4), these topics remain strategically significant for Terratech, since they directly affect the Group's reputation, product responsibility, and long-term market position.

#### » Respect for Human Rights, Business Ethics, and Anti-Corruption

This is marked as material for the Group. As regulatory and stakeholder expectations grow, companies are expected to implement robust due diligence and compliance processes.

The table below provides an overview of the steps Terratech companies are taking to operate more sustainably. It covers concrete actions already in place — such as reducing energy use or improving working conditions — as well as formal policies adopted on environmental,

social and governance matters. It also outlines planned future initiatives and the targets set to measure progress over time. Taken together, these elements reflect Terratech's commitment to reducing its environmental impacts while strengthening its positive contributions.

### PRACTICES, POLICIES & FUTURE INITIATIVES FOR TRANSITIONING TOWARDS A MORE SUSTAINABLE ECONOMY

OVERVIEW OF SUSTAINABLE PRACTICES, POLICIES AND FUTURE INITIATIVES									
	Existing practices policies			Existence of initiatives			Existence future of targets		
	SW	SVAB	SJM	SW	SVAB	SJM	SW	SVAB	SJM
Climate change	✓	✓	✓	✓	✓	✓	✓	✓	
Pollution	✓	✓	✓	✓	✓	✓	✓	✓	
Water & marine resources	✓	✓	✓	✓	X	✓	X	X	
Biodiversity & ecosystems	✓	✓	✓	✓	✓	✓	X	X	
Circular economy	✓	✓	✓	✓	✓	✓	X	X	
Own workforce	✓	✓	✓	✓	✓	✓	✓	✓	
Workers in the value chain	✓	✓	✓	X	X	X	X	X	
Affectvd communities	✓	✓	✓	X	✓	✓	X	X	
Consumers & end-users	✓	✓	✓	✓	X	X	X	X	
Business conduct	✓	✓	✓	✓	X	✓	✓	X	

# 4

## BASIC MODULE: ENVIRONMENTAL METRICS

### B3. 1. Scopes 1 and 2

A significant effort has been put into improving Scopes 1&2 within the Terratech Group. In 2025, Sjørring, which is the company with the highest amount of GHG emissions due to its extensive production activities, changed its heating source from natural gas to district heating in January 2025. In parallel, Steelwrist also significantly reduced its emissions in electricity and processes through optimization. Sjørring and SVAB reduced the emissions of their company cars by increasing the use of electric cars starting 2024.

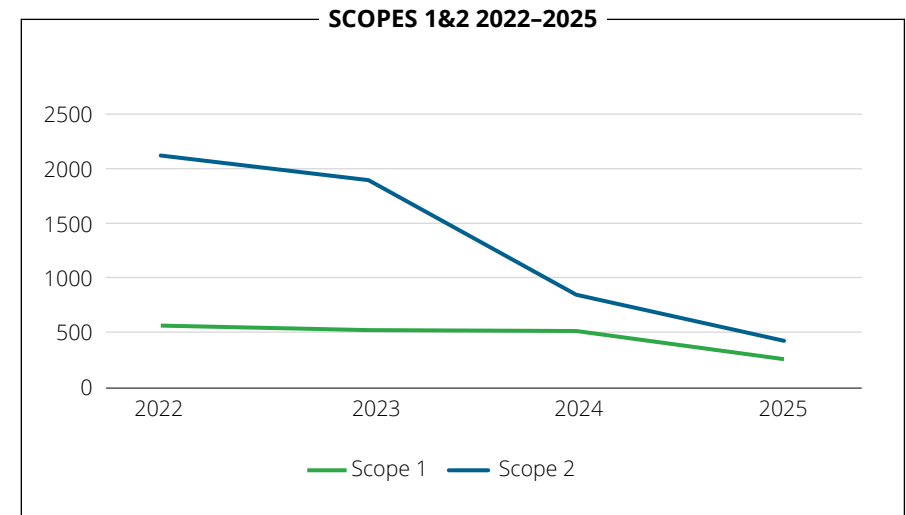
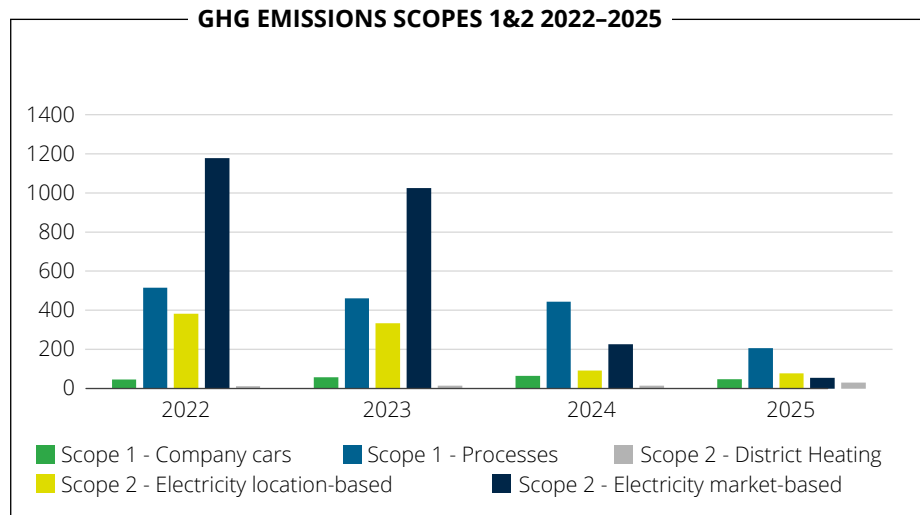
Those efforts enabled a decrease of 54,5% in GHG emissions from Scope 1 between 2022 (our SBTi baseline year) and 2025, and of 89,4% from Scope 2 in the same period. With an average percentage reduction of 72%, Terratech is way ahead of its SBTi targets, being 46% reduction in scope 1 and 2 by 2030.

### SCOPES 1 AND 2

ELECTRICITY AND FUELS				
	Steelwrist	SVAB	Sjørring	Terratech
Electricity - Consumption in MWh	728	278	2 311	3 317
Electricity - Share of renewable energy (in %)	100	100	94	96
Fuels in CO <sub>2</sub> e	14	2	218	234

GHG EMISSIONS (T CO <sub>2</sub> E) 2025				
Scope 3 (tCO <sub>2</sub> e)	Steelwrist	SVAB	Sjørring	Terratech
Scope 1- Company car	12	2	33	47
Scope 1- Processes	3	0	204	207
Scope 2- Location-based	6	2	71	79
Scope 2- Market-based	56	0	0	56
Scope 2- District Heating	9	0	21	30
<b>TOTAL SCOPE 1 &amp; 2</b>	<b>86</b>	<b>4</b>	<b>329</b>	<b>419</b>

GHG INTENSITY SCOPES 1&2 <sup>1</sup>				
	Steelwrist	SVAB	Sjørring	Terratech
GHG intensity scopes 1&2	1,4	0,2	2,5	1,9



<sup>1</sup> GHG intensity metrics differ across entities due to the fundamentally different nature of production processes. A harmonized Group methodology will be proposed for next reporting period.

## B3.2. Scope 3

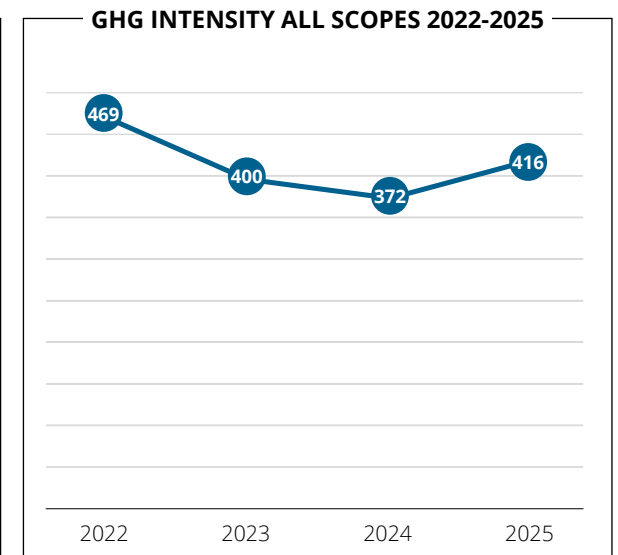
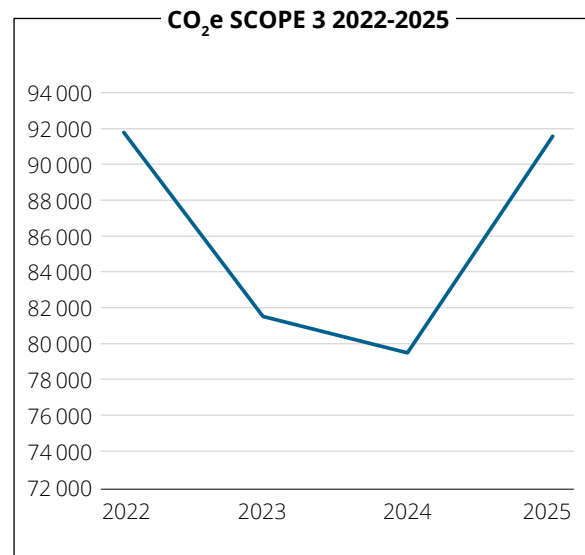
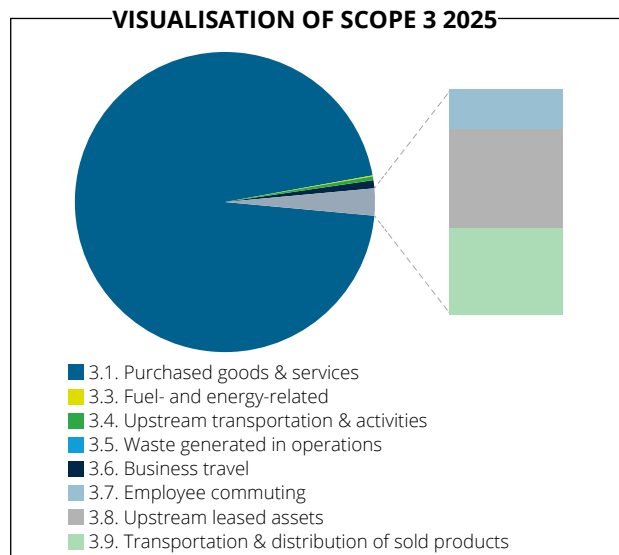
Scope 3<sup>3</sup> emissions across all three Terratech companies are dominated by the category of **Purchased Goods and Services**, which is itself driven primarily by the purchase of raw materials — namely steel for Steelwrist and Sjørring, and plastic/steel for SVAB. The Terratech Group is closely monitoring the development of fossil-free steel solutions, led by SSAB. The advancement of new technologies and processes will be key to achieving a more sustainable Scope 3 footprint in the future.

The second and third heaviest categories in terms of CO<sub>2</sub>e emissions for 2025 are **Upstream Leased Assets and Downstream Transport**. The former includes machinery, while the latter encompasses shipping to other continents — primarily the Americas — despite ongoing efforts to prioritize sea freight. Solutions to optimize and reduce the impact of both categories are continuously explored.

**Business Travel**, the fourth heaviest category, is largely driven by flights between the three companies for in-person meetings, which are essential for effective collaboration within the Terratech Group. While the majority of meetings are conducted via video-conference, physical gatherings remain important for the efficient and strategic exchange of information, expertise, best practices, and improvement initiatives.

### SCOPE 3

GHG EMISSIONS (T CO <sub>2</sub> E) 2025				
Scope 3 (tCO <sub>2</sub> e)	Steelwrist	SVAB	Sjørring	Terratech
3.1. Purchased goods and services	54 567	11 684	21 324	87 575
3.2. Capital Goods	No Data	No Data	72	72
3.3. Fuel- and energy-related activities	16	5	73	94
3.4. Upstream transportation & distribution	256	35	74	365
3.5. Waste generated in operations	4	0,3	7	1
3.6. Business travel	638	91	67	796
3.7. Employee commuting	235	74	170	479
3.8. Upstream leased assets	895	224	52	1 171
3.9. Transportation & distribution of sold products	876	29	117	30
3.10. – 3.15. <sup>2</sup>	Excluded	Excluded	Excluded	Excluded
<b>TOTAL SCOPE 3</b>	<b>57 487</b>	<b>12 142</b>	<b>21 956</b>	<b>91 585</b>



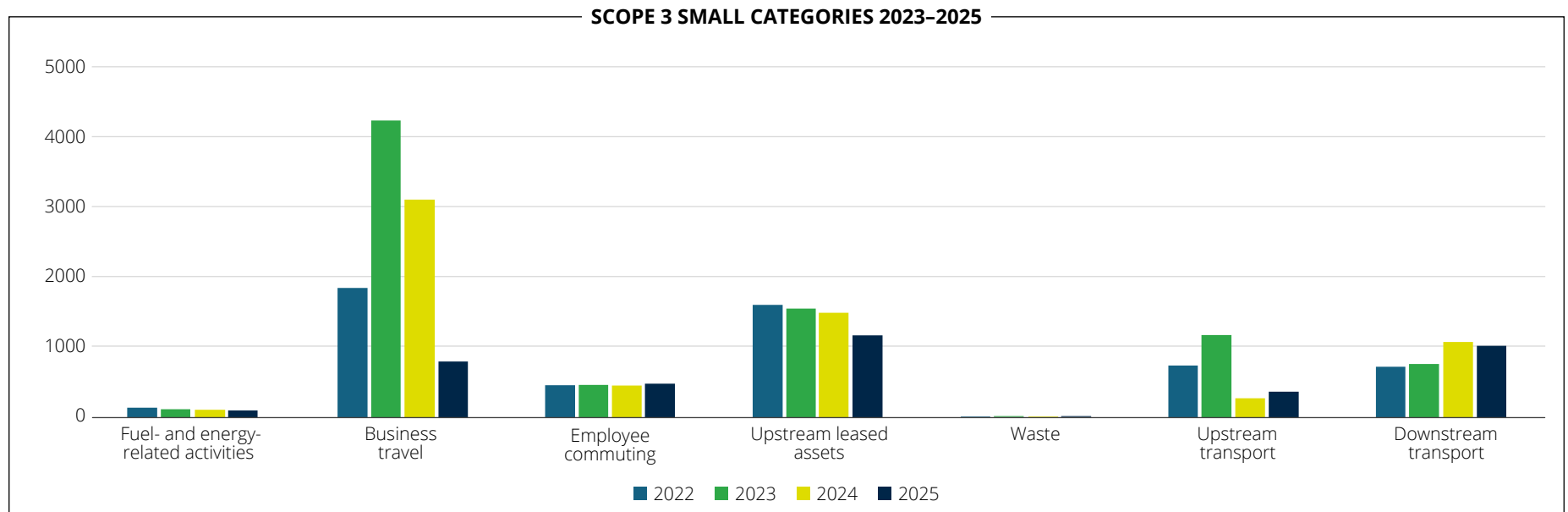
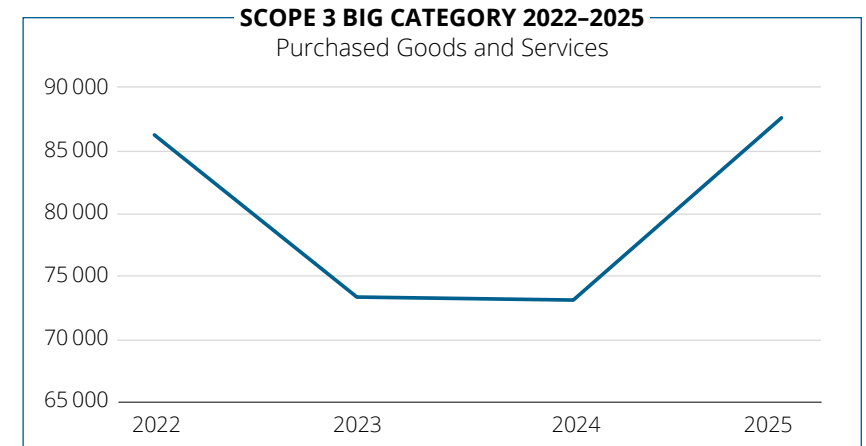
<sup>2</sup> The categories 3.10-3.15 are excluded from the report due to a lack of data at the time of reporting.

<sup>3</sup> The category "Capital Goods" is excluded from the calculations due to a lack of data at the time of reporting. This category will be reported on in the next reporting period.

When looking at the perspective of time, the share of **Purchased Goods and Services** has followed an increasing trend (+20% between 2024 and 2025, despite a decrease by 9% since 2022), driving a corresponding rise in CO<sub>2</sub>e emissions from **Waste** (+ 43%, while the amount of waste in kg actually only increased by 4,9%), **Employee Commuting**, (+ 6,7 % due to an increase in the number of employees) and **Upstream Transport** (+45,6% between 2024 and 2025 despite a decrease by 50% since 2022). These categories remain key focus areas requiring continued mitigation efforts. At the same time, the sustainability measures implemented across the organization have yielded measurable results: the shares of **Fuel, Business travel, Upstream Leased Assets, and Downstream Transport**, and have all declined since 2024 (-11,6% ; -74,2% ; -21%; and -4% respectively), reflecting the positive impact of targeted emission reduction initiatives.

Taken together, these trends highlight both the progress achieved to date and the areas where further action will be necessary to ensure a balanced and sustained reduction of the company's overall emissions profile across all Scope 3 categories. Efforts and solutions to reduce Scope 3 is the core focus in terms of sustainability strategy for the years to come, and a core topic of the Roadmap to Sustainability, that is currently underway at Terratech.

GHG INTENSITY SCOPE 3				
	Steelwrist	SVAB	Sjørring	Terratech
GHG intensity Scope 3	912	467	166	416



## B4: Pollution of air, water and soil

The control of Terratech's air, water and soil pollution is ensured by a strict ISO 14001 protocol implemented in all three companies, guaranteeing procedures for safe handling and storage of chemical components as well as careful and controlled maintenance activities for contained spillage. In addition, a performing and maintained ventilation system enables the capture of polluting components such as welding ash.



Interns from the Green Traveling Team presenting their findings. Their task was to investigate alternatives to paint in order to reduce VOC emissions.

### POLLUTION OF AIR, WATER AND SOIL 2025

Type of contamination	Steelwrist	SVAB	Sjørring	Terratech
VOC – Scope (in tons)	1,4	0	14	15,4
VOC – Air, water or soil	Air	0	Air	

## B5: Biodiversity

### BIODIVERSITY

Company	Area (m <sup>2</sup> )	Biodiversity sensitive area	Specification
Steelwrist HQ	12 500	No	–
SVAB	2 981	No	–
Sjørring A/S	19 000	Yes	Sjørring is located a few meters from Key Biodiversity Area/Natura 2000 site: the Sjørring lake.

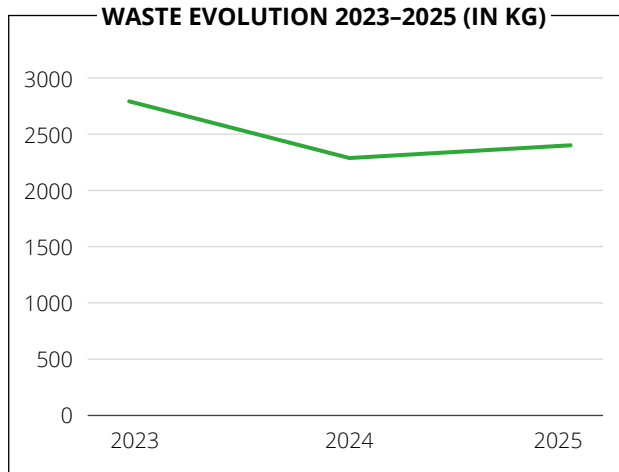
## B6: Water

### WATER

Company	Water withdrawal in m <sup>3</sup>	Water consumption in m <sup>3</sup>	Site in areas with water stress
Steelwrist HQ	1 122	75	Inside a low-risk zone, but 15km away from a high-risk zone
SVAB	363	15	Inside a medium-high risk zone
Sjørring A/S	1 068	105	Inside a low-risk zone
<b>TOTAL</b>	<b>2 553</b>	<b>1 317</b>	



## B7: Resource use, circular economy and waste management



Key materials in Terratech (in tons)	Annual mass-flow
Steel (Sjørring) <sup>4</sup>	14 397,3
Steel (Steelwrist)	3 165,4
Plastic (SVAB)	24,7
Steel (SVAB)	26,7

<sup>4</sup> This includes only raw steel plates

RESOURCE USE, CIRCULAR ECONOMY AND WASTE MANAGEMENT				
	Total generation of waste	Waste diverted to recycle or reuse	Waste diverted to energy recovery	Waste directed to landfill
<b>Hazardous waste</b>				
Paint, varnish, glue cans, solvent, solvent-based/mixed	4 438	-	4 438	-
Forklift batteries	1 492	1 264	79	149
Oil-related waste (oily water, cutting oil & fluid, emulsions, waste from oilseparator)	28 668	22 441	6 247	-
Oil filters, absorbants	92	8	84	-
Antifreeze and coolant	1 048	-	1 048	-
Small batteries	77	43	-	34
Contaminated water	12 650	12 650	-	-
Aerosols	747	94	653	-
Filled emballage	2 282	1 141	1 141	-
Hazardous electronic waste	1 154	587	563	4
<b>Non-hazardous waste</b>				
Waste to landfill	18 350	-	-	18 350
Steel-related waste (steel scrap, steel sand, steel shavings)	2 168 990	2 147 403	18 117	3 470
Copper and brass	449	446	3	-
Wood (clear and painted)	75 010	1 500	73 510	-
Plastic	1 450	1 450	-	-
Glass, isomix	54	54	-	-
Paper and cardboard	5 891	5 891	-	-
Electronics (incl TV's, monitors, flat screens, LCD)	445	312	110	23
Electric motors	79	78	-	1
Cables (incl mixed with copper or aluminum and mixed cable scrap)	562	553	9	-
Refrigerators	67	55	12	-
Toners	23	23	-	-
Bulky and residual waste	60 770	5 448	55 322	-
Mixed scrap	14 761	13 680	595	486
<b>TOTAL NON-HAZARDOUS WASTE</b>	<b>2 346 901</b>	<b>2 176 893</b>	<b>147 678</b>	<b>22 330</b>
<b>TOTAL</b>	<b>2 399 569</b>	<b>2 215 121</b>	<b>161 931</b>	<b>22 517</b>

# 5

## BASIC MODULE: SOCIAL METRICS

### B8: Workforce – general characteristics

Terratech operates within a traditionally male-dominated sector, which is reflected in the current gender composition of its workforce. Nevertheless, the company is witnessing a slight increase in the number of women joining the organization, which reflects our company's wish for a more balanced and inclusive work environment for all employees.

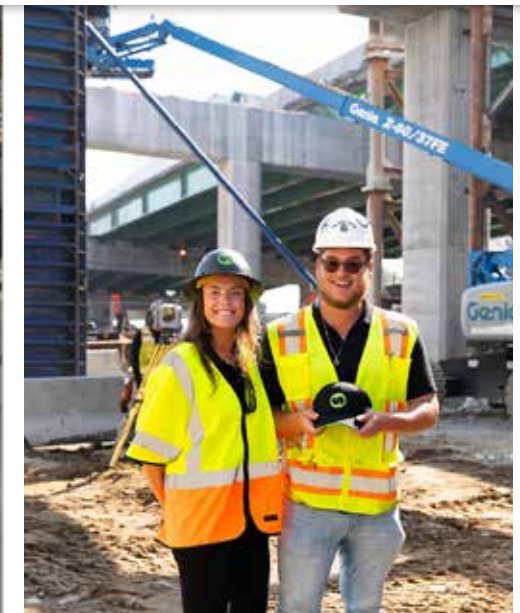
In March 2025, Steelwrist hosted a live webinar across several social media platforms on the topic of Women in Construction, where representation, shared experiences, and highlighted opportunities were discussed. This was complemented with Steelwrist's participation to a Women in Construction conference, where focus was on connecting with others and gaining a better understanding of the challenges and opportunities women face in the industry.

#### WORKFORCE- GENERAL CHARACTERISTICS

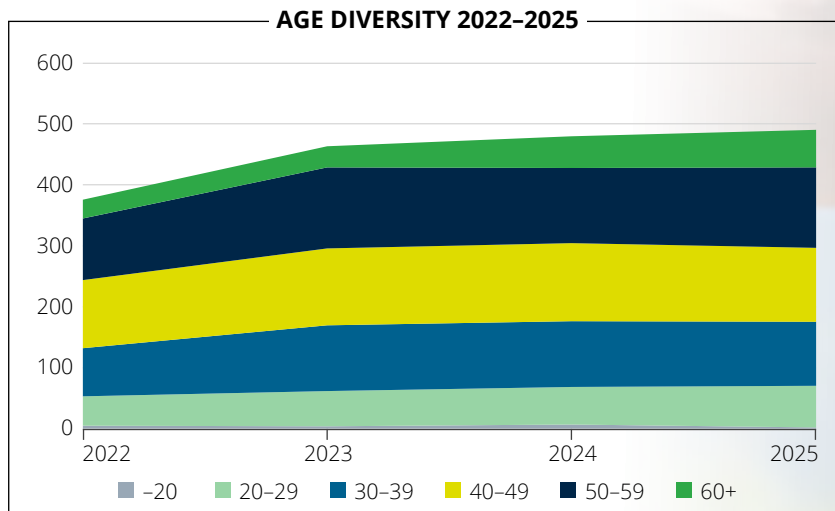
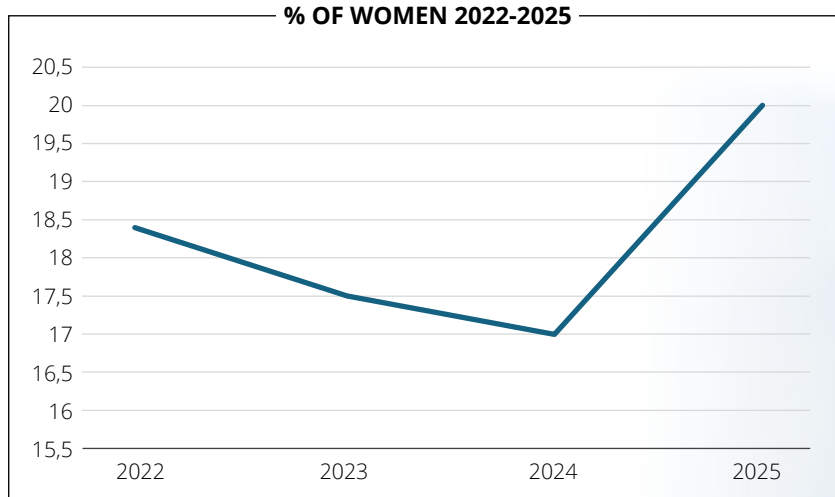
Type of contract	Steelwrist	SVAB	Sjørring	TOTAL 2025
Temporary contract	0	0	0	0
Permanent contract	235	70	186	491
<b>Gender</b>				
Male	209	44	170	419
Female	26	26	19	71
Total employees	235	70	189	491
% of women	12	37	10	20
<b>Age diversity (added)</b>				
-20	0	0	2	2
20-29	33	19	16	68
30-39	52	21	34	105
40-49	63	16	44	122
50-59	61	12	60	132
60+	26	2	33	61
<b>Employee turnover</b>	4	29	12	45



Women at SVAB



Another common trend observed at Steelwrist and Sjørring is the gradual aging of the workforce. The rising average employee age highlights the growing need for proactive recruitment strategies aimed at attracting younger talent, ensuring a smooth and sustainable transition as experienced staff approach retirement and mitigating the risk of knowledge gaps and workforce shortages in the years ahead.



## B9: Workforce – health and safety

Health and safety are a strong focus for Terratech, given the goal of achieving zero accidents by 2028. We are proud to see an overall decline in work-related accidents, and an increase in employee satisfaction between 2022 and 2025.

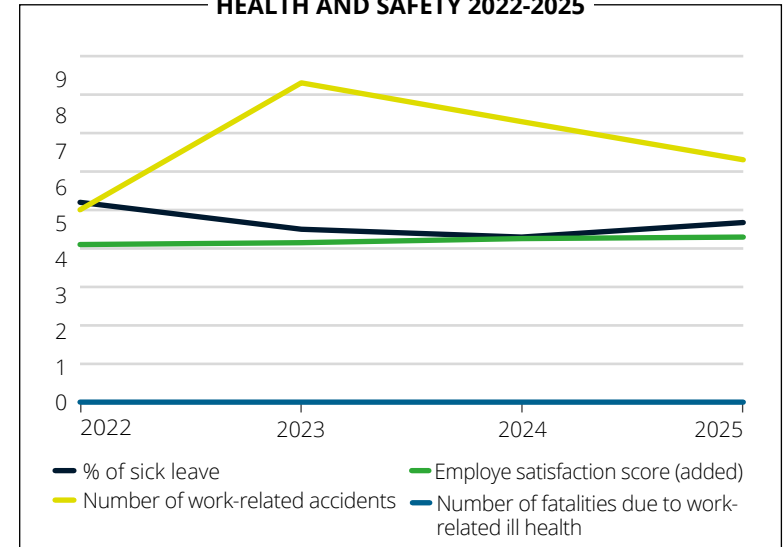


SVAB facilities offer access to an integrated gym, with possibility for 75 minutes of training at lunchtime on Thursdays



Steelwrist offers a wellness allowance for employees. The company also organizes activities such as running, paddle, and skiing. It is also common for employees to go for a walk during their lunch break.

### HEALTH AND SAFETY 2022-2025



### WORKFORCE – HEALTH AND SAFETY

	Steelwrist	SVAB	Sjørring
% of sick leave (added)	6,29	4,67	3,05
Employee satisfaction score (added)	4,57	4,33	4
Number of work-related accidents	13	1	5
Number of fatalities due to work-related ill health	0	0	0

## B10: Workforce – remuneration, collective bargaining and training

### WORKFORCE – REMUNERATION, COLLECTIVE BARGAINING AND TRAINING

	Steelwrist	SVAB	Sjørring
Minimum wage – National law	–	–	–
Minimum wage – Collective bargaining	✓	✓	✓
Minimum hour pay	154 SEK	179 SEK	167,4 DKK
Gender pay gap	0%	0%	4,8%
% of employees covered by collective bargaining agreement	64	60	70

# 6

## BASIC MODULE: GOVERNANCE METRICS

### B11.1: Convictions and fines for corruption and bribery

The Terratech Group AB has no case of conviction and fines incurred for the violation of anti-corruption and anti-bribery laws in the reporting period.

### B11.2: Other governance metrics

OTHER GOVERNANCE METRICS			
	Steelwrist	SVAB	Sjørring
Amount of production suppliers	92	78	90
Amount of suppliers certified ISO 9001	74	78	60
Amount of suppliers certified ISO 14001	60	69	46
Amount of suppliers with a CoC	64	60	70
Presence of an IT policy	✓	✓	✓
Healty & Safety	✓	✓	✓
Anti-Discrimination and Harassment	✓	✓	✓
Code of Conduct	✓	✓	✓
Whistleblowing	✓	✓	✓
Finance Manual	✓	X	✓
Data protection manual	X	X	X
Insider Policy	X	X	X

# 7

## APPENDIX VSME Alignment Table

This alignment table provides a high-level overview of how the company's Sustainability Report addresses the VSME Standard.

DISCLOSURE	TITLE	KEY REQUIREMENT SUMMARY	PAGE NO.	OMITTED/ N/A
<b>GENERAL INFORMATION</b>				
B1	General basis for preparation of the sustainability report	Reporting basis (individual/consolidated), period, currency, reporting boundary, whether report is standalone or part of management report	6-13	
B2	Practices, policies and future initiatives for sustainability issues	Description of sustainability practices, policies and future initiatives (environmental, social, business conduct). May reference Appendix B topics	14	
<b>BASIC METRICS – ENVIRONMENT</b>				
B3	Energy and greenhouse gas (GHG) emissions	Total energy consumption (MWh) by source; Scope 1 & Scope 2 GHG emissions (tCO <sub>2</sub> eq); if applicable, initiated reduction measures	15-16	
B4	Pollution of air, water and soil	If applicable: pollutants released to air, water or soil (type and amount); measures to prevent/ manage pollution	18	
B5	Biodiversity and ecosystems	If applicable: whether operations are located near protected areas or areas of biodiversity sensitivity; related practices or measures	18	
B6	Water	Total water consumption (m <sup>3</sup> ); if operating in water-stressed areas: water withdrawn and discharged (m <sup>3</sup> )	18	
B7	Resource use, circular economy and waste	Total waste generated (tonnes) with breakdown by hazardous/non-hazardous and disposal route; circular economy practices if applicable	18	
<b>BASIC METRICS — SOCIAL</b>				
B8	Own workforce — general characteristics	Number of employees (headcount/FTE); breakdown by gender, contract type (permanent/ temporary), full-time/part-time; employee turnover rate	20-21	
B9	Own workforce — health and safety	Number and rate of work-related accidents; number of work-related fatalities; number of workdays lost due to injury or illness	27	
B10	Own workforce — remuneration	Annual total remuneration ratio (highest individual to median employee); gender pay gap (if applicable); whether living wage is paid	22	
<b>BASIC METRICS — BUSINESS CONDUCT (GOVERNANCE)</b>				
B11	Business conduct	Whether anti-corruption and anti-bribery policies are in place; confirmed incidents of corruption or bribery (number and nature); legal proceedings for anti-competitive behaviour	23	

Note: Where a disclosure has been omitted because it is not applicable to the undertaking's specific circumstances, or because the information is classified as sensitive, state the reason in the 'Omitted / Not Applicable' column in accordance with paragraph 19 of the VSME Standard.

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