SUSTAINABILITY STATEMENT 2024

UNMODIFIED EXCERPT FROM THE ANNUAL REPORT 2024

FORTACO GROUP HOLDCO PLC

SUSTAINABILITY STATEMENT

The following sustainability statements have been prepared according to the Finnish Accounting Act with reference to the European Sustainability Reporting Standards (ESRS) and EU Taxonomy Regulation. In the first chapter of the sustainability statements, we give a detailed account of our double materiality assessment conducted in 2024 and provide an overview of the ESRS topics that we identified as material. In the following sections, we report on our impacts, ambitions, policies, strategies, actions, resources and progress towards targets for each of these material topics. For a detailed overview of all the ESRS disclosure requirements addressed in this report and a list of datapoints that derive from other EU legislation, please see the Sustainability Statement appendices.

GENERAL (ESRS 2)

Basis for preparation

The data is consolidated according to the same principles as the financial statements. Thus, the consolidated quantitative ESG data comprises the group company Fortaco Group HoldCo Oyj and subsidiaries controlled by Fortaco Group. No information has been omitted due to intellectual property, impending developments or other sensitive information.

In the process of conducting our

Double Materiality Assessment we have reviewed Fortaco's value chain upstream and downsteam in order to get a realistic understanding of all the impacts, risks and opportunities sustainability may have on Fortaco or Fortaco on various sustainability topics and the information disclosed in these statements are reaching out to the very end of the value chain, both upstream and downstream, where required, applicable and possible.

The accounting policies have been applied consistently over the financial year and for comparative figures unless otherwise stated.

Consolidation of all quantitative data follows the principles above, unless otherwise specified in the accounting policy for each reported data point in the sections E, S, and G.

Estimates and judgements

We use assessments and estimates for the reporting of some data points, e.g. our scope 3 emissions. We regularly reassess our use of estimates and judgements based on the development of ESG reporting, source data availability, and other factors. Changes in estimates are recognized in the period in which the estimate in question is revised. In addition, we make judgements when we apply the accounting policies. For further information on the key estimates, judgements, and assumptions applied, can be found in the pages with quantitative ESG data tables.

For adjustments to financial numbers,

we follow the financial statements. For adjustments to ESG information, we indicate where we have restated the data.

Governance

Administrative, management and supervisory bodies

Fortaco has a Supervisory Board, which role is to oversee the management of the company, which is the responsibility of the Board of Directors (Management Board) and the Managing Director. The Supervisory Board consists of three to six (3-6) members elected by the General Meeting. The Supervisory board does not include workers' representatives. When selecting members of the Supervisory Board, it is ensured that the competence profile supports Fortaco's current and future business operations. In terms of diversity, essential factors are the members' complementary education, know-how, experience in different industrial sectors and operating environments, as well as personal characteristics, such as age and gender.

The Board of Directors consists of at least one (1) and at most five (5) ordinary members elected by the General Meeting. In 2024, the Board of Directors consisted of one ordinary member Lars Hellberg, President and CEO, and one deputy member Kimmo Raunio, Senior Vice President and CFO. The Board of Directors supervises the company's operations and management, deciding on significant matters concerning

strategy, investments, organisation and finance. Fortaco's Board of Directors is Fortaco's highest body overseeing sustainability, and it approves the policies guiding Fortaco's operations. Principles concerning sustainable business are defined in the Code of Conduct, as well as policies and other documentation such as those related to procurement, People and HR, legal compliance, quality, risk management, contracts, data protection, information security, taxation, communication,

health and safety. Policies are approved by the Board of Directors.

Changes in the operating environment are addressed as needed in updating targets and policies. The Group Leadership team, appointed by the Board of Directors, approves Fortaco's strategic sustainability targets, and the Director of Group Sustainability is responsible for target implementation. The Group Leadership team consists of executives covering needed

	Unit	2024
Supervisory board	**Number**	**4**
Executive members	Number	0
Non-executive members	Number	4
Female members	%	0
Male members	%	100
Gender diversity ratio	%	0
Independent members	%	50
Board of directors	**Number**	**2**
Executive members	Number	2
Non-executive members	Number	0
Female members	%	0
Male members	%	100
Gender diversity ratio	%	0
Independent members	%	0

Accounting principles

Gender diversity ratio
Calculated as an average ratio of female to male board members per December 31st.

Independent members
Fortaco has dual boards, a supervisory board consisting of independent executives elected by the General Meeting. The board of directors is a management board consisting of one ordinary member and one deputy member.

experience, skillset and know-how to develop the group and businesses as well as operational activities in accordance with the goals confirmed by the Supervisory Board.

In 2024, the progress made in targets has been reported to the Group Leadership Team quarterly and Board of Directors sporadically, while key performance indicators have been reported more regularly. Sustainability is reported to the Supervisory Board on an annual basis. Sustainability is incorporated into the business strategy as well as in long-term business and investment plans, risk assessments, and annual action plans. Environmental, Social, and Governance aspects are taken into consideration on a wide spectrum depending on the situation. For example, the strategy process utilizes the results of the risk assessments on a general level. Implementation and processes related to sustainability is under constant improvement and development to become and then remain at the core of our operations.

Sustainability is a standard point on the agenda of the Group Leadership Team's meetings. Sustainability is presented by the Group Director of Sustainability, member of the extended Senior Leadership Team since 2024, while related topics such as health and safety, data security, and employee training are presented by Fortaco's other experts and executive management responsible for respective area. The reviews ensure the Board of Directors' and Group

leadership team's understanding and competence are up to date in sustainability matters. In 2024, all members of the Group Leadership Team and the Senior Leadership Team were involved in the Double Materiality Assessment, participated in Sustainability trainings provided internally at Fortaco but with external experts involved, and external trainings as needed. Fortaco's Group Sustainability Director coordinates in collaboration with relevant functions and units the work related to material impacts, risks and opportunities, and reports identified gaps in skills and expertise to the Group Leadership Team. Also functions responsible for policies, targets and actions related to a particular impact, risk or opportunity may act on gaps. For example, in 2024 the People and HR organisation appointed a manager to lead Corporate Social Responsibility initiatives who ensures social sustainability topics are addressed sufficiently.

The Board of Directors focused on topics such as updates to sustainability targets and policies, preparations of the group's climate program, employees' wellbeing and development, occupational safety, information security, and regulatory development related to sustainability. The Group Leadership Team focused in 2024 on supervising the implementation of sustainability measures such as updating policies, compliance with new regulations, updated expectations and requirements towards suppliers, and improved dialogue with customers. Impact, risks and opportunities identified through the double materiality

assessment conducted in spring 2024 have been presented to the Group leadership team and we investigate the need of targets and action plans for each material topic.

Sustainability-related performance has not been integrated into incentive schemes or remuneration policies. In the future we will develop our target-setting model and investigate how to sufficiently encourage continuous assessment and improvement of sustainability matters through remuneration.

Risk management and internal controls

All corporate functions and business sites are responsible for ensuring that group-wide initiatives are implemented to meet Fortaco's sustainability goals. In 2024, we started to plan the integration of all identified sustainability risks and opportunities into our group-wide risk management process, which is incorporated to assess the probability and impact of risks and opportunities regularly as of the full implementation. This will include applying internal control in line with established processes, and centralized reporting of business operations to the Group Leadership Team in accordance with Fortaco's general internal control governance model and the annual cycle. Now the group-wide processes include a few risks related to the environment, climate change and well-being of our employees while the wider spectrum of sustainability risks and opportunities identified in the double materiality assessment are

currently managed separately.

In the double materiality assessment 20 material risks were identified covering all aspects (Environment, Social and Governance) of sustainability, mainly in our own operations and upstream value chain. For more information about identified risk see the section for Material Sustainability topics, and sections for topical standard disclosures. More information about the processes of internal control, internal audit and risk management, is available in section G1 Business conduct.

Fortaco's risk management policy (Risk Management Handbook) outlines how we in a structured way organize the roles, responsibilities and processes of our business to reduce risks and to take advantage of opportunities according to the strategy. Group-wide policies that are in place, to mitigate risks and promote opportunities, with our Code of Conduct serving as an ethical foundation. The code also describes our approach to sustainable business operations, people and society, and environmental issues. Fortaco strives for globally consistent and transparent practices, to ensure stakeholders can reliably assess the company's operations and development.

Our operations are certified in accordance with ISO 14001:2015 (environmental), ISO 45001:2018 (health and safety) and ISO 9001:2015 (quality) management standards, reflecting our commitment to sustainability and excellence.

Sustainability reporting is in line with Fortaco's group-level principles and processes for statutory reporting, risk management and internal control. In sustainability reporting, internal control is based on risk identification and focus on the most material risks identified, as well as the best practices of internal control. The sustainability reporting control environment is based on Fortaco's values, the management's commitment to sustainable operations, a corporate culture including ethics and sustainability, policies promoting sustainable operations, professional employees, and transparent operations.

Sustainability reporting is centrally coordinated by the group's finance department, where Group Sustainability Director oversees the Sustainability statements. ESG data is collected and reported in all Business Sites and functions, by experts in respective field.

Strategy

Strategy, business model and value chain

Fortaco serves as the leading brand-independent strategic partner to the heavy off-highway equipment and marine industries. Our operations in multiple European business sites and technology hubs support global customers who are the leading OEMs in their own industry sectors like agriculture, construction equipment, container handling, defense, forestry, marine and energy, material handling, and mining. Fortaco's offering is versatile including assemblies, vehicle cabins, and steel fabricated components as well as technology services and zero emission solutions. Information about Fortaco's financials and net sales to be found in note 2.1 Net sales of the Financial Statements.

Viewing the transition to a carbonneutral economy as an opportunity, we consider zero-emission solutions crucial for mitigating climate change impacts. By offering these solutions, reducing exhaust emissions and usage of natural resources, we want to enable decarbonization in our customers' industries. Fortaco has not yet set any sustainability related goals to specific products, services, customer categories, geographical areas or relationships with stakeholders.

Beyond providing value for owners, Fortaco contributes economically and socially as an employer, taxpayer, and buyer of goods and services. Fortaco provides employment and business opportunities to a wide range of stakeholders and indirectly builds wealth in local communities. We predominantly purchase raw materials, components, energy, and services from suppliers in European countries. Some direct suppliers are customer nominated as Fortaco collaborates closely with customers from development to the commercialization of new solutions.

Our employees, with their expertise and motivation, are central to the company's success and bring the company's strategy to life. More information about our people, such as the head count per country can be found in the section for ESRS S1 – Own workforce.

An illustration of Fortaco's value chain and identified material sustainability impacts, risk and opportunities can be found in the section for Double Materiality Assessment. Identified impacts identified in our own operations are present and highly connected to Fortaco's business model and nature of operations. Fortaco's strategy and business model enables positive impact in the downstream value chain. See the table in section Material sustainability topics for an overview of Fortaco's impacts.

The material impact, risks and opportunities do not change our business model or strategy significantly, and we see no need to adjust the direction, only continue the path we are on, setting goals, planning change and implementing actions. We expect Fortaco's current strategy and business model to have the sufficient capacity to address material impacts and risk, and to take advantage of opportunities. The resilience analysis has been conducted on a high level, and we are considering quantifying the analysis, and conducting it according to definition in ESRS 1.

Interests and views of our stakeholders

Stakeholder engagement is an integral part of our business. Through ongoing dialogue, we strive to understand their positions, concerns, and expectations. The insight gained through this continuous interaction serves to inform our due diligence processes, double materiality assessment, operational development, and decision-making, allowing us to align with industry trends, and the interests and views expressed by stakeholders. See the stakeholder table for more information on which channels and form of dialogue we utilize to engage with each stakeholder group.

The views and interests of affected stakeholders regarding our sustainability-related impacts are regularly Leadership team and Board of Directors through our Group Sustainability Director. The Supervisory board is informed by the CEO, who prepares and presents the meeting agendas. In 2024, strategy and business model has not been amended because of interest or views of its stakeholders. However, external stakeholders such as owners, investors, customers and regulators

Key stakeholders	How engagement is organised	Purpose of engagement	Examples of outcomes from the engagements
Employees	• Employment relations and occupational health and safety representation • Personal development dialogues • Surveys and workplace assessments	• Including employees' perceptions and experiences • Contributing to a sustainable workplace and working life • Improve wellbeing and work satisfaction	• Internal policy updates • Improvement and action plans • Communications from management • Global initiatives and campaigns
Customers	• Continuous discussions and support • Joint projects for emission reduction and sustainability • Customer questionnaires	• Building trust and strong collaboration • Providing sustainable solutions • Enabling customers to achieve their targets • Understanding expectations	• Product/service improvements • Sourcing process improvements • Shared sustainability knowledge • Responses to customer queries
Suppliers	• Periodical dialogue • Supplier due diligence • Workshops and industry collaborations • Supplier self-assessments and on-site audits	• Compliance with our code of conduct • Promoting sustainability • Decarbonising our supply chain • Mitigating risks	• Streamlined supplier expectations • Supplier improvement plans • Informed selection of suppliers • Improved sustainability data quality
Owners and investors	• Investor calls and questionnaires • Periodic investor updates	• Understanding expectations • Build and maintain an attractive business • Enhancing transparency	• ESG rating improvement plans • Responses to investor queries • Internal policy updates
Governments and regulators	• Reporting	• Ensuring regulatory compliance	• Aligning business model and strategy • Value creation and risk mitigation from compliance
Civic and non-profit organisations	• Collaboration on community projects • Donations to NGOs • Contributions to research projects	• Contributing to local initiatives • Addressing concerns of communities • Supporting means important to our people	• Site-specific initiatives on e.g. community development • Monetary donations to non-profit organisations • Enabled work possibilities for Ukrainian refugees
Industry and sustainability associations	• Joint initiatives and programmes • Inputs into strategic directions • Events, workshops and knowledge sharing	• Gain insight on sustainability trends • Initiate sustainability development • Working to tackle sustainability challenges in the industry • Understanding views of value chain workers	• Alignment on sustainability practices and measurement standards • Design of value chain workers initiatives
Local communities	• Programmes and events for employees' families • Partnerships for community benefits	• Building trust and community support • Support community wellbeing • Addressing community concerns, questions, and feedback	• Support of local projects

are raising their expectations regarding sustainability performance and accountability. Fortaco meets these expectations and requirements for example by innovating new solutions, investing in sustainability actions and improving the sustainability know-how among our own people.

Impact, risk, and opportunity management

Double materiality assessment
In the spring of 2024, in preparation for CSRD-compliant reporting, we conducted a Double Materiality Assessment (DMA) with external guidance and support. The DMA was guided by ESRS principles and the EFRAG guidance and leveraged our previous materiality assessment conducted in 2022. The assessment followed a structured, step-by-step approach, where impacts, risks and opportunities were assessed through a value chain analysis, incorporating both inside-out (organizational impact) and outside-in (financial exposure) perspectives. Where quantification was possible, data-driven assessments were conducted and supplemented by quali-tative insights. Stakeholder input was collected from internal subject-matter experts and from selected customers, suppliers, and industry organisations.

To ensure continuous compliance we will in the coming years refine our DMA process, methodology, and stake-holder engagement. The outcome presented here is a true and fair representation of our 2024 impacts, risks and opportunities.

Approach and methodology

Our DMA methodology is derived from EFRAG and ESRS principles, linking all identified impacts, risks, and opportunities to relevant ESRS topical standards. The score of material impacts, risks and opportunities determined their placement in the DMA matrix, which function as basis for prioritization.

Scope

Our assessment focused on sustainability impacts directly associated with our operations and value chain, as well as potential risks and opportunities to business continuity across our value chain. The value chain assessments were based on both internal knowledge, commonly available information, and stakeholder interviews. Due to this being the first Double Materiality assessment Fortaco has conducted, all areas and factors were emphasized equally.

The key principles guiding our methodology included the following:

• Both positive and negative impacts were considered.

• Impacts were assessed as either actual or potential.

• Financial risks and opportunities were evaluated as potential effects caused by sustainability matters.

Stakeholder engagement

For our DMA, internal subject-matter experts from both the business sites and Group functions were engaged. External stakeholders such as customers, suppliers and the industry association were consulted to understand how they may be impacted by Fortaco's business activities, and Fortaco by them. Throughout the process we leveraged insights from our functions that are in continuous dialogue with our stakeholders and that have a good overview of their interests and views. External stakeholders were not directly consulted to the same extent as internal experts and nor have external stakeholders reviewed the outcome of our DMA.

In addition, our continuous engagement activities in the communities in which we are present are a solid basis for assessing the impacts, risks and opportunities most material to us.

Scoring of impact, risk and opportunities

The utilised methodology for assessing 'scale', 'scope', and 'irremediability' follow the guidelines provided by EFRAG in October 2023.

1. 'Scale' was assessed as the magnitude of impact on the environment or people, after considering mitigation of current actions.

2. 'Scope', was assessed as how extensive the impact is based on parameters such as geographical coverage, percentage of affected stakeholders, or financial spend that the impact relates to.

3. 'Irremediability', refers to the difficulty level (in terms of cost and time) of the evaluated impact's remediation measures. Financial, technological and operational requirements were considered in the evaluation of irremediability and measures taken before occurred impact (e.g. emission reduction measures).

Each parameter was evaluated based on the known proof of evidence, experience, data, measurement or other reliable observation. Additionally, the impact categorization included two dimensions: actuality and potentiality. Actual impact is where the connection and actual impact is known to exist, or there are good reasons to expect so. Potential impact is where there is no clear evidence for the impact. For potential impacts, risk and opportunities, an additional parameter of 'likelihood' was scored.

Financial impact was assessed based on the most obvious financial implications caused by the impact, risk or opportunity. As impacts, risks and opportunities can have multiple impacts chains which triggers financial implications, we included the most obvious recognized financial implications, and risk mitigation actions that are already in place.

The potential magnitude of financial effects was scored as 'low', 'medium', or 'high' using relevant time horizons of short-, mid-, or long-term. The assessment of financial scaling of risks and opportunities and their likelihood was done with substance-expertise and Fortaco's group leadership team. The financial risk assessment model leverages the risk classifications and risk assessment model that Fortaco is using for other business risks. Quantification in monetary terms was supplemented with qualitative assessments due to the complexity of defining exact values for potential sustainability risk scenarios.

Fortaco has taken a cautious approach in its DMA and set the materiality thresholds at 'high', meaning if any of the parameter scores was identified as 4 or higher on a scale from 1-5, the sustainability matter has been defined as material.

Process

Fortaco's DMA process includes a value chain analysis, impact assessment, and financial assessment. The process contains 6 steps, and appropriate stakeholders were engaged for each step.

1. Definition of Fortaco's value chain and stakeholders

Fortaco's value chain was analysed from the perspective of the industry, upstream, own operations and downstream. Firstly, an analysis of the industry trends and characteristics was conducted. Following, the upstream value chain was analysed on a high level with key emphasis on direct spend and the steel supply chain, which was identified as the most important supply stream and production material for Fortaco. The next step included review of Fortaco's strategy and business model to identify and verify key stakeholders. This DMA process step was concluded with an analysis of Fortaco's key customer industries and recycling processes. This step also included identification of experts in the business sites and group functions with insights into the topics and deep knowledge of our business within each area.

2. Identification of impacts, risks, and opportunities

Impacts include those impacts, risks, and opportunities connected with Fortaco's own operations and upstream and downstream value chain, including Fortaco's products and services, as well as business relationships. The identification process included documentation review, interviews with internal and external stakeholders as well as review of previous assessment. The outcome was a long list of actual and potential sustainability related impacts, risks, and opportunities related to raw material extraction, production and manufacturing of relevant or critical raw materials and utilities, own processes, customers, end use and end-of life processes.

The beginning of the value chain | Own operations | End of the value chain

Raw material acquisition & extraction → **Material manufacturing** → **Component manufacturing** → **FORTACO** → **OEM** → **End-use** → **Disposal or recycling**

ENVIRONMENTAL

Climate change
- Extreme weather conditions
- Increased fossil energy price
- Scope 3 emissions (supply chain)

Pollution
- Pollution of air, water and soil
  (raw materials extraction and production)

Biodiversity
- Biodiversity loss (raw materials extraction)

Climate change
- Extreme weather conditions
- Increased fossil energy price
- CO2 reduction through technological solutions
  and fossil free steel
- Scope 1 and 2 emissions
- Reduction of fossil energy use and energy efficiency measures

Pollution
- Emissions to air (own production)

Circular economy
- Resource use (steel and other material)
- Decreased need for virgin raw materials
- Hazardous waste from own production

Climate change
- CO2 reduction through technological solutions
  and fossil free steel
- Scope 3 emissions (end use of products)

SOCIAL

Workers in the value chain
- Working conditions of supply chain workers
  (raw material extraction and production)
- Occupational health and safety issues of value chain workers
  (raw material extraction and production)
- Human rights abuses of value chain workers
  (raw material extraction and production)

Affected communities
- Affected communities' rights
  (raw material extraction and production)

Own workforce
- Engage employment and ensure enough
  competent and resilience workforce
- Health and safety issues
- Capabilities and skills of shopfloor workers

GOVERNANCE

Business conduct
- ESG management of suppliers
- Unstable geopolitical situation in Europe
- Uncertainty in ESG regulative changes and related impacts,
  risks and opportunities (e.g. CBAM, CSDDD)

Business conduct
- Sustainability management and culture
- ESG management of suppliers
- Unstable geopolitical situation in Europe
- Uncertainty in ESG regulative changes and
  related impacts, risks and opportunities (e.g. CBAM, CSDDD)

3. Materiality assessment of identified impacts, risk, and opportunities

The identified sustainability impacts, risks and opportunities were assessed by their scale, scope, irremediability and likelihood. All identified impact, risks and opportunities, and respective scoring on all parameters were tracked in a DMA tool. For each impact also the rationales, sources, related business areas or value chain actor was documented.

4. Assessment of financial impact

The following step was to assess the potential financial effects of the identified impacts, risks and opportunities. For this, relevant stakeholders were engaged to ensure appropriate consideration of sustainability risks and opportunities. These included internal subject-matter experts, the Fortaco group leadership team, as well as the owner of Fortaco's corporate risk management process. Financial risks and opportunities were documented in the DMA tool.

5. Review and validation of the results

The identified and assessed sustainability-related impacts, risks and opportunities have been subsequently categorized following our scoring methodology approach and linked to the ESRS. Consolidated overviews of the DMA were presented to and discussed with internal stakeholders and management. Finally, the determined materiality threshold yielded a final list of 24 material matters that were assessed as 'high' impact or above.

Fortaco aims at revisiting the DMA process annually to review and re-evaluate scope, process, stakeholder engagement and outcome to ensure the most material sustainability impacts, risks and opportunities are reacted on. A more qualified and quantified re-assessment will be conducted at least every five years or more often when sufficient.

Outcome

The sustainability impacts, risks and opportunities that we have identified as material for Fortaco are 46. Each material matter has been linked to the ESRS, showing that of the topical standards E1, E2, E4, E5, S1, S2, S3, and G1 include topics that are material sustainability matters to Fortaco. Sub-topics classified as high (a value of 4-5 of 5) were determined as material sub-topics. Sub-topics and sub-sub-topics of low materiality are not addressed in these sustainability statements.

The environmental impacts, risks and opportunities we have, are closely linked to our strategic efforts to deliver zero emission solutions to our customers while minimizing our own negative impact on the environment. The deployment of new emission free solutions mitigates climate impacts further down the value chain but also requires significant amounts of natural resources such as steel with negative impacts on the climate, the environment and biodiversity.

Our own people and workers in Fortaco's value chain are also heavily impacted by working conditions, safety measures and labour rights.

Material sustainability topics

The following tables list the sustainability-related impacts, risks and opportunities we have identified and assessed as material through our double materiality assessment process. Eight out of the ten ESRS topical standard are material to Fortaco. Our scoring includes mitigation actions that are already part of our daily operations to reduce or mitigate any negative impacts or risks. Corruption and bribery were added as a material risk in the autumn 2024 after a re-assessment of governance related topics. The re-assessment was initiated following the appointment of Fortaco's Group Legal Director, adding comprehensive legal and compliance expertise to the company.

More information on our material impacts, risks and opportunities, and how we respond to the effects of them, is included in the topical sections under 'Environment', 'Social', and 'Governance'.

The material impacts, risks and opportunities that we identified in our double materiality assessment do not differ significantly from the results of our previous materiality assessment conducted in 2022. In the previous assessment insights on stakeholder expectations and requirements were collected through interviews and workshops with representatives from customers, owners, the management and suppliers. Impacts, risks and opportunities were identified, and the outcome was 7 material sustainability topics related to both the environment, social aspects and governance. However, in the double materiality assessment conducted in 2024, the assessment of impacts, risks and opportunities was expanded to cover the whole value chain. The significant change to the assessment methodology expanded the results and impacts on for example workers in the value chain, affected communities, and biodiversity in raw material extraction could be better accounted for.

Based on the double materiality assessment water and marine resources (E3), as well as consumers and end users (S4) are not material sustainability topics for Fortaco. When evaluating potential or actual, direct or indirect, water-related impacts, risks, and opportunities, we utilised the results of previous biodiversity assessments including water risk analysis of own locations. We also utilized insight from the ISO14001 certified management system which sets common requirements for the company's business sites to assess and mitigate material environmental risks. Additionally, open industry and location data was leveraged. Water-related business risks were assessed from a physical, regulatory and reputational angle. In the assessment of water-related impacts, risks and opportunities affected communities were not directly consulted.

E1 Climate change

Material impact, risk or opportunity	Location	Sub-topic	Short description
Climate change adaption			
Physical climate risk (medium- and long-term)	Own operations, upstream value chain		Increased risk of extreme weather conditions (climate and water warming, thunderstorms) cause damage or disruptions, and require investments in own operations and supply chains.
Transitional climate risk (medium- and long-term)	Own operations		Increased energy price of fossil fuels related to own production and bought energy
Transitional climate risk (medium- and long-term)	Supply Chain		Increased sourcing costs as a result of implemented emissions trading schemes for road transport fuels that raise the price of fossil fuels in upstream transportation and logistics.
Climate change mitigation			
Positive impact (long-term)	Value chain, downstream and downstream		CO2 reduction through technological solutions and by using fossil free steel
Negative impact (short- and medium- and long-term)	Own operations		Scope 1 and 2 emissions related especially to infrastructure and heating, e-coating, and painting.
Negative impact (medium- and long-term)	Value chain, upstream and downstream		Scope 3 emissions related to especially purchased goods and services, transportation and distribution, business travel and end use of products.
Transitional climate risk (long-term)	Own operations		Increased cost of fossil free steel and capability to include the increased cost of steel to price of products or agreements of customers
Strategic opportunity (medium- and long-term)	Own operations		New Zero emission solutions by Fortaco enable green transition and decrease of value chain emissions
Strategic opportunity (medium- and long-term)	Own operations		Transition to use fossil free steel to reduce CO2 emissions
Energy			
Positive impact (medium-term)	Own operations		Reduction of fossil energy and fuels through increase of renewable energy share in facilities, machinery, and by electrifying and automating. Enables Scope 2 emission reduction.
Strategic opportunity (short-, medium- and long-term)	Own operations		Emission reduction potential through energy efficiency measures and reduction of fossil energy consumption in facilities, machinery, electrification and automation.

E2 Pollution

Material impact, risk or opportunity	Location	Sub-topic	Short description
Pollution of air			
Negative impact (short-, medium- and long-term)	Own operations		Pollution to air in form of dust and heavy metals from metal fabrication such as welding processes, as well as volatile organic compounds (VOCs) released from painting processes, and emissions from transportation.
Negative impact (short-, medium- and long-term)	Value chain, upstream		Noise and pollution of air and noise related to raw material extraction and production of materials such as iron ore/steel, copper, and glass.
Regulatory risk (medium-term)	Own operations		Extra costs for investigation and investments of measurement technologies (e.g. heavy metal, VOC emissions) From the risk perspective, reputational impacts of unmanaged air pollution can occur.
Strategic risk (long-term)	Value chain, upstream		Reputational impacts of air pollution and noise caused by suppliers especially in the supply chains of steel, iron ore, copper, aluminium, and glass.
Pollution of water			
Negative impact (short-, medium- and long-term)	Value chain, upstream		Pollution of water related to the extraction and production of especially iron ore and steel.
Pollution of soil			
Negative impact (short-, medium- and long-term)	Value chain, upstream		Pollution and contamination of soil as a result of extraction and production of iron ore and steel.

E4 Biodiversity

Material impact, risk or opportunity	Location	Sub-topic	Short description
Direct impact drivers on biodiversity loss			
Negative impact (short-, medium- and long-term)	Value chain, upstream		Biodiversity loss as a result of activities in raw material extraction of steel and iron ore, copper, aluminium, glass and rubber. Impacts related to e.g. land, freshwater and sea use change, tree cover loss, protected or conserved areas.
Strategic risk (medium-term)	Value chain, upstream		Reputational risk related to biodiversity loss in form of, threatened species, ecosystem services, conflict with agriculture or indigenous people, integrated land management, and deforestation caused by suppliers of steel, copper, glass, aluminium and rubber.

E5 Circular Economy

Material impact, risk or opportunity	Location	Sub-topic	Short description
Resources of inflows, including resource use			
Negative impact (short- and medium-term)	Own operations		The impact related to the use of material such as steel, glass, paint chemicals, and aluminium, all causing negative environmental impact in their supply chain.
Positive impact (long-term)	Own operations		Decreased need for virgin raw materials and increase of material efficiency through circular design of products impacts positively. For example, the use of recycled insulation materials and plastics.
Operational opportunity (medium-term)	Arvoketju, alkupää ja loppupää		Circular design and responsible sourcing and production including material and resource efficiency, use of alternative materials, and optimizing use of production materials enables minimized use of materials.
Waste			
Negative impact (short- and medium-term)	Own operations		Generation of hazardous waste, e.g. toxic waste from machining and painting.

S1 Own workforce

Material impact, risk or opportunity	Location	Sub-topic	Short description
Working conditions			
Positive impact (medium- and long-term)	Own operations	Secure employment	Engaging employment and enough competent and resilient workforce enabled through investments in automation, digitalisation, internal rotation and training, mentoring and change management.
Positive impact (medium- and long-term)	Own operations	Health and safety	Automation, robotics, new techniques and machinery reduce physical load for employees and improve working conditions.
Negative impact (short- and medium-term)	Own operations	Health and safety	Demanding working conditions and human errors cause various health problems, diseases, and accidents on the shop floor.
Operational risk (medium-term)	Own operations	Secure employment	Inability to maintain flexibility and resource-efficiency in fast, mainly inorganic, growth and increasing personnel with cultural diversity.
Operational risk (long-term)	Own operations	Health and safety	Decreasing productivity and higher costs related to health due to increasing employee health issues as a result of demanding working conditions.
Equal treatment and opportunities for all			
Positive impact (short-, medium- and long-term)	Own operations	Training and skills development	Fortaco supports and provides opportunities for employees to improve capabilities and skills.
Operational risk (medium-term)	Own operations	Training and skills development	Challenges to recruit technically competent and engaged shopfloor workers when education level as well as technical and language skills of younger generations and agency workers do not meet the need in many countries.
Operational opportunity (medium-term)	Own operations	Training and skills development	Investment in automation, digitalisation, internal rotation and training, mentoring and change management to ensure enough competent and resilient workforce.

S2 Workers in the value chain			
Material impact, risk or opportunity	**Location**	**Sub-topic**	**Short description**
Working conditions			
Negative impact (short- and medium-term)	Value chain, upstream		Unfair terms and conditions of employment related to extraction and production of certain materials.
Negative impact (short- and medium-term)	Value chain, upstream	Health and safety	Occupational health and safety impacts of workers in the extraction and production phase of certain materials.
Strategic risk (medium- and long-term)	Value chain, upstream		Risk of hidden mistreatment of supply chain workers, particularly in raw material extraction and production processes of materials such as steel, glass, and aluminium. Failure to address issues may lead to significant reputational damage and ethical concerns for businesses reliant on these supply chains.
Strategic risk (medium- and long-term)	Value chain, upstream	Health and safety	Potential issues related to occupational health and safety of supply chain workers, particularly in raw material extraction and production processes of materials such as steel, glass, and aluminium. Failure to address the issues may lead to reputational damage for businesses reliant on these supply chains.
Other work-related rights			
Negative impact (short- and medium-term)	Value chain, upstream		Serious human rights abuses related to extraction and production of materials such as steel, glass, aluminium and rubber.
Strategic risk (medium-term)	Value chain, upstream		Serious human rights abuses of employees in raw material extraction and production processes of key materials cause reputational risk to businesses reliant on these supply chains.

S3 Affected communities			
Material impact, risk or opportunity	**Location**	**Sub-topic**	**Short description**
Communities' economic, social, and cultural rights			
Negative impact (short- and medium-term)	Value chain		Infringement of rights related to communities in the extraction and production of certain raw materials.
Strategic risk (medium-term)	Value chain		Sourcing battery materials from certain countries supports the limitation of freedom of expression for local communities.
Strategic risk (medium-term)	Value chain		Reputational risk caused by infringement of rights related to communities in the extraction and production of certain raw materials.

G1 Business conduct			
Material impact, risk or opportunity	**Location**	**Sub-topic**	**Short description**
Corporate culture			
Strategic risk (medium- and long-term)	Own operations		In the midst of acquisitions and integrations, creating a unified corporate culture regarding responsibility is a challenge.
Strategic risk (medium- and long-term)	Own operations		The pressures from legislation and stakeholders are growing and new skills are required to maintain required sustainability expertise.
Strategic risk (medium- and long-term)	Value chain, upstream		A materialized ESG risk may cause significant reputational damage to Fortaco. ESG risk assessments should be fully integrated in the value chain risk management processes.
Management of suppliers			
Strategic risk (medium-term)	Value chain, upstream		Small- and medium sized suppliers typically lack knowledge and resources about sustainability.
Strategic risk (medium-term)	Value chain, upstream		Improving Supplier ESG requirements and compliance control and development on Fortaco Group level.
Corruption and bribery			
Strategic risk (short- and medium-term)	Value chain, upstream		Fortaco's supply chains are long and raw materials may originate from countries where corruption is part of the country's culture.

ENVIRONMENT

EU taxonomy for sustainable finance

The EU taxonomy for sustainable finance The European Union Sustainable Finance Taxonomy Regulation (the EU taxonomy) requires large companies subject tothe CSRD to disclose the extent to which their economic activities have a substantial positive environmental impact. The EU taxonomy is intended to encourage financial markets to invest and finance more sustainably. It sets the criteria for activities that the EU has classified as environmentally sustainable.

Economic activities with the most significant need and potential to make substantial contribution are in the taxonomy referred to as eligible activities. Eligible activities that also meet set criteria are referred to as aligned activities in the taxonomy. The criteria allow companies to demonstrate their contribution to six environmental objectives: (1) climate change mitigation, (2) climate change adaptation, (3) sustainable use and protection of water and marine resources, (4) pollution prevention and control, (5) transition to a circular economy, and (6) protection and restoration of biodiversity and ecosystems.

To assess eligibility, Fortaco's operations have been reviewed against the economic activities listed in Annexes I and II of the delegated regulation, and comple-mentary regulations published by the European Commission. Our approach to identifying and reporting sustainable economic activities consists of:

1. Eligibility assessment: mapping of economic activities to taxonomy activity descriptions and NACE codes.

2. Substantial contribution assessment: screening of eligible activities against technical screening criteria.

3. Do no significant harm (DNSH) assessment: screening of Fortaco's procedures to ensure that our opera-tions do not cause significant harm to relevant environmental objectives. Screening conducted at an appropriate level for each environmental objective.

4. Minimum safeguards assessment: a review of Fortaco's corporate social safeguards to ensure that our operating instructions, company policies, and management system are compliant with the UN Guiding Principles on Business and Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.

Currently the majority of Fortaco's business, i.e., the manufacturing of vehicle cabins, steel fabrications and assemblies, does not fall within the scope of the taxonomy. As a result of the 2023 assessment, and now also the update in 2024 the only economic activity that was identified as taxonomy eligible is CE 5.2 Sale of spare parts. However, in 2024 the activity's share of Fortaco's turnover, capital expenditure (Capex), and operational expenditure (Opex) was zero per cent.

The three financial indicators must be reported according to their definition in the taxonomy. The definitions of

Capex and Opex differ from their definition in the IFRS. Fortaco has calculated the financial indicators in accordance with the taxonomy regulation and interpreted the regulation conservatively. Total Capex (denominator) has been presented and measured in accordance with the investments presented in the consolidated financial statements. These include investments in tangible and intangible assets and additions to right-of use assets. Total Capex also includes the tangible and intangible assets acquired in a business combi-nation, as well as right-of-use assets. Additions to goodwill are excluded. Total Opex (denominator) includes expenses related to the maintenance and repair of premises and buildings, as well as short-term leases.

Since the identified activity's (CE 5.2. Sale of spare parts) taxonomy-eligible share of turnover, Capex, and Opex was 0 per cent in 2024, and the taxonomy-alignment of the activity is not required to be reported for 2024, steps 2-4 of the process described above, have not been carried out in the 2024 assessment.

For Fortaco's spare parts to be considered taxonomy-eligible they should relate to equipment classified under the NACE code C28.22 Manufacturing of lifting and handling equipment and they must be parts that can replace a part of a product and thus enable the intended functioning of the product. Most of the components and parts included in Fortaco's offering are not necessary for the proper

functioning of the customer's product or are not used in lifting and handling equipment, but in equipment covered by other NACE codes. We consider spare parts related to personal safety to be necessary for the proper functioning of the products.

Fortaco offers zero-emission solutions for the heavy off-highway vehicle and marine industries and supports more sustainable logistics in these indus-tries. We expect Fortaco's eligibility to increase as the taxonomy evolves to include more sectors relevant to Fortaco´s operations. Fortaco continues to develop taxonomy-related reporting and complies with new guidance when it is published by the EU.

Turnover

Economic activities	Code	Turnover	Proportion of turnover, 2024	Climate change mitigation	Climate change adaption	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaption	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of taxonomy aligned (A.1.) or eligible (A.2.) turnover, 2023	Category enabling activity	Category transitional activity
Financial year 2024		**2024**		**Substantial Contribution Criteria**						**DNSH criteria ('Does Not Significantly Harm')**									
		MEUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0 %														0 %		
Of which enabling		0	0 %														0 %		
Of which transitional		0	0 %														0 %		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Sale of spare parts	CE 5.2.	0	0 %														0 %		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0 %														0 %		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		0	0 %														0 %		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		357	100 %																
Total (A+B)		**357**	**100 %**																

Capex

Financial year 2024	2024			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities	Code	Capex	Proportion of Capex, 2024	Climate change mitigation	Climate change adaption	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaption	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of taxonomy aligned (A.1.) or eligible (A.2.) Capex, 2023	Category enabling activity	Category transitional activity
		MEUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Capex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0 %														0 %		
Of which enabling		0	0 %														0 %		
Of which transitional		0	0 %														0 %		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Sale of spare parts	CE 5.2.	0	0 %														0%		
Capex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0 %														0%		
A. Capex of Taxonomy eligible activities (A.1+A.2)		0	0 %														0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Capex of Taxonomy-non-eligible activities		34	100 %																
Total (A+B)		**34**	**100 %**																

Opex

Financial year 2024		2024		Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities	Code	Opex	Proportion of Opex, 2024	Climate change mitigation	Climate change adaption	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaption	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of taxonomy aligned (A.1.) or eligible (A.2.) opex, 2023	Category enabling activity	Category transitional activity
		MEUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Opex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0 %														0%		
Of which enabling		0	0 %														0%		
Of which transitional		0	0 %														0%		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Sale of spare parts	CE 5.2.	0	0 %														0%		
Opex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0 %														0%		
A. Opex of Taxonomy eligible activities (A.1+A.2)		0	0 %														0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Opex of Taxonomy-non-eligible activities		3	100 %																
Total (A+B)		**3**	**100 %**																

Climate change (ESRS E1)

We strive to do business in a sustainable manner and enable our customers to achieve their net zero targets. This aspiration drives our determination to deliver emission free solutions and care for climate change mitigation and adaption throughout our own operations. With our efforts we want to do our share in the transition towards a sustainable future.

Our approach and governance

Accountability for our sustainability commitment and targets lies with Group Leadership Team and is steered by our Group Sustainability Director. Climate-related factors are not yet considered in the remuneration, but we are to investigate how we best can do this in the future.

We recognize our responsibility for the climate change related impacts our operations have, and our key role in enabling our customers to reach their respective sustainability targets. Fortaco has not yet a policy for climate change or included in its current policies how to manage impacts and risks related to climate change. The preparations of including climate change related impacts, risks and opportunities into policies has been started in 2024 and we aim for the Board of Directors to approve additions in 2025.

Impacts, risks and opportunities

Material impacts, risks and opportunities related to climate change have been identified in our double materiality assessment which is described in the

section for Double materiality assessment under ESRS 2. Below a summary of Fortaco's impacts, risks and opportunities related to climate change in our own operations and value chain.

At Fortaco we see sustainability actions as one of the ways to strengthen our resilience and ability to stay competitive in a future with increasing stakeholder expectations, regulation requirements, and climate change challenges. Addressing material impact, risks and opportunities can lead to new partnerships, innovative projects with customers, and other commercial opportunities.

Fortaco has not yet conducted a climate change scenario analysis where climate related risks and opportunities would be analysed thoroughly. Risks and opportunities were reviewed and identified in the double materiality assessment, and we see it sufficient to conduct a more thorough scenario analysis in 2025 or later.

As the double materiality assessment process included assessment of different climate-related physical and transition risks and opportunities, Fortaco is prepared to deepen the understanding of those, and we plan to conduct a climate change scenario analysis based on TCFD recommendations in 2025 or later mid-term. In the DMA the climate-related risks and opportunities were identified and assessed in the short (<1 year), medium (2-5 years) and long term (>5 years). The term horizons are aligned with general target setting, financial planning, and the strategic planning period in the company.

We consider the material IROs to already be tied to our core business activities and growth potential. To improve opportunities and mitigate impacts and risks, we have integrated

Sub-topic	Short description	Impact/ Risk/ Opportunity	Location	Time horizon
Climate change adaption	Increased risk of extreme weather conditions which cause damages or disruptions and require investments in own operations and supply chains. As Europe has become the fastest warming continent with other extreme weather conditions it may cause e.g. power outages. Increased extreme weather phenomena affect also throughout global supply chains e.g. mining, production phases, logistics and transportation.	Physical risk	Own operations, upstream value chain	Medium- and long-term
Climate change adaption	ESG regulation increases the prices of fossil energy, of which Fortaco is currently dependent on through fossil-based electricity and fossil energy used in heating.	Transitional risk	Own operations	Medium- and long-term
Climate change adaption	Growing sourcing costs as a result of implemented emissions trading schemes for road transport fuels that raises the price of fossil fuels in upstream transportation and logistics. Emissions trading for road transport fuels is started in 2027.	Transitional risk	Upstream value chain	Medium- and long-term
Climate change mitigation	Reduction of CO2 emissions in the value chain with Fortaco's technology solutions, needing less raw materials, built with fossil free steel, and including innovative sustainable solutions.	Positive impact	Value chain	Long-term
Climate change mitigation	Scope 1 and 2 emissions resulted from especially infrastructure and heating, as well as production line phases e-coating and painting.	Negative impact	Own operations	Short-, medium- and long-term
Climate change mitigation	Scope 3 emissions related to especially purchased goods and services (mainly steel), transportation and distribution, business travel and end use of products. New Business Site Gliwice's operations increased scope 3 emissions due to transportation and distribution to/from the site.	Negative impact	Value chain	Medium- and long-term
Climate change mitigation	Green transition and related regulation will increase the price of steel and fossil free steel, requiring adjustments to customer agreements and pricing. Customers call for fossil free steel but are not yet willing to pay for it.	Transitional risk	Own operations	Long-term
Climate change mitigation	New Zero emission solutions by Fortaco enables green transition and decrease of value chain emissions. Fortaco's offering has been expanded to include, for example, solutions with fossil free steel, integrated thermal management, lightweight structures and circular model for steel components, and battery systems and charging solutions.	Strategic opportunity	Own operations	Medium- and long-term
Climate change mitigation	Reduction of CO2 emission in the value chain by increasing the share of fossil free steel in products. Possible through collaboration with the main supply partners who utilize tech solutions, low-carbon raw materials, and replaces fossil coal with green hydrogen in their production processes.	Strategic opportunity	Own operations	Medium- and long-term
Energy	Reduction of fossil energy and fuels through energy efficiency measures and increase of renewable energy share in facilities and machinery, and by electrifying and automating production phases. Enables Scope 2 emission reduction.	Positive impact	Own operations	Medium-term
Energy	Additional emission reduction potential by decreased use of fossil energy in own operations. Reductions enabled through energy efficiency measures and increase of renewable energy share in facilities and machinery, and by electrifying and automating production phases.	Strategic opportunity	Own operations	Short-, medium- and long-term

our initiatives into the existing structures and are in 2025 adding the climate risk analysis to our general risk management structure.

In relation to the double materiality assessment, we have briefly estimated our resilience in the world's reaction to sustainability related trends. Based on the information we have now, we consider Fortaco's business strategy well-positioned for future challenges. The demand for our solutions supports growth, while the decarbonization and electrification in the medium term presents additional opportunities. Although physical hazards may occasionally disrupt Fortaco's operations and supply chain, our approach to anticipate, prepare for, and adapt to disruptions will help minimizing interruptions, ensuring they remain manageable and do not result in significant financial losses. In the future when we have conducted a scenario analysis, we aim to analyse the resilience of our business by looking at climate-related transition and physical risks and opportunities.

When addressing the impacts, risks and opportunities of climate change we divide our efforts into three streams, the upstream value chain, our own operations, and downstream value chain.

Upstream value chain

We recognize that a green transition is not possible without collaboration with actors in our value chain. We engage particularly with our first-tier suppliers and strive to build relationships where

we can actively call to action for activities in line with the goals of the Paris Agreement.

Most of our upstream value chain emissions come from hard-to-abate sectors like steel and transportation. We have therefore identified some strategic levers that we are working on embedding, in order to reduce emissions from our supply chains:

• Engaging with suppliers on the integration of decarbonization strategies in their operations. We strive to activate our engagement with key suppliers, who account for the major share of our total procurement spend and cover carbon-intensive sectors of our supply chains. This includes the adoption of science-based targets, transparent climate reporting, and decarbonization of their value chains.

• Low-emission products are essential to the green transition. We contribute towards the scaling of new technologies and fossil-free steel by reducing uncertainties for our suppliers and further incentivising their investments in low-emission technologies.

Fortaco's own operations

We have calculated our Scope 1 and 2 emissions to be approximately 10 % of our emissions, and upstream Scope 3 emissions to approximately 90 %. When considering the downstream value chain, the share of Fortaco's Scope 3 emissions is predicted to be even more significant. Although emissions from Fortaco's own operations

are minor in the big picture, we recognize the responsibility to decarbonize.

The overarching science-based targets we are setting will be supported by mid-term decarbonization targets. In addition to tracking and monitoring our company-wide emissions reduction progress, we can utilise the climate targets internally to anchor our other strategic initiatives. These include, for example, decarbonisation of our supply chains for materials and components.

Downstream value chain

To contribute to the global net-zero goal in the most impactful way, we are committed to go beyond reducing our own emissions and support our customers in their green transition. To address negative impacts, we are setting targets and plans to actively engage and partner with suppliers enabling us to provide customers with zero emission solutions as alternatives to the traditional offerings, and to engage with customers to understand their sustainability needs better.

Some of our customers have set net zero targets that have been approved by the Science Based Targets initiative (SBTi) and we can support them by, for example, enabling emission reduction related to extraction of steel and manufacturing of main components. Fortaco's Zero Emission Solutions-team focuses on improving the company's readiness to support the green transition in customer industries.

The team's activities are aligned with the company's technology vision for 2030 and aims to further strengthen Fortaco's R&D work to develop its offering and utilize emission-free steel. Our zero emission solutions offering includes:

• Applications of green steel and other eco-materials in mass production.

• Development of highly productive and environmentally friendly manufacturing processes.

• Research and development of lightweight and extended lifetime components.

• Expanding of Fortaco's offering related to electrification: integrated thermal management, battery pack weldments and assemblies.

Actions

In 2024, actions related to our material impacts, risks and opportunities have been mainly focused on our own operations and downstream value chain. Each business site is accountable for their actions and their alignment with the group's targets. Energy or emissions savings have not been systematically calculated but we are planning to improve monitoring of savings in 2025. Some examples of climate change related actions during the year are:

• Lighting replacements in multiple business sites enabling minimum 1,628 MWh savings annually.

• Heat recovery by redirection of air from the compressor room and improved temperature adjustments enabling 729 MWh savings annually in Business Site Wroclaw

• Installation of new equipment such as air compressors and welding machines with 30% less power consumption on average in Business Sites Janow, Kurikka, and Wroclaw.

Fortaco is in the beginning of its sustainability journey and promotes sustainability internally through communication, training and campaigns. In 2024, we continued to grow awareness and ownership of environmental and climate actions, for example in meetings or webinars with each business site, with the Group Leadership Team, and the Senior Leadership team. Fortaco also actively responds to customers' increasing demand for sustainable products and services such as LCA requests, new sustainable solutions, and refurbishments. The emissions reduction activities will be continued in 2025 and beyond in accordance with the coming climate program including targets. In 2025 and beyond we:

• are looking into ways to decrease our energy consumption and cover fossil-based fuels with energy from renewable sources. Investigations are needed as the local availability of renewable electricity is limited in some countries we operate in, and the installation of solar panels restricted in some of our locations.

• continue to develop tools to support our suppliers in their green transformations as we enhance the incorporation of sustainability in our sourcing processes.

• will seek ways to engage with our suppliers and customers to further incentivise investments in low-emission technologies.

Fortaco has no EU Taxonomy eligible nor aligned activities related to climate change mitigation or climate change adaption. See further details in the section EU Taxonomy. Actions taken in 2024 have not required significant Capex or Opex specified in the Financial Statements.

Metrics and targets

Targets

In 2023, Fortaco set a reduction target to achieve an absolute energy consumption reduction by 10% by 2025 since the baseline year 2022. In 2022 the energy consumption was 69,358 MWh for all the nine business sites included in the group that year and 55,138 MWh when recalculated to exclude businesses sold in 2023 and 2024. The progress has been monitored annually and actions taken. To prove our pledge to be aligned with the Paris Agreement and to align our core business activities with our sustainability ambition, we aim to set science-based targets and transition plans that can be approved by the SBTi. The setting of GHG emission reduction targets is part of our Climate Programme being prepared

and the aim is for the Board of Directors to approve the program and targets in 2025. Setting science-based targets requires thorough preparations and calculations. We anticipate that the transition plans include decarbonisation actions related to energy and material efficiency and consumption reduction, and fuel switching to renewable sources.

Key decarbonisation levers identified to reach our energy consumption target are consumption reduction through energy saving solutions, fuel switching and increased use of renewable energy. In the process of creating a climate program we will identify key levers and their estimated potential also for scope 3 emissions.

The energy consumption reduction target is not linked to a specific policy and covers consolidated energy consumption of our own operations. Target is based on calculations of possible scenarios including consideration of energy efficiency or reduction solutions. It has been assumed reduction in energy will also decrease Scope 1-2 emissions. Internal stakeholders from all business sites have been heard during target setting and support in their action plans is provided from group function. Target, underlying measurements or related processes has not been changed since target setting in 2023. Fortaco plans on setting new energy consumption reduction targets as part of or in addition to the Climate Programme.

GHG emissions scope 1-3	Retrospective				Milestones and target years			
	2022	**2023**	**2024**	**2024 / 2023**	**2025**	**2030**	**2050**	**Annual % target / Base year**
	tCO2eq	**tCO2eq**	**tCO2eq**	**%**	**tCO2eq**	**tCO2eq**	tCO2eq	%
Scope 1 GHG emissions								
Gross GHG emissions	5,907	5,218	6,107	117	-	-	-	-
Scope 1 GHG emissions from regulated emission trading schemes (%)	-	-	-	-	-	-	-	
Scope 2 GHG emissions								
Gross location-based GHG emissions	19,485	18,366	17,408	95	-	-	-	
Gross market-based GHG emissions	-	18,366	17,203	94	-	-	-	
Significant scope 3 GHG emissions								
Total gross indirect GHG emissions	-	334,000	211,606	63	-	-	-	
1: purchased goods and services	-	334,000	209,279	63	-	-	-	
4: upstream transportation and distribution	-	-	2,325	-	-	-	-	
5: waste generated in operations	-	-	2	-	-	-	-	
Total GHG emissions								
Total GHG emissions (location-based)	25,392	357,584	235,121	66	-	-	-	
Total GHG emissions (market-based)	5,907	357,584	234,916	66	-	-	-	

Accounting principles

Scope 1 GHG emissions
Scope 1 emissions are reported according to the Greenhouse Gas (GHG) Protocol and cover all direct emissions of greenhouse gases from Fortaco. The emissions are calculated as energy consumption multiplied by emission factors. Fortaco uses the most recent country specific emission factors by International Energy Association. Fortaco's scope 1 emissions do not originate from regulated emissions trading schemes.

Scope 2 GHG emissions
Scope 2 emissions are reported according to the GHG Protocol and include indirect GHG emissions from the generation of electricity, heat, and steam purchased and consumed by Fortaco. Scope 2 emissions are primarily calculated as the energy consumption multiplied by country-specific emission factors. Location-based emissions are calculated based on average country-specific emission factors.

In market-based emissions renewable energy purchases have been included and it is assumed that regular electricity is delivered as residual mix, excluding renewable energy purchased through Renewable Energy Guarantees of Origin. No removals or carbon credits have been included in the Scope 2 GHG emission calculations. Fortaco uses country specific emission factors by Association of Issuing Bodies.

Scope 3 GHG emissions
Scope 3 emissions are reported based on the GHG Protocol. Six of the GHG Protocol's 15 subcategories are material to Fortaco. The subcategories (3) Fuel- and energy related activities, (5) Waste generated in operations, (6) Business travel, (7) Employee commuting (8) Upstream leased assets, (10) Processing of sold products, (11) Use of sold products, (13) Downstream leased assets, (14) Franchises, and (15) Investments are not applicable or material for Fortaco. Data for (2) Capital goods, (9) Downstream transportation, and (12) End-of-life is not available for 2024. We are investigating the possibilities for data collection.

1. Emissions of steel components and materials have been calculating by multiplying gross weight with relevant emission factor from the OpenCO2-tool's database including for example SSAB EMEA AB's, Finnish Environment Institute's (SYKE) and DEFRA's emission factors. All other spend data (approximately 50 % of total spend) is categorised and multiplied by relevant spend-category-specific emission factors by Exiobase. In 2023, all emissions were calculated on spend basis.

4: only includes emissions from contracted logistic companies. Emissions are calculated based on spend multiplied with relevant emission factor from Exiobase. Emissions from logistics contracted by suppliers have not been available in 2024 and are excluded.

5: is calculated based on actual waste data multiplied by relevant emission factors from DEFRA.

GHG emissions outside of scope 1-3
Carbon emissions from burning biomass are net-zero for scope 1 emissions, according to the GHG Protocol, as the amount of carbon absorbed by the biomass during the growth phase is equivalent to the amount of carbon released through combustion. Documenting these emissions separately is recommended by the GHG Protocol.

No emissions were from regulated emission trading schemes. Based on Statistic Finland's fuel classifications, CO_2 from energy produced with renewable energy sources (wood pellets and firewood) were 157 tonnes in 2024.

Energy

The total energy consumption increased by 8 % in 2024 compared to 2022, and 13 % compared to 2023.

Financial aspects related to climate change GHG removals, carbon credits and internal carbon pricing

In 2024, Fortaco has not participated in projects aiming at enhancing natural sinks or innovating technical solutions to remove GHGs from the atmosphere in our own operations or our value chain. In 2024, Fortaco has not financed GHG emission reductions and removals from climate change mitigation projects with purchased carbon credits. Fortaco has not yet implemented an internal carbon pricing scheme. GHG removal projects, purchase of carbon credits and internal carbon pricing schemes

are all interesting development possibilities and as Fortaco implements a science-based targets and transition plans, we will investigate options and best practice and related to these.

As part of the double materiality assessment financial effects from risks and opportunities have been subjectively evaluated on a scale where 1 has low magnitude, implicating only minor negative impact on operations or concerns only a small area of the organisation, while 5 stands for extreme magnitude where Fortaco's strategic objectives are significantly compromised, financial losses can be major, Fortaco's reputation significantly hurt or key operations interrupted. In the future we are developing our analysis of financial effects and investigate how to apply science-based data in the calculations.

Energy consumption and mix	Unit	2023	2024
Coal and coal products	MWh	0	0
Crude oil and petroleum products	MWh	1,693	2,084
Natural gas	MWh	15,810	19,130
Other fossil fuels	MWh	4,835	3,484
Electricity, heat, steam and cooling	MWh	14,666	13,871
Total fossil energy	**MWh**	**37,004**	**38,569**
Share of total energy consumption	%	56	52
Total nuclear sources	**MWh**	**9,260**	**11,378**
Share in total energy consumption	%	14	15
Renewable fuels	MWh	0	390
Electricity, heat, steam, and cooling	MWh	19,884	23,838
Self-generated non-fuel renewable energy	MWh	0	527
Total renewable energy	**MWh**	**19,884**	**24,755**
Share of total energy consumption	%	30	33
Total energy consumption	**MWh**	**66,148**	**74,702**
Energy intensity	**MWh/MEUR**	**177**	**210**

GHG intensity per net revenue	2023	2024	2024/2023
	tCO2eq/MEUR	tCO2eq/MEUR	%
Location-based GHG emission intensity	957	660	69
Market-based GHG emission intensity	957	659	69

Accounting principles

GHG emission intensity
Calculated as total scope 1-3 GHG emissions (where scope 2 is either market-based or location-based) divided by total net sales (dominator) as it is presented in the financial statements note 2.1 Net sales.

Accounting principles

Total energy consumption
Includes energy from fossil-based sources and renewable sources. Total energy consumption is the same as total energy consumption from activities in high climate impact sectors.

Energy savings
The scope of the internal energy savings covers both heat and energy consumption and process optimization savings at our business sites (i.e. fuel savings and electricity savings). Projects are included when they are fully implemented and operational.

Energy intensity
Calculated as energy consumption per net revenue. Fortaco operations are part of the Manufacturing sector, described in NACE Section C as defined in Commission Delegated Regulation (EU) 2022/1288, and is therefore classified as one of the high climate impact sectors. The net revenue (dominator) can be found in the financial statements note 2.1 Net sales

Pollution (ESRS E2)

Our approach and governance

Fortaco commitment to environmental matters is communicated through our EHS policy. It highlights our approach that we aim to be in harmony with our environment, always improving our resource efficiency and achieving full compliance with legal requirements and regulations. Importance of environmental matters including pollutions and emissions control is understood by implementing environment management systems according to ISO 14001 for each of the Fortaco Business sites. Only the recently acquired (in 2023) business site in Breitenau, Austria lacks the environmental management system, but its implementation is already scheduled for 2026.

The focus of our currently operating environmental management system is Fortaco own operations. There are guidelines in place to manage and control emissions to air, water and soil (referred as pollution). The main approach is to continuously meet the targets set in our environmental permits for different emissions and improve our resource efficiency by decreasing the number of pollutants compared to volume of production. Environmental impacts, risks and opportunities are evaluated annually, and it include evaluation of emissions to air, soil and water. Regular environmental assessments and audits are organised to ensure functioning of the environment management system.

Fortaco internal audit schedule has been set to evaluate environmental issues in compliance with ISO14001 and ESG requirements for all Business sites during a 3-year period.

Potential supply chain related environmental impacts in form of emissions are monitored in the supplier selections process through review of implemented environmental management systems of potential suppliers.

Accountability for our commitments and targets related to emissions lies with Group Leadership Team and is steered by our Group QHSE Director.

Impact, risks, and opportunities

The material impacts, risks and opportunities related emissions have been identified in environmental aspect assessment as defined in ISO14001 standard. These evaluations have been confirmed and adjusted in our double materiality assessment (described in the general section ESRS 2 of the Sustainability Statement) based on the available data and statistics about emissions to air, water and soil in our operations. In due diligence processes over the past years all our business sites have been screened on both the current operation impacts and the past and historical impacts to environment.

On the right a summary of Fortaco's impacts, risks and opportunities related to pollution in our own operations and value chain. Main impacts and risks are related to our own production and the raw material extraction and

Sub-topic	Short description	Impact/ Risk/ Opportunity	Location	Time horizon
Pollution of air	Pollution to air in form of dust and heavy metals from metal fabrication such as welding processes, as well as volatile organic compounds (VOCs) released from painting processes, and emissions from transportation.	Negative impact	Own production	Short-, medium- and long-term
Pollution of air	Noise, vibrations, dust and other air emissions from the extraction, and transportation of iron ore/steel, copper, class and aluminium. Frequently dumping of processed rocks generates noise and dust pollution in the iron ore mining industry, also common diesel-powered generators add to air emissions by producing CO2 and other noxious emissions. The transportation of iron ores causes air emissions and noise leading to potentially significant secondary impact. These risks may lead to a number of environmental and social impacts, especially when not properly controlled.	Negative impact	Supply Chain	Short-, medium- and long-term
Pollution of water	Pollution of water related to the extraction and production of especially iron ore and steel. The steel making processes use significant amounts of water for activities such as the extraction process, washing, dust suppression, slurry transport and for the maintenance of the site and to supply water to the workforce.	Negative impact	Supply Chain	Short-, medium- and long-termi
Pollution of soil	Pollution and contamination of soil as a result of extraction and production of iron ore and steel. 50% of iron mines are located in forests and vegetation is removed for mine constructions. Spills of fuel and chemicals contaminate soil and have both direct impact and indirect cumulative impact on the immediate environment.	Negative impact	Supply Chain	Short-, medium- and long-term
Pollution of air	Extra costs for investigation and investments of measurement technologies such as heavy metal and VOC emissions. Additionally, pollution impacts in supply chain can trigger reputational impacts if unmanaged air pollution or leakages occur in the supply chain.	Regulatory risk	Own production	Medium-term
Pollution of air	Reputational impacts of air pollution and noise caused by suppliers especially in the supply chains of steel, iron ore, copper, aluminium, and glass.	Strategic risk	Supply chain	Long-term

production in our supply chain.

Pollution in our own operations

In Fortaco's own operations emissions to air are mainly generated in welding operations as welding fumes, dust particles, heavy metal contamination and from painting as VOC emissions. These emissions (pollution) are considered as regular operation related. In some of our business sites, the annual amounts of emissions and pollutants are set in respective environmental permits. Those pollutants are monitored regularly as set in the environment permits. Business sites' EHS organisation is responsible for monitoring and reporting pollutants to local authorities.

Environmental management and environmental performance are guided by the requirements of our business sites' certified environmental management systems. To ensure compliance, resource efficiency and meeting the targets for protecting our environment we:

• regularly review of legislative requirement and ensuring compliance,

• review and if needed update our environmental goals and targets,

• identify and annually evaluate our environmental impacts and operational risks related to environmental impacts

• regularly test and define emergency procedures

• identify environmental training needs and organise necessary training.

These actions are managed and coordinated at Business sites, Group EHS is monitoring and in case supports with guidance and Group best practices.

A key goal is to actively engage in preventive environmental work. Business Site employees must continuously observe their work environment, actively make EHS observations and adopt immediate corrective action if required.

All Fortaco's employees have the right and responsibility to report a situation that may cause a leakage or malfunction. Any infringement of environmental permit limits and significant deviations are investigated, and corrective actions are determined. The site's leadership is always in charge of the possible investigations, as well as the adequacy and implementation of corrective actions.

Pollution in our value chain

Our efforts to monitor and minimize Fortaco's impacts and risks related to pollution in the supply chain are bound to the engagement and relationship we have with our suppliers. With our Supplier Handbook, which we expect all direct material suppliers to sign, we ask for commitment to be actively engaged with environmental concerns. Specific policies outlining Fortaco's efforts to manage specifically emissions to air, soil, water and noise in the supply chain, has not yet been established but is generally embedded in the Supplier Handbook's and Code of conduct's sections on Environmental impacts. Our possibilities to manage indirect impact in our value chain is something we will investigate in the future.

Metrics and targets

Targets

Our main goal is to continuously meet the emission targets defined in our business sites' relevant environment permits and to improve our resource efficiency by decreasing the number of pollutants compared to volume of production. As environment permits are based on each country legislation with different requirements and limits for emissions, thus no consolidation for the whole Group made in the past. At Business site level the site environmental targets are considered to lower amount for the emissions close to limit values.

In 2024, the only emission target at Group level, related to pollution is the energy reduction target described in section E1, which impacts the carbon-dioxide equivalent (eCO2) emissions to air. The intention is to decrease the energy consumption by 10% from 2022 base year by the end of 2025.

No significant environmental impacts, claims or compensation related to the pollution of air, water and soil were recorded in 2024, nor did any media visibility related to these topics appear.

Fortaco did not have deviation to environmental permits in 2024.

Reducing pollution in the value chain can be challenging as impact possibilities are limited. However, there is material impact and risk related to pollution in Fortaco's supply chain and we will investigate how this impact and risk should be addressed most properly.

Emissions to air in our own operations

In Fortaco standard operations emissions to air is considered as one of the main impacts on the environment. Nevertheless, none of the air pollutants coming from Fortaco's operations reaches disclosing threshold set in Annex II of Regulation (EC) No 166/2006 of the European Parliament and of the Council (European Pollutant Release and Transfer Register "E-PRTR Regulation").

Fortaco's most common pollutants occur from its welding operations. In the past years significant investments have been made to improve internal air quality with removing and filtering welding fumes both as source exhaust and as background welding fume exhaust. With these actions we were able to decrease the amount of dust particles and improving the efficiency of the ventilation systems in general. Welding also generates ozone, nitrogen oxides formed in the arcs. These amounts have never been estimated due to the naturally small amounts generated in the process.

Wet painting is generating VOC emissions that is evaluated and monitored based on calculation template provided by paint supplier for each paint and is based on the amount of paint consumptions.

In additions to VOC emissions our production sites in Estonia, Poland, Slovakia, Serbia analyses regularly (as defined in the local environment permit) air emissions from each air emitting source. There are environmental fees connected to the emitted pollutants, where the measured value is multiplied by the annual worktime estimate for the site.

Plastics and substances of high concern

Plastic materials are not used at Fortaco in significant amounts. Plastics are used in the packaging of components for our steel fabrication, and in some parts for the interior and insulation of vehicle cabins. Microplastics are not purchased, used or generated intentionally at Fortaco. Fortaco does not use or produce substances of concern or substances of very high concern.

Biodiversity and ecosystems (ESRS E4)

Our approach and governance

At Fortaco, we recognize our responsibility and possibilities to impact positively on biodiversity and ecosystems. In the double materiality assessment, it was identified that our material impact on biodiversity is located upstream in the value chain, connected to mining and extraction of raw materials. Although our upstream value chain may have material negative impact related to land degradation, desertification, soil sealing or threatened species, we have not identified that Fortaco's operations under normal conditions have direct impact on those. We ensure that all needed environmental permits of our sites are up to date. More about our environmental permits in section E2 Pollution.

We are aware that best practice around biodiversity is rapidly evolving. For us to develop our approach and policies we need to frequently update our biodiversity assessment (previously conducted in 2022), understand the adverse effects that our own operations and mining has on wildlife, habitats, and ecosystems, and thereafter, identify the possibilities we have to impact positively on biodiversity. Fortaco has not yet assessed the resilience of our business model and strategy to biodiversity and ecosystems-related risks.

Impact, risks, and opportunities

The material impacts, risks and opportunities related to biodiversity and ecosystems have been identified in our double materiality assessment which is described in the general section ESRS 2 of the Sustainability Statement.

At Fortaco we have identified that our work related to biodiversity is influenced by various factors, including the EU's biodiversity strategy for 2030, the Global Biodiversity Framework, and national legislation in the countries where we operate. In our biodiversity impact assessment, we have used sources such as Natura 2000, WWF Biodiversity Risk Filter, and data of The Key Biodiversity Area Partnership. As our double materiality assessment reveals, our most material impacts are related to raw material extraction and production of materials used in Fortaco products. Potentially affected communities and ecosystems, or transition or physical risks have not been specifically reviewed in the process.

In 2024, we have updated our Biodiversity assessment, verifying that none of the businesses Fortaco acquired since 2023 has sites located in any protected areas. As the buffer zones for sensitive areas can increase, we see it necessary to review all locations regularly and include new science-based data from various frameworks. Of our ten business sites only Janow Lubelski, Poland, is located in the buffer zone of the protected area Lasy Janowskie Landscape Park.

Sub-topic	Short description	Impact/ Risk/ Opportunity	Location	Time horizon
Direct impact drivers of biodiversity loss	Biodiversity related impacts are one of the key environmental impacts in metals and mining industry. Impacts relate to e.g. land, freshwater and sea use change, tree cover loss, protected/conserved areas. Although Fortaco's possibilities to affect impacts are limited, there are growing information needs on biodiversity due to upcoming regulations and customers surveys in the future. Fortaco's impact is related to the biodiversity loss in raw material extraction of steel and iron ore, copper, aluminium, glass and rubber.	Negative impact	Supply chain	Short-, medium- and long-term
Direct impact drivers of biodiversity loss	Biodiversity loss caused by suppliers of steel, copper, glass (Silica), aluminium and rubber (e.g., threatened species, ecosystem services, conflict with agriculture or indigenous people, integrated land management, and deforestation) form a reputational risk to Fortaco.	Strategic risk	Supply chain	Medium-term

The results of the assessment conducted by third party in 2018 indicates that Fortaco's operations in the site does not under normal conditions affect the sensitive area negatively. The environmental impacts and risks are mitigated and managed through the valid environmental permit and ISO certified Environmental Management System.

Biodiversity related to our material risk and impact is not yet addressed in our policies and related actions. Biodiversity was identified as material in the materiality assessment conducted in 2024. The direct drivers of biodiversity loss in Fortaco's supply chain will be considered when we in 2025 review policies covering our supply chain.

Though biodiversity and ecosystem protection has not been addressed in policies yet, Fortaco has adopted actions that indirectly mitigates our impacts and risks. Local environmental permits and ISO certifications are examples of how we mitigate in our own production. By applying supplier selection criteria and conducting supplier screenings as well as audits, all including environmental aspects, we have able to mitigate some of our impact in the supply chain.

Going forward, in the short term, we will update and extend the Biodiversity Impact Assessment of our own operations. We will start identifying our key impacts on biodiversity in our upstream value chain, e.g. by identifying which materials have the greatest impact on biodiversity, reviewing the biodiversity risk of those supply chains, and cooperate with our suppliers on mitigating negative impacts on biodiversity.

As s strategic partner for many customers, Fortaco also sees this as an opportunity to improve its reputation, aiming to increase the knowledge sharing of sustainability issues with customers and suppliers (especially steel suppliers).

In the future we will also clarify our biodiversity ambition and integrate KPIs to our ESG reporting framework. We will investigate the dimensions of integrating biodiversity into supplier requirements and map possibilities to engage our people in local projects improving biodiversity and mitigating negative impact on the environment.

Accountability for outlining policies and targets related to biodiversity lies with Group Leadership Team and is steered by our Group Sustainability Director.

Metrics and targets

Impacting positively on the value chain as far up as material extraction is challenging and we work on firstly identifying the possibilities to impact positively that Fortaco have. In our own locations mitigating risks related to biodiversity is significantly easier and we will investigate the possibilities and needs to set targets for mitigating our negative impact, and impact positively in the areas our business sites are located. Fortaco's current target is to maintain the local environmental permits and certifications.

In long-term we strive to set specific biodiversity targets and plan actions related to our material impact and

risk in the upstream value chain. We also want to ensure alignment with biodiversity related frameworks, and new regulations guide our continued development and engagement with biodiversity, including outlining policies, setting targets and planning actions.

Fortaco has business sites under operational control in Breitenau (Austria), Gliwice (Poland), Gruža (Serbia), Holič (Slovakia), Janów Lubelski (Poland), Kurikka (Finland), Narva (Estonia), Sablé (France), Sastamala (Finland) Wrocław (Poland). Of the sites sites Janow Lubelski, Poland, is located near the protected area Lasy Janowskie Landscape Park. The Business site manufactures steel fabrications for material handling, construction, mining and energy sectors, and the production area is 1.8 hectares. The business sites Environment Management System is certified according to ISO 14001:2015 and demonstrates Fortaco's commitment to reduce our environmental footprint, like pollution and waste generation, and as well improve our energy performance. No material impacts with regards to land-use change or conditions of ecosystems have been identified.

Resource use and circular economy (ESRS E5)

Our approach and governance

In Fortaco's operations we aim to follow circular economy principles, minimising waste and emissions, and

keeping natural resources in use for as long as possible. The use phase of Fortaco's products can last for decades, so investing in low emission and resource-efficient products means our customers can reduce their environmental impact. Being a preferred partner, and being able to select trustworthy partners, is paramount for the whole Fortaco value chain. Sustainable business practices and systematic risk management are crucial for creating long-term value and financial stability. Our environmental management and continued environmental performance are guided by the requirements of the production site's certified management systems.

Our manufacturing of off-highway vehicle equipment relies on various metals, plastics, glass, rubbers and chemicals for paints. We are looking for ways to improve promotion of responsible supply chains for the key materials we rely on. For more information about social aspects of our sourcing of minerals and metals, see section S2 on workers in the value chain.

The major share of our upstream carbon emissions comes from the extraction and processing of materials for our products (approximately 96 %) – steel alone accounts for almost 70 % of our sourced materials. By incorporating circular principles across our business, we can reduce carbon emissions, support our customers in meeting their targets, while also ensuring responsible waste

management. Our approach to circularity evolves around three principles:

1. Reduce and optimise resource usage by rethinking design and offering. We want to engage with key suppliers and customers to promote the use of recycled and recyclable materials, particularly in high-impact categories like steel. We also continuously look for possibilities to minimize the use of materials by optimizing processes and innovating new solutions.

2. Maximise the value of our components and products. We investigate opportunities for repairing, refurbishing, and reusing key components to prolong their lifetime, and we aim to make our products recyclable. Our technology teams support our customers with change management and after market needs during the entire product life cycle. Fortaco has a dedicated PLM ecosystem to manage engineering, product information and documentation needs.

3. Repair, recover or recycle all materials possible before they reach their end-of-life stage in our manufacturing processes. Making the most out of scrap metal, repairing and reusing wooden pallets, and recycling plastics are just the start.

Impact, risks, and opportunities

The material impacts, risks and opportunities related to resource use and circular economy have been identified in our double materiality assessment which is described in the section for double materiality assessment under ESRS 2. Impacts, risks and opportunities have mainly been assessed by utilizing internal information and knowledge about Fortaco's resource use and circularity. The information and knowledge we have about the value chain is obtained through close relationships with suppliers and customers. Information about affected stakeholders and communities has also been collected from open sources by a third party on behalf of Fortaco in order to assess material sustainability matters.

Accountability for our circularity efforts lies with our Group Leadership team and is divided into three streams. Commitment and targets related to waste from our own operations are managed and coordinated at Business sites, while Group QHSE Director is monitoring, supporting and guiding best practices. Accountability for our commitments and targets related to circularity in product design and Fortaco's offering lies with VSP Technology, and VSP Sourcing and IT.

Resourcwe inflows

Fortaco is reliant on significant amounts of steel and of other critical materials such as copper, glass and rubber. However, renewable energy supply chains are under pressure,

and bottlenecks and material scarcities are already defining the pace of green transition in many markets. We can reduce some of these pressures through circularity efforts. By considering the origin and mix of materials, and by increasing recycling and reusing, we can reduce the need for raw materials and reduce unpredictability in our supply chain while minimising carbon emissions throughout the value chain.

Fortaco's supplier policy (Supplier Handbook) covers themes such as material certifications and materials of concern. The policy and sourcing operations is accounted for by SVP Sourcing and IT. Circularity and minimized use of materials in our products is led by SVP Fortaco Technology.

Some key actions related to sustainable resource use and the circular economy we have taken in 2024 are:

• Minimizing use of resources: In our business site Breitenau, customers can choose to have weldings replaced with bondings and in that way decrease not only the product CO2-footprint by 40% but also reduced the amount of steel used.

• Product lifetime care: Fortaco's technology teams support our customers with change management and after market needs during the entire product life cycle. For example, in Business Site Sastamala, one of the leading projects in 2024 has been to renovate a Vammas PSB5500 snow

Sub-topic	Short description	Impact/ Risk/ Opportunity	Location	Time horizon
Resource inflows, including resource use	Resource use is a major driver of other environmental impacts such as climate change, pollution, water and marine resources and biodiversity. The impact relates to Fortaco's use of steel, glass, rubber, plastic and paints, copper, and aluminium.	Negative impact	Own operations	Short- and medium-term
Resource inflows, including resource use	Decreased need for virgin raw materials (insulation material, plastics etc) and increase of material efficiency, through circular design of products enables positive impact. For example, the use of recycled insulation materials and plastics.	Positive impact	Own operations	Long-term
Waste	Generation of hazardous waste, e.g. toxic waste from machining and painting.	Negative impact	Own operations	Short- and medium-term
Resource inflows, including resource use	Circular design and responsible sourcing and production enables minimized use of materials. Material and resource efficiency, use of alternative materials and optimizing use of production materials (design, sourcing, logistics and utilising IoT, automation and AI analytics) is increasingly demanded by customers.	Operational opportunity	Value chain	Medium-term

removal machine. A refurbishment project takes approximately 5-6 months including disassembly, testing, repair and repaint. Refurbishing and restoring the former efficiency of machines to give them a second life.

In 2025 and beyond we will continue our work related to material efficiency and circular economy in our product design, supply chain, and own operations. Efforts will be seen in avoiding downgrading and instead retain the quality and value of metals and other wasted material. We focus the actions on our three principles: Reduce and optimise resource usage,

Maximise value, and Repair, recover or recycle all materials possible.

Waste

To support the promotion of circularity and waste management in our business, we have taken waste elimination to our values. EHS Handbook covers resource management in all Fortaco's activities and locations. With this we also want to address our aim of minimising the use of raw materials and to provide the direction for sustainable sourcing of resources.

Environmental impacts of Fortaco's

waste management facilities are minimised in accordance with the environmental permits and operated according to Fortaco's operational management system. Most of the waste is delivered to external waste management companies, whose operations are subject to environmental permits, for processing or disposal. The sustainability of waste management operators is ensured in supply agreements.

Some circularity related actions Fortaco has taken in 2024:

• In Business Site Wroclaw, Fortaco started a collaboration with a local company repairing EUR-pallets instead of sending broken pallets to recycle or incineration.

• Promoting recycling by improving waste management and recycling facilities in several Business Sites. Clear and easy processes in appropriate facilities are key elements for a well working waste management that promotes recycling. In Business Site Kurikka a new system for tracking hazardous and chemical waste was implemented, and in business site Janow Lubelski a new recycling and waste facility was taken into use.

Metrics and targets

We are in the beginning of structuring our circularity journey and have voluntarily set targets to a) improve recycling ratio (ratio of utilised and recycled waste to all waste excluding scrap steel) to 65% from current 59% (2024) b) improve steel material efficiency to 80% by year 2030 with defining measuring and monitoring of this metric from 2025. Each business site has set individual targets to support the group level target, and the progress is monitored both business site wise, and on a group level.

Our products are most often tailored to customer's needs and designed in close collaboration with customers. For Fortaco, there is opportunity to work with customers to increase the use of e.g. recycled insulation materials and plastics and also optimizing the use of production materials through design, sourcing, and utilising IoT, automation and AI analytics). Measurable targets related to circularity in the value chain (inflows and circularity of our products) are yet to be set and focus is laid in accordance with our three principles: Reduce and optimise resource usage, Maximise value, and Repair, recover or recycle all materials possible. Minimisation of steel, which is Fortaco's primary raw material, is under constant improvement and in many cases, it is already possible for customers to choose green steel or recycled steel.

Inflows

We strive to promote circularity and waste management both upstream and downstream the value chain, in addition to our own operations. We strive to minimize waste in our production by reusing and recycling, when possible, we also work together with suppliers and customers to minimize emissions in the products we deliver. An overall objective is to minimise the use of virgin resources and to provide the direction for sustainable sourcing of materials and components.

Of the materials and products Fortaco sources, approximately 70% is constituted by steel parts (plates, hot rolled steel sheets, solid bars, castings, open die forgings, etc.). Thereafter approximately 10 % are electrical components (cables harnesses, electronic devices, lights, etc.) and 8 % mechanical components (hydraulics and pneumatics, wiper systems etc.). We predominantly purchase raw materials, components, energy, and services from several suppliers, mainly from European countries. Fortaco has in 2024 not collected information on amounts of recycled and used components on group level. Individual customers have requested their respective information, and we are planning to monitor the amount of recycled and reused components on an annual level starting in 2025.

Inflows	Unit	2024
Total products and materials	Tonnes	120,146
Biological materials	Tonnes	0
Biological materials	%	0

Accounting principles

Products and materials
Total weight of products and materials (technical and biological) used in Fortaco's products. Actual weight data has been available for 57 % of the direct spend, excluding spend categories such as subcontracting and other services, mechanical components such as insulation, and electrical components. Double counting has been avoided by only including data from external purchases.

Biological materials
The percentage of biological materials (and biofuels used for non-energy purposes) used in Fortaco's products and services (including packaging) that is sustainably sourced.

Waste	Unit	2024	% of total
Diverted from disposal	Tonnes	9,250	85
Hazardous	Tonnes	0	0
Reused	Tonnes	0	0
Recycled	Tonnes	0	0
Recovered	Tonnes	0	0
Non-hazardous	Tonnes	9,250	85
Reused	Tonnes	0	0
Recycled	Tonnes	9,250	85
Recovered	Tonnes	0	0
Directed to disposal	Tonnes	1,674	15
Hazardous	Tonnes	660	6
Incinerated	Tonnes	0	0
Landfill	Tonnes	0	0
Other disposal	Tonnes	660	6
Non-hazardous	Tonnes	1,014	9
Incinerated	Tonnes	648	6
Landfill	Tonnes	366	3
Other disposal	Tonnes	0	0
Total waste	**Tonnes**	**10,924**	**100**

Accounting principles

Waste by type and disposal method

The waste volumes include waste transferred from Fortaco properties, including production, warehouses and transportation. Waste is collected and stored based on categories defined in the list of wastes (Directive 2008/98/EC). Waste is stored on Fortaco property in temporary waste storage areas before transported to rightful handling by authorised waste handling companies. Disposal can be incineration, landfill disposal, or hazardous waste treatment, and is defined for each waste type in the list of wastes directive. Amounts of waste are reported based on invoices received from waste utilisation companies and categorised into landfill, recycled waste, incinerated waste. Fortaco does currently not collect harmonised data for each waste category as defined in list of wastes.

Waste

From the point of view of recycling, steel is a valuable raw material that retains its properties well, and due to its magnetism, it is easy to separate. For this reason, steel is one of the most recycled raw materials in the world. For us it is essential to recycle scrap steel from our production and to improve recycling rates of other raw materials we utilize.

In Fortaco's operation waste is mainly steel scrap generated from production processes, but also plastics and different packaging materials. We continuously strive to reduce hazardous waste, primarily from the paint shop, machining and cutting oils. Our processes do not consume significant amounts of water, and the water is often reused or recycled. Water is mostly used in our E-coating lines for cabin manufacturing and for the washing of products before painting.

The total amount of non-recycled waste from Fortaco's operations is 1,674 tonnes, 15% of total waste. The total amount of hazardous waste is 660 tonnes, of which none is radioactive waste.

SOCIAL

Own workforce (ESRS S1)

Our approach and governance

We strive to provide a safe and inspiring working environment to all employees and external workers working on Fortaco's premises, especially those in blue collar roles in our production processes. We aim to be an attractive employer, and to develop and retain qualified and motivated people as. our people are one of the corner stones of the foundation of Fortaco. Additionally, at Fortaco we prioritize leadership, team building, and highly engaged people over managers and hierarchy.

Impact, risk, and opportunities

At Fortaco we work to effectively integrate positive impacts, proactively manage risks, and utilize opportunities in the social domain into the strategy and business model. This approach not only minimizes potential threats but also strengthens the company's competitiveness and lays the foundation for sustainable growth.

Fortaco operates in a dynamic environment affected by market changes and regulatory developments. To maintain leadership position while acting in a socially responsible manner, we are integrating identified positive impacts, risks, and opportunities into key elements of Fortaco's strategy and business model.

The material impacts, risks and opportunities related to own workforce have been identified in our double materiality assessment, which is described in the section for double materiality assessment under ESRS 2. In the process we identified that Fortaco people subject to the material impacts, risks and opportunities under the ESRS S1 are own employees and external workers contracted by Fortaco to participate in its operations. All Fortaco entities operates within Europe and all except Serbia within the European Economic Area. Compliance with local legislation and group wide management systems in place mitigates the risk of incidents, such as forced labour or child labour, that are against the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises and International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

To ensure an inclusive and equitable workplace and to gain insight into the perspectives of our own people, particularly those that may be vulnerable and marginalised, Fortaco has implemented several initiatives. The regularly conducted anonymous Pulse Survey gathers insights on working conditions and challenges while confidential whistleblowing and local problem reporting channels allow employees to share their concerns. Social dialogue and cooperation with trade unions helps us identify and remove workplace barriers. Our policy for inclusive recruitment promotes diversity by increasing opportunities for underrepresented groups.

Sub-topic	Short description	Impact/ Risk/ Opportunity	Location	Time horizon
Working conditions; Secure employment	Through investments in automation, digitalisation, internal rotation and training, mentoring and change management, extra effort is put on engaging employment and ensuring enough competent and resilience workforce.	Positive impact	Own operations	Medium- and long-term
Working conditions; Health and safety	Demanding working conditions on shopfloor and human errors have negative impact such as causing respiratory problems and diseases, neurological problems, disorders and diseases of the musculoskeletal system, sensory impairments and damage, other accidents on the shopfloor.	Negative impact	Own operations	Short- and medium-term
Working conditions Health and safety	Automation, robotics, new techniques and machinery reduced physical load for employees and improve working conditions.	Positive impact	Own operations	Medium- and long-term
Equal treatment and opportunities for all, Training and skills development	Fortaco supports and provides opportunity for employees to improve capabilities and skills. Deficiencies in school systems in many countries result in a lack of skilled employees.	Positive impact	Own operations	Short-, medium- and long-term
Working conditions, secure employment	Inability to maintain flexibility and resource-efficiency in fast, mainly inorganic, growth and increasing personnel with cultural diversity. Substantial financial risks related to fluctuating market and demand.	Operational risk	Own operations	Medium-term
Working conditions, Health and safety	Decreasing productivity and higher costs related to health due to increasing employee health issues as a result of demanding working conditions.	Operational risk	Own operations	Long-term
Equal treatment and opportunities for all, Training and skills development	Challenges to recruit technically competent and engaged shopfloor workers when education level as well as technical and language skills of younger generations and agency workers do not meet the need in many countries.	Operational risk	Own operations	Medium-term
Equal treatment and opportunities for all, Training and skills development	Investment in automation, digitalisation, internal rotation and training, mentoring and change management to ensure enough competent and resilient workforce.	Operational opportunity	Own operations	Medium-term

Additionally, through the Fortaco DNA initiative, educational campaigns and training sessions on equality and anti-discrimination foster a culture of respect while also functioning as a forum where insight is collected.

Our processes and controls to identify and address negative impacts on our people cover risk assessment, analysis of accident and incident data, regular employee consultations, as well as analysis of insight data collected through Fortaco's mental health program, various channels for reporting and interaction (e.g. the Pulse survey, our whistleblowing channel, and local problem reporting channels), and also by analysing training and development results. Risk assessments include for example evaluation of employee health and safety, exposing potential negative impact such as accidents, occupational diseases, and stress. Workplace accident and incident data is also collected and analysed to determine root causes and preventive measures are planned accordingly. To minimize actualization of the potential negative impact of health and safety hazards we organize Safety Days. By following applicable and relevant regulation such as local laws and GDPR policies we ensure that Fortaco's practices do not cause or contribute to material negative impacts on our own people.

Material impacts related to Fortaco's own people are managed by the People and HR organisation led by Group Leadership Member responsible for People and HR. The P&HR

organisation has in 2024 nominated one professional to drive CSR and ESG topics related to our people. Also, the departments for QHSE, Manutech and Sustainability are involved in activities related to the company's impact on its people. In addition to Human resources financial means are allocated for initiatives at providing safety and training, improve wellbeing and health, etc.

Working conditions

We see human rights as a fundament in maintaining and developing our culture and workplace. Working conditions and the guidelines for how we treat our people are covered in our Code of conduct, our EHS policy (Safety Handbook) and HR policy (People Handbook) and in our HR Manual. The policies have been approved by the Group Leadership Team and together they cover all subjects to material impacts, risks and opportunities related to ESRS S1 as well as all employees and contractors working at Fortaco business sites.

Implementation of the People Handbook and HR manual is accounted for by Fortaco's People and HR team, led by Vice President People and HR. Read more about the Safety Handbook below in the section about Health and Safety, and see section G1 Business Conduct for more about our code of conduct. We respect key international human and labour rights standards included in the International Bill of Human Rights and the International Labour

Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. Our Code of conduct and People policy highlights our dedication to ensuring freedom of association, the right to collective bargaining, elimination of forced or compulsory labour, effective abolition of child labour, and elimination of discrimination in employment and occupation, among other critical issues. In our work with human rights, we are guided by the authoritative global frameworks, UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. To stay competitive and secure a working place for its employees Fortaco must continuously stay flexible and resource-effective when market and demand is fluctuating. At the same time cultural diversities and inorganic growth through mergers and acquisitions puts additional pressure on our abilities to flex and stay efficient. To mitigate this risk and increase positive impact Fortaco invests in automatization, digitalisation, internal rotation and training, mentoring and change management. Fortaco's People and HR strategy emphasizes effort on engaging employment and ensuring enough competent and resilience workforce. To support the strategy and mitigate the risks, our action plans include for example training programs, skill development, and mentoring. The offering for skill development and offering is customised depending on the 'employee role and interests.

Health and safety

Fortaco's ambition and vision is to have zero accidents. Creation of a safe working environment requires intentional effort building awareness, setting guidelines, and monitoring working conditions. Therefor our safety systems include several elements to ensure safe working conditions. We recognize that awareness and safe behaviour are critical for incident prevention, which is why we expect every employee, at every level of the organization, to take responsibility for safety.

At Fortaco, safe working conditions include:

• Safety on equipment, to ensure that only proper tools, machinery, and equipment are being used.

• A continuous process of identifying and reducing workplace hazards, both to remove unsafe conditions and to train ourselves to recognize them.

• Guidance and awareness of safe working practices.

• Personal protective equipment (PPE) to prevent potential injuries.

To support our zero-accident mindset, Fortaco has introduced and implemented nine Golden Safety Rules to reflect the main hazards workers face in their everyday work. These rules have been developed to align worker behaviour and maintain safety processes at our places of work. The Golden Safety

Rules apply to all Fortaco employees.

We have established a policy for health and safety (Safety Handbook), setting the standards for how we protect and ensure the well-being of our employees and good working conditions. The policy covers all our employees and facilities. Fortaco's Group QHSE Director is accountable for adequate policies and management systems group wide while General Managers of each Business site is responsible for the implementation locally. We have implemented workplace accident prevention procedures to ensure the safety and well-being of our employees.

• Work environment: Welding & Carbon arc gouging: heavy metal emissions and dust, E-coating and painting: several types: VOC emissions, Ergonomic challenges (working positions in welding, lifting, vibrations etc.)

• In a factory environment, the noise levels are high and, for example, during welding, vision damage is possible

• Demanding work conditions and human errors cause respiratory problems and diseases, neurological problems,

• Disorders and diseases of the musculoskeletal system. Sensory impairments and damage (noise, hearing, vision). Different level of accidents in the shopfloor.

We prioritise and protect the physical, social, and psychological safety of everyone in the workplace. Material risks and negative impacts are especially in focus in our health and safety related work. The production environment can be especially demanding in some parts of the process. Welding, carbon arc gouging, e-coating and painting cause ergonomic challenges, emission or dust, or high noise levels. The demanding working conditions and human errors may lead to respiratory problems and diseases, neurological problems, disorders and diseases of the musculoskeletal system, sensory impairments and damage and other accidents on the shopfloor.

We believe that personal health and wellbeing are fundamental drivers for living a balanced life where people can realise their potential. Therefore, it is fundamental to our operations that we have a robust health and safety management system in place and that we foster a culture that promotes our employees' health and safety. Fortaco's management system for occupational health and safety is certified by the ISO 45001. The ISO 45001 certification validates a company's commitment to occupational health and safety. Continuous monitoring related to the standard includes safety metrics, risk observations, safety discussions, and safety training hours, with the lost time incident frequency (LTIF) as a key indicator. The management system is audited internally and by third party to uphold valid certification and can even be part of

audits conducted by third party on behalf of a Fortaco customer.

At Fortaco we have identified mental health to be an increasingly important part of holistic health. When it comes to mental health, our mission is to offer support to our people when life gets challenging. Our main goal is to create a supportive environment where everyone feels heard, valued, and empowered. We are dedicated to building a strong company culture where mental health is openly discussed and understood. To provide support in an early phase we have trained six mental health ambassadors in different locations. The ambassadors' role is to be low threshold contacts when employees face stress, anxiety, or just need someone to talk to. To teach about health more widely within the workplace People & HR share insightful blogs, interesting articles, and practical tips and tricks to help employees taking care of their mental well-being. Accountability for our activities related to well-being lies with the Senior Vice President People & HR.

Training and skills development

Fortaco has to balance between fluctuating demand, dynamic workforce and increased competition of competent and engaged shopfloor workforce. The challenge is tackled by putting extra efforts in engaging employment and ensuring enough competent and resilience workforce, through investments in automatization, digitalisation, internal rotation and

training, mentoring and change management.

Fortaco supports the growth of its workforce through training programs, upskilling opportunities, and initiatives promoting health and safety. The company's business model emphasizes innovation and high quality, which requires committed and skilled employees. Employee development strengthens organizational culture and enhances operational efficiency.

At Fortaco we concentrate on building a high-trust culture, but also want to prepare our team for uncertainty. Through connecting people, we lay the groundwork for sustainable transformation, important not just for the development of our employees but also for the company as a whole. We find it important that our employees are motivated, and that they have been given the best prerequisites to develop and grow in their tasks. We support every employee towards achieving their personal goals in respective roles.

Our commitment to cultivating and expanding a skilled workforce is outlined in our HR policy (People Handbook). We firmly believe that for employees to thrive, perform effectively, and experience growth, it is essential for them to comprehend their role within the organisation and be aware of future opportunities that may arise. This also mitigates material risks related to training and skills development, as well as minimizes negative impact while enables opportunities.

The training and development of Fortaco people start upon hiring. For new hires Fortaco has implemented a standardized onboarding process, available in all local languages, where the process flow and tasks of responsible persons have been described in detail. Throughout the employment our people are trained in professional and personal skills required in their respective roles, and voluntary trainings are also available as classroom training and in Fortaco's e-learning portal Apprix. The e-learning management system was established with the sole purpose of developing our people and all employees have access.

For white-collar employees Fortaco has also established development discussions that are held with a direct superior. Discussions are conducted twice annually. In the first discussion, the previous year's achievements are reviewed, and goals are set for the coming year, and mid-year the status is reviewed. The development discussion process is a framework to help to ensure that our employees know and understand what is expected from them, and that they have the skills and ability to deliver what is expected. In 2024, 100% of our white-collar employees had all their planned development discussions with a superior.

Engaging with own workforce and workers' representatives

We are committed to creating a culture with zero accidents and where everyone feels psychologically safe to raise concern and address matters

important to them. We build this safe environment by providing safety equipment, training our people, collect feedback in our annual Pulse survey (for satisfaction and motivation), provide channels to report risks and anonymously raise concern (please see G1 for more information on our Whistle blowing channel), encourage membership in worker's associations, conduct working culture related campaigns, among others.

The pulse survey is a sufficient tool for us to collect insight into employees' perceptions of Fortaco as an employer, their daily work experiences, their relationships with supervisors and senior management, and other factors impacting working life. The survey results serve as a valuable foundation for dialogue and identifying areas to further improve the workplace. Parallel with the survey we have established channels for more frequent engagement with employees: employee representatives, the Speak up- whistleblowing hotline, biannual personal development discussions, and mental health ambassadors.

Fortaco held its first European Work Council (EWC) in 2014. Since then, the Council has gathered annual and functions as a forum where employee representatives and Fortaco Group Leadership Team discuss openly and communicate the Fortaco strategy, business plans and financial plans. Employee representatives are elected in compliance with the legislation of each country, collective agreement or labour market practices.

Remediation and channels to raise concerns

In all Fortaco's business sites we have implemented adequate management systems to identify, prevent, mitigate, and remedy any potential adverse human rights impacts, whether they are related to our own employees or contracted non-employees. In cases where we identify potential adverse human rights impacts, we are committed to promptly and effectively providing and enabling remedies. Our grievance and remediation approach includes addressing any adverse human rights impacts on individuals, workers, and communities that we have caused or contributed to.

Access to remedy helps ensure fairness, justice, and protection for individuals and communities. It allows people to seek recourse and find a solution when they believe that their rights have been violated, promoting a more equitable and fairer workplace. If any employee feels they have experienced an instance of bullying, discrimination, or harassment, they are encouraged to raise concern so that effective identification and resolution of issues can be ensured. This is possible through one of the many channels Fortaco provides:

• Whistleblowing line: An anonymous whistleblowing system is available to all employees, enabling the reporting of issues related to ethics, safety, or regulatory compliance. For more information on our whistleblowing channel and how we protect whistleblowers against retaliation, see section G1 on business conduct.

• Direct Contact with Supervisors: Employees are encouraged to openly communicate their concerns to their direct supervisors, allowing for prompt responses at the operational level.

• P&HR Department and Union Representatives: Employees can report their concerns to the P&HR department or union representatives, who provide support and advocate f or employee interests.

• Regular Employee Meetings: Fortaco organizes regular meetings where employees can openly share their comments and concerns directly with the management team.

• Local Systems for Filing Requests and Complaints: Through the local management platforms and channels, employees can submit requests or complaints in an organized and recorded manner.

Fortaco has adopted a systematic approach to evaluate the effectiveness of remedial measures implemented in response to reported issues or identified risks. The evaluation methods include:

• Regular Reviews and Internal Audits: Remedial measures are monitored through periodic reviews of operational processes and internal audits, allowing us to assess their impact and effectiveness. The results of these audits are analysed by management and incorporated into improvement strategies.

• Key Performance Indicators (KPIs) Analysis: Fortaco uses key performance indicators (KPIs) to assess the effectiveness of its measures, including the number of reported and resolved issues, response times to reports, and employee satisfaction levels after implementing remedial actions.

• Employee Feedback: Regularly collected feedback from employees through surveys and discussions helps identify whether the implemented measures have achieved the desired outcomes.

• Corrective Action Tracking System: All remedial actions are recorded in a central compliance management system. This system enables monitoring progress in their implementation and identifying areas that require further improvement.

We have also implemented concrete actions to ensure the effectiveness of the remedial measures and to create an environment where employees feel safe, raising their concerns. Systematic evaluations and a variety of reporting channels are integral to the company's strategy, supporting its commitment to building a responsible and sustainable organization.

We take proactive steps to ensure that our employees are aware of and reminded about the grievance mechanisms available. This awareness is built into various aspects of our employee experience, including:

• Code of conduct training: As part of our training programme, we include specific modules on our grievance and complaints handling policy. According to the training policy, every Fortaco employee is required to complete Code of Conduct training at least once a year. To encourage participation, enhance awareness, and highlight the importance of adhering to the code of conduct, we organise annually a dedicated "Code of Conduct Month."

• Internal information campaigns: We regularly communicate with our employees through various internal channels, including emails, newsletters, and our intranet, to remind them about the availability of grievance channels and encourage their use.

We are dedicated to ensuring that our employees not only have access to these channels but also have the knowledge, confidence, and psychological safety to utilise them when necessary. Fortaco as an organization has the responsibility to take all reported cases seriously and provide fair outcomes for investigated cases that take all parties' needs into consideration. Read more in section G1 Business Conduct.

Metrics and targets

Fortaco's targets related to identified material impact, risks, and opportunities are long-term goals to improve health, safety and wellbeing of our employees. Not all are yet time-bound with set baseline and monitored action plan, but we have set overall goals for development of our leadership and culture, introducing new tools and solutions to make work easier, improving wellbeing, health and safety, as well as employee engagement.

Fortaco's primary indicator of safety is the Lost Time Injury Frequency (LTIF). It is acknowledged that the LTIF alone does not communicate the full picture of the group's safety performance. Thus, employees are encouraged to report safety observations and improvement ideas in our safety reporting portal.

Fortaco targets to continuously decrease its LTIF, which is reported monthly to the group management. Safety action frequency is the number of reported health, safety and environment events (observations, deviations, safety rounds and safety toolbox talks) in Fortaco safety tool. The target is to introduce the same practices to new business sites and to increase the amount of safety actions. In 2024, the number was a total of 5,005 safety actions.

Our employee engagement target is to improve the score measured in the Pulse Survey described below under the section for Working conditions.

The target has no set baseline but is monitored annually in group management reporting and an action plan is defined according to the results, attempting to also improve the results annually.

Working conditions

In 2024, the number of employees remained steady with a slight decrease of 2 % at the end of 2024 compared to 2023. The main contributor to the decrease in the absolute headcount were due to the sale of Business Sites Kalajoki and Sepänkylä in Finland, and Business Site Jászberény in Hungary.

We want to create a workplace culture where everyone feels empowered to voice their thoughts, share innovative ideas, and express themselves freely. To support this, we have trained yet another group of Fortaco leaders in emotional intelligence and launched a series of dynamic psychological safety workshops. The objective of these workshops is to cultivate a shared understanding and provide practical techniques for nurturing psychological safety, with the ultimate goal of fostering an open, creative, and inclusive culture.

In 2024 we also started the work on translating Fortaco's values into practical and consistent behaviour models. In April we arranged workshops in our Business site Kurikka in Finland with the aim to create models that enhance performance, innovation, and engagement among our people.

Number of employees by contract type and gender				
	Male	Female	Not reported	Total
Number of permanent employees	1,885	248	0	2,133
Number of temporary employees	139	27	0	166
Number of non-guaranteed hours employees	0	0		0
Total number of employees	2,024	275	0	2,299

	Unit	2024
Number of employees (as of December 31st)	Number	2,299
Austria	Number	231
Estonia	Number	405
Finland	Number	407
France	Number	285
Poland	Number	733
Serbia	Number	92
Slovakia	Number	146
Average number of employees (during the year)	Number	2,672
Employees who have left Fortaco	Number	576
Employee turnover rate	%	22
Employee satisfaction survey results	Number	38
Employee amount change	%	-2

Accounting principles

Number of employees
Employee data is based on records from Fortaco's People & HR systems as of December 31st. Redundant employees are recognised until the expiry of their notice period, regardless of whether they have been released from all or some of their duties during their notice period. The group employment on average can be found in the financial statements can be found in note 2.6. Personnel expenses.

Turnover rate
Calculated as the number of employees who have left the company relative to the average number of employees in the financial year.

Employee satisfaction survey results
Fortaco conducts a comprehensive employee satisfaction survey once a year. With a few exceptions, all employees are invited to participate in the survey. The following employees are omitted from the survey results: employees who joined the company shortly before the employee satisfaction survey, employees who resigned shortly after the employee satisfaction survey, interns, consultants, advisors, and external temporary workers who do not have an employment contract with Fortaco.

In 2025, when it comes to fostering secure employment, our focus is set on:

• AI and Digitalization – Using smart tools to make our work easier and more efficient

• Fortaco DNA – Bringing our values to life in everyday actions

• Assessment Tools – Introducing tools to support personal and team growth

• Employee Engagement – Finding new ways to connect and work better together

Fortaco's target setting process involves collaboration with employees and union representatives. Through joint consultations, we define key goals related to workplace safety, training, and professional development, allowing employees to influence priorities and propose solutions. The annual Pulse Survey provide insights into organizational needs, and their results guide goal setting for the upcoming period. To track performance, each business site implements Survey Corrective Action Plans, ensuring continuous improvement. We transparently report on progress, including metrics such as the number of health and safety trainings conducted, workplace accident reductions, and employee engagement improvements. These reports are shared with employees and union representatives, fostering accountability and informed decision-making. Lessons learned from performance tracking help refine future targets, reinforcing our commitment to a safe and supportive work environment.

Anti-discrimination

In 2024, Fortaco was made aware of zero incidents and complaints (only verified instances) related to severe human rights impacts and discrimination among its employees. During the reporting period, no fines, sanctions or compensations as a result to those complaints and incidents have been required to be paid for. The incidents and our grievance mechanisms are discussed more thoroughly under G1 – Business conduct. Incidents concerning the occupational safety and other work-related rights of suppliers' employees, are discussed in more detail under S2 – Workers in the value chain.

Training and skills development

As Fortaco has to tackle the challenge with increased competition of competent and engaged shopfloor workforce we put extra effort in internal rotation and training programs, mentoring, upskilling opportunities and change management. For example, skilled welders are becoming rare in countries where Fortaco operates so we want to embrace and retain the knowledge of welding we have in the company. In 2024, during welder's month in April, the appreciation for the skill was shown with various activities such as pictures and stories about experienced welders, and also beginners, knowledge quiz for welders, women in the role of welders, successful career stories, a sum up video of the month's activities. We were happy to see the positive reactions among employees and on social media that the activities resulted in.

Furthermore, to develop our onboarding and ensuring groupwide standard a new training for Hiring Managers was launched. The training, available in all local languages, covers the key steps of onboarding and emphasizes their importance. Parallel an On-the-Job Training Plan with guidance was introduced, and the completion of it is monitored to ensure all new hires receive a training plan and completes it.

Number of employees by contract type and country

	Austria	Estonia	Finland	France	Poland	Serbia	Slovakia
Number of permanent employees	224	380	379	270	668	84	128
Number of temporary employees	7	25	28	15	65	8	18
Number of non-guaranteed hours employees	0	0	0	0	0	0	0
Total number of employees	231	405	407	285	733	92	146

Accounting principles

Number of employees
Employee data is based on records from Fortaco's People & HR systems as of December 31st. Redundant employees are recognised until the expiry of their notice period, regardless of whether they have been released from all or some of their duties during their notice period. The group employment on average can be found in the financial statements can be found in note 2.6. Personnel expenses.

Incidents, complaints and severe human rights impacts	2024
Number of incidents of discrimination	1
Filed complaints	19
Monetary penalty paid for damages	0 EUR

Accounting principles

Number of incidents of discrimination
The total number of incidents of discrimination, including harassment, reported in the reporting period.

Filed complaints
The total number of complaints filed through channels for Fortaco's own people to raise concerns including unsubstantiated complaints.

Monetary penalty paid for damages
The total amount of fines, penalties, and compensation for damages as a result of the incidents and complaints disclosed above.

Going into 2025, we focus our actions related to training and development on three areas:

• Leadership Development – Training and supporting our managers

• Mentoring Program – Creating opportunities for production employees to learn and grow

• Succession and Skill Matrix App – Making the most of these apps to plan careers and skills

Health and safety

To ensure the health and safety of our employees and contractors, we constantly monitor our safety performance and implement relevant and effective actions where and when needed. In 2024, we worked to preserve our robust health and safety records while expanding our business activities. This entails continuing preventive and mitigating efforts such as safety days, internal audits, inspections, personal risk dialogues, emergency drills, and safety trainings.

In 2023 we launched a Mental Health Program and in 2024, we trained seven health ambassadors, ready to support colleagues in need of mental support as part of our health and safety measures. The program includes Mental Health Protocols available in the local languages of all our business sites.

Health and safety	Unit	2024
Covered by ISO 14001 management system	%	90
Fatalities	Number	0
Total recordable injuries (TRIs)	Number	49
Total recordable injury rate (TRIR)	Number	12
Total recordable work-related ill health cases	Number	2
Lost days	Number	723

Accounting principles

Covered by ISO 14001 management system
Share of employees of Fortaco covered by a health and safety management system certified according to ISO 14001 standard.

Fatalities
Number of people working on Fortaco business sites who lost their lives as a result of a work-related incident such as injury or ill health.

Total recordable injuries (TRIs)
The total number of recordable work-related injuries.

Total recordable injury rate (TRIR)
Calculation representing the number of work-related injuries per one million hours worked. The hours worked is based on the total annual working hours of Fortaco's employees.

Total recordable work-related ill health cases
The number of cases of recordable work-related ill health. The number may include cases of former employees.

Lost days
TThe total number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health. Data is collected in hours and converted into days by dividing by 8 hours.

Workers in the value chain (ESRS S2)

Our approach and governance

Fortaco's operations impacts people working across our supply chains indirectly through setting requirements and expectations, by collaborating and building trusting relationships with, and improving transparency with direct suppliers. Fortaco's own operations are located only in Europe, where the risk of serious human rights violations in the operations is considered low. Through our code of conduct and supplier policy (Supplier handbook) we expect the companies we work with to run their business and supply chains in compliance with national laws and with respect for international labour and human rights standards defined by the UN Guiding Principles on Business & Human Rights, the OECD's Guidelines for Multinational Enterprises, as well as the core conventions of international labor organizations, such as the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. So not only do we at Fortaco make sure that we respect labour and human rights in everything we do, but also that we reduce the risk of people in our value chain being adversely impacted.

In our products we use materials such as steel, plastics, glass, and paints. Some of our key materials are extracted or produced in countries where the likelihood of adverse impacts on human and labour rights is high, and we must therefore do everything we can to avoid harmful effects on workers and communities. Fortaco's possibilities to affect impacts in the value chain beyond direct suppliers are limited. We aim to source our materials only from trusted suppliers who we have passed our screenings and committed to our Code of Conduct, but we need to understand how we can support, respect and protect the rights of workers and communities involved in the minerals and metals supply chains beyond direct suppliers.

Fortaco is connected to workers in the value chain through its supplier relationships. The impacts on value chain workers originate indirectly from Fortaco's business model and strategy. The impacts have not led to adaptations in the business model or strategy. Fortaco continuously identifies and assesses potential and actual impacts and defines preventive and mitigating actions accordingly. Dependencies related to workers in the value chain have not been identified.

Impact, risk and opportunities

The material impact, risks and opportunities related to workers in the value chain have been identified in our double materiality assessment which is described in the general section ESRS 2 of the Sustainability Statement. In the process we have analysed stakeholder groups in our value chain and how Fortaco's operations directly or indirectly impacts the groups. For the analysis

we have utilized external expertise and openly available information about e.g. raw material extraction, metal manufacturing, and transportation, and also internal expertise about Fortaco's value chain processes, actors, and supplier criteria.

In the materiality assessment we identified material impacts and risks related to workers in the value chain. The impacts and risks are related to mainly blue collar and female workers in raw material extraction and production where working conditions, labour rights, human rights, and health and safety are topics of concern.

We provide our employees decent wages, secure employment, safe working conditions, and a working environment where they are free to express their concerns and their right to organize in trade unions is protected. This is something we also we want for people that are not directly employed by Fortaco.

The possibilities to impact treatment of workers in the value chain are limited but we will investigate and act where we can, for example by set higher expectations on our direct suppliers and request more transparency regarding sustainability of materials that we source. Fortaco has not yet publicly outlined a formal policy to uphold human rights, including labour rights in the value chain, and to manage the material impacts, and risks related to value chain workers. Material impact and

risks related to workers in the value chain were for the first time identified in the double material assessment conducted in 2024 and the needed work to outline a general approach and policy, set targets and plan actions has been started. Currently Fortaco's Code of Conduct and Supplier Handbook (supplier policy) include related themes such ethical business conduct, labour rights and human rights, and safe working conditions. However, management of identified material risks related to value chain workers will be reviewed and mitigation actions developed further in the future. For more information on our Code of Conduct and Supplier Handbook, see section G1 on Business Conduct.

We have recognised that the risks we have assessed to be material, are worsened by small suppliers' struggles with market pressures, which hinder their ability to meet sustainability requirements, and by limited oversight of larger suppliers. Fortaco's Code of conduct is therefore attached to the General terms and conditions of supplier contracts. In the standard agreement practices we expect our suppliers to familiarize themselves with our Code of Conduct and act according to expectation set in them. The collaboration related to sustainability is planned to be intensified in 2025 going forward.

Engaging with value chain workers

The material impacts and risks are related to external workers in raw

material extraction and production. To reach the very beginning of the supply chain Fortaco needs to work with each direct supplier and understand how they work towards their supply chain. Fortaco is in regular contact with suppliers through e.g. periodical dialogue, work-shops and collaborations, supplier self-assessments and audits. However, Fortaco has not yet adopted a formal

process to engage with supply chain workers. In the spring of 2025 Fortaco's whistleblowing channel is made easily available for externals. More about the whistleblowing channel under section G1 on Business Conduct.

Active engagement with supply chain workers can help us to obtain insights into labour conditions and the imple-

mentation of specific suppliers' management systems. The possibility is currently not utilized to full extend and as we develop our supplier relationships, and our work to manage impact, risk, and opportunities in the value chain, we can leverage the channels we already have.

More about our relationships with

Sub-topic	Short description	Impact/ Risk/ Opportunity	Location	Time horizon
Working conditions	Unfair terms and conditions of employment related to extraction and production of materials such as steel, glass, aluminium and rubber.	Negative impact	Supply chain	Short- and medium-term
Working conditions; Health and safety	Occupational health and safety impacts of workers in the extraction and production phase of materials such as steel, glass, aluminium and rubber.	Negative impact	Supply chain	Short- and medium-term
Other work-related rights	Serious human rights abuses related to extraction and produc-tion of materials such as steel, glass, aluminium and rubber.	Negative impact	Supply chain	Short- and medium-term
Working conditions	Risk of hidden mistreatment of supply chain workers, particular-ly in raw material extraction and production processes of materi-als such as steel, glass, and aluminium. Mistreatments include unfair employment terms, inadequate wages, excessive working hours, and limited freedom of association. Failure to address the issues may lead to significant reputational damage and ethical concerns for businesses reliant on these supply chains.	Strategic risk	Supply chain	Short- and medium-term
Working conditions; health and safety	Potential issues related to occupational health and safety of supply chain workers, particularly in raw material extraction and production processes of materials such as steel, glass, and aluminium. Failure to address the issues may lead to reputation-al damage for businesses reliant on these supply chains.	Strategic risk	Supply chain	Medium- and long-term
Other work-related rights	Serious human rights abuses of employees in particularly in raw material extraction and production processes of materials such as steel, glass, and aluminium cause reputational risk to businesses reliant on these supply chains. The human right abuses often take form as disciplinary practices and violence, forced labour, child labour, limitation of women's rights, discrimination and diversity issues.	Strategic risk	Supply chain	Medium-term

suppliers and the development of them including communication, self-assessments and audits can be found in section G1 on Business Conduct.

Remediation and channels to raise concerns

At Fortaco we strive to address concerns and grievances with remediation that is proportionate to the grievance that has occurred. We are committed to and continuously work to strengthen our processes for providing or helping to provide appropriate remediation to harmed workers in situations where we have identified that we have caused or contributed to a negative impact. This applies not only to our own workers but also people in the value chain that report an incident or concern related to Fortaco. In 2024, Fortaco was not made aware of any cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises that involve value chain workers in its upstream and downstream value chain.

Fortaco employees and stakeholders (including value chain workers) are encouraged to report any ethical concerns and suspected non-compliance with laws. For external stakeholders such as workers in the value chain Fortaco's whistleblowing channel offers a supplementary reporting channel in cases where it is not possible or appropriate to report concerns or suspected misconduct

through regular reporting channels. The whistleblowing reporting tool allows submitting reports anonymously, securely and in compliance with laws regarding data protection and privacy. Currently externals with the link can submit reports with the same protection as Fortaco employees. In 2025, the whistleblowing channel will be made easily available to externals e.g. through Fortaco's website and we plan to start following up on the substantiation rate to measure the effectiveness of the channel. For more information on our code of conduct, whistleblower hotline, and how we protect whistleblowers against retaliation, see section G1 on business conduct.

In 2025, as an action to address material impact and risks, we are planning to outline a supplier code of conduct that sets clear expectations to our suppliers, emphasising also the establishment of accessible grievance mechanisms for their workers and other stakeholders. In cases where we would identify shortcomings, we would collaborate with our suppliers to develop improvement plans.

Metrics and targets

In our double material assessment three material impacts and risks were identified relating to workers in the value chain, more precisely in the extraction and production of raw materials. We recognize the responsibility and importance to address those risks, however, we have not yet set targets for in relation to the material topics. In the future, we will review

current processes to investigate development possibilities, and based on gaps, plan targets and actions for mitigating the material risks related to value chain workers.

Affected communities (ESRS S3)

Our approach and governance

Fortaco's material impacts and risks related to communities are located in the supply chain of the materials we use in our products. The iron ore mining sector may provide new employment opportunities in resource-rich countries such as Brazil, Australia and China, but here local communities and indigenous people, such as residentials living and working around mines, have historically been affected negatively by such activities. A shortage of decent jobs in a producing region may lead to people advocating for mining projects, despite potential other negative environmental and social impacts.

Fortaco's possibilities to affect impacts in the value chain are limited. We aim to source our materials only from trusted suppliers and we need to understand how we can support, respect and protect the rights of communities involved or affected in the supply chains. Fortaco's Code of Conduct guides us as we pursue business in a responsible manner, including economic-, social-, and environmental issues, in several countries.

Impact, risks, and opportunities

The material impacts, risks and opportunities related to affected communities have been identified in our double materiality assessment which is described in the general section ESRS 2. All potential affected communities upstream and downstream in the value chain have been reviewed by utilizing internal and external sustainability and industry expertise, and by reviewing literature and databases containing information on supply chains, industries, Human Rights Risk maps etc. We have identified risks and impacts on communities living and/or working near raw material extraction and production sites upstream in our value chain, especially in countries such as China, Australia and Brazil. The risks include potential health issues caused by pollution, disruption of livelihoods and cultural heritage for indigenous peoples, and labour rights violations such as forced and child labour. Communities may also face displacement, environmental degradation, and social tensions tied to mining and industrial activities. The negative impacts on communities are considered widespread in the industry for mining and raw material extraction.

Our approach to managing our impacts and risks aims to avoid and mitigate negative impacts for affected communities while choosing business partners carefully. Negative impacts can be mitigated for example by reducing environmental harm and pollution, engaging with affected communities to protect their rights and cultural heritage, strengthening

employees' rights, and ensuring safe working conditions. Fortaco enables this by enhancing supply chain monitoring and supporting suppliers in meeting ESG requirements.

Our commitment to uphold human rights of everyone and engage with communities is outlined in our Code of conduct, which gives us guidance on how we treat others, conduct business, and protect our corporate assets. Through our code of conduct and supplier policy (Supplier Handbook) we expect the companies we work with, to run their business and supply chains in compliance with national laws and with respect for international labour and human rights standards. So not only do we at Fortaco make sure that we respect labour and human rights in everything we do but we also strive to reduce the risk of people in our value chain being adversely impacted.

Material impacts related to affected communities in Fortaco's supply chain are managed by the Group Sustainability Director in collaboration with Group Leadership Members responsible for People and HR, as well as Supply Chain and IT. The supply chain organisation is accountable for the engagement and interaction with suppliers while the P&HR, with its one professional nominated in 2024 to drive CSR and ESG topics related to our people share expertise on engagement with marginalized people and local communities. In addition to human resources financial means are allocated for initiatives related to

data collection and management, auditing etc.

For more information on our Supplier Handbook and Code of conduct, how they address human rights impacts, see section G1 on business conduct. See also S1 – Own workforce and S2 – Workers in the value chain for more details about our commitments related to human rights in the value chain. Indigenous people are not addressed specifically in the policies. In 2024, Fortaco did not have management processes and practices for engagement with the affected communities in the extraction and production of materials, only for engagement with direct suppliers. Material impact and risks related to affected communities were for the first time identified in the double material assessment conducted in 2024 and the needed work to outline a general approach and policy, set targets and plan actions has not been priority during this reporting period.

Remediation and channels to raise concerns

We have started to actively work on improving our abilities to address and remedy negative impacts on communities affected by our operations. We work towards our supply chain through our first-tier suppliers, which we screen, assess and audit regularly in accordance with our supplier policy and related processes. By collaborating with suppliers on sustainability in the value chain we aim to improve awareness and to mitigate our risks and negative impacts. Affected communities can always raise concerns by directly contacting Fortaco's local or group operations, for example, through the business units' contact persons. Individuals may also confidentially report any ethical concerns or non-compliance with legislation through Fortaco's whistle-blowing channel. For more information on our whistleblower channel and how we protect whistleblowers against retaliation, see section G1 on business conduct.

Metrics and targets

The ultimate vision is to operate in a way that has minimal negative impact and maximal positive impact on communities in our value chain. Although Fortaco had not yet in 2024 set specific targets and actions linked directly to material impacts and risks related to affected communities, many of our actions mentioned in the environmental related sections and section S2, have impact further upstream in the supply chain and take us closer to our vision for affected communities. For example, management of negative impacts and promotion positive impacts including systematically reducing environmental impacts and engaging with suppliers on sustainability in the value chain, has broader impact.

Sub-topic	Short description	Impact/ Risk/ Opportunity	Location	Time horizon
Communities' rights	Infringement of rights related to communities in the extraction and production of raw materials such as iron ore or steel, aluminium, copper, glass and rubber.	Negative impact	Value chain	Short- and medium-term
Communities' rights	Sourcing battery materials from China supports the limitation of freedom of expression for local communities. Freedom of expression is limited in China and China also supports Russia where the freedom of expression is even more limited.	Strategic risk	Value chain	Medium-term
Communities' rights	Reputational risk caused by infringement of rights related to communities in the extraction and production of raw materials such as iron ore or steel, aluminium, copper, glass and rubber. Suppliers may infringe on rights such as residential and indigenous rights, community and stakeholder engagement, cultural heritage, resettlement and displacement, and community health and safety	Strategic risk	Value chain	Medium-term

GOVERNANCE

Business conduct (ESRS G1)

Our approach and governance

Our business conduct is guided by applicable legislation, our values, Code of Conduct and various policies approved by Fortaco's Group Leadership Team. We are committed to operating in accordance with the UN Guiding.

Principles on Business and Human Rights and require the same of our business partners. Through our Code of conduct and policies, we strive to uphold a healthy corporate culture with a high level of integrity, providing guidance to all employees on the expected behaviour at Fortaco and in interactions with stakeholders. The code addresses topics such as running a fair business, anti-bribery and anti-corruption, working with political decision makers and civil servants, entertainment, and reporting suspected misconduct. It is overseen by our Group Legal Director and reported to the Board of Directors.

In 2024, Fortaco commenced the implementation of new legal compliance policies related to anti-bribery and anti-corruption, whistleblowing, competition compliance, data protection and trade compliance. Also, the Code of Conduct and other policies were updated to comply with changes in legislation and the company's operating strategies. Our stand against corruption and bribery is laid out in our Code of Conduct while the Anti-Bribery and

Anti-Corruption Policy sets out the rules for preventing and detecting bribery and corruption risks in our operations. The Anti-Bribery and Anti-Corruption policy provides detailed guidelines, according to which business can be conducted in a transparent and honest manner when offering and accepting gifts, hospitality and other forms of benefits. Our policies do currently not include animal welfare as it is not seen as material in our operations and in cases where animals would be involved, we follow local European legislation and recommendation.

Fortaco carries out internal audit assessments on a regular basis. The audits are for example, focusing on governance, quality, sourcing, IT controls, and sales at business site level, and indirectly including sustainability topics. Sustainability will in the future be included as a separate topic, however, in 2024 there was no scheduled plan for the implementation. Internal audit is an independent and objective assurance and consulting activity to evaluate if Fortaco's processes and operations function as expected. Internal audit function evaluates the effectiveness and efficiency of Fortaco's risk management, internal control, and governance processes. Internal audit activities are conducted based on identified needs, covering different risk types and business processes. Independence is enabled with a direct reporting line to the Board of Directors. Additionally, internal audit reports to executive management for daily administrative

purposes. Objectivity is enabled by an impartial attitude and avoidance of conflicts of interest.

Impact, risks, and opportunities

The material impacts, risks and opportunities related to business conduct have been identified in our double materiality assessment which is described in the section for Double Materiality Assessment under ESRS 2.

Corporate culture

Upon joining the company, and thereafter at least every second year, all employees are expected to complete our e-learning course in the Code of

Conduct. The Code of Conduct and the e-learning module were updated in 2024. They cover our key ethical principles and describe best practice related to business sustainability.

Various trainings are available in multiple languages in Fortaco's e-learning portal. They are for example related to insider information, the Corporate Sustainability Reporting Directive, time management, and conflict resolution. We also train our people locally in classroom trainings or online for example in fire safety, emotional intelligence and mental health. Upon joining the company new employees are trained in our

business conduct and ways to operate. Throughout the employment we want to support individual development and wellbeing by offering not only good working conditions but also training in their individual roles. The completion of e-learning courses and classroom training is regularly monitored by People and HR and reported to the Group Leadership Team.

Our commitment to business integrity is supported by Fortaco's whistleblowing channel, which during 2025 will become available also for external stakeholders. It is currently available in ten different languages on Fortaco's intranet. Our commitment to whistleblower

Sub-topic	Short description	Impact/ Risk/ Opportunity	Location	Time horizon
Corporate culture	In the midst of acquisitions and integrations, creating a unified corporate culture regarding responsibility is a challenge.	Strategic risk	Own operations	Medium- and long-term
Corporate culture	The pressures from legislation and stakeholders are growing and new skills are required to maintain required sustainability expertise.	Strategic risk	Own operations	Medium- and long-term
Corporate culture	A materialized ESG risk may cause significant reputational damage to Fortaco. ESG risk assessments should be fully integrated in the value chain risk management processes.	Strategic risk	Value chain, upstream	Medium- and long-term
Management of relationships with suppliers	Small- and medium-sized suppliers typically lack knowledge and resources about sustainability.	Strategic risk	Value chain, upstream	Medium- and long-term
Corruption and bribery	Fortaco's supply chains are long and raw materials may originate from countries where corruption is part of the country's culture.	Strategic risk	Value chain, upstream	Short- and medium-term
Management of relationships with suppliers	Improving Supplier ESG requirements and compliance control and development on Fortaco Group level.	Strategic opportunity	Value chain, upstream	Medium-term

protection is outlined in our Code of Conduct and the Whistleblowing Policy. Fortaco's whistleblowing channel enables submitting reports anonymously and securely, and we are committed to protecting whistle-blowers in accordance with applicable laws. In addition, we have established a standard operating procedure to ensure that reports are rigorously and objectively investigated.

Management of relationships with suppliers

Corporate responsibility is an integral part of Fortaco's supply chain management. We aim to develop relationships based on honesty, fairness, transparency and mutual trust throughout our supply chain. As part of our supplier development program, Fortaco has procedures in place to screen, approve, and audit business partners.

During the supplier selection and assessment phase, Fortaco may perform various audits to evaluate supplier capability. Suppliers that initially do not fulfil requirements may be allowed to develop action plans to correct any deficiencies and then request a re-audit to verify implemen-tation of these plans. When necessary, we also audit critical processes of sub-suppliers to verify that proper controls are in place throughout the entire supply chain. The audit form includes for example questions about quality, health and safety, and environ-ment. We regularly review and develop our audit procedures and forms, and we currently update them to extend

the included scope of sustainability, so that topics such as human rights and climate change, can become part of the audit. Supplier screenings are carried out by Fortaco in collaboration with suppliers while audits are conducted by Fortaco and a third-party auditor.

Our Supplier general terms and conditions sets forth the foundation for all relationships and interactions with our suppliers and they refer to also Fortaco's Code of Conduct and Supplier Handbook. We expect our suppliers to comply with all applicable laws and regulations and to adhere to good business conduct. In our supply chain, we also encourage suppliers to implement similar requirements for their suppliers and to take responsible business behavior upstream in the entire supply chain.

In our agreements with suppliers, we require a commitment by the suppliers to matters set out in Fortaco's Code of Conduct and our legal compliance policies. In addition, our agreements with suppliers include environmental and social requirements. We under-stand the potential sustainability risks of our supply chain, and this guides our procurement and sourcing activities. To evaluate performance and identify any gaps or adverse impacts, we employ a combination of risk screenings, extended risk screenings, which may occur both before and after contract signing.

Contracts with suppliers are accom-panied with general terms and

conditions including information about payment terms. The general terms and conditions are applied unless otherwise agreed upon or prescribed in mandatory legislation in relevant jurisdiction. In some cases, the payment terms can be adjusted to differ from the general terms and conditions. To prevent late payments Fortaco has adequate financial systems and internal controls that all suppliers and invoices must pass through.

We are looking to further develop our relationship with suppliers and business partners by improving our due diligence processes, updating the risk model used in screenings, harmonizing processes and imple-ment sustainability to a higher degree in screenings, self-assessments and audits of suppliers. We are committed to continuous improvement and see great possibilities and responsibility in incorporating sustainability in our work with supply chains.

Anti-corruption and anti-bribery

Our stand against corruption and bribery is laid out in our Code of Conduct. In 2024, we have published a new Anti-Bribery and Anti-Corruption Policy which sets out the rules for preventing and detecting bribery and corruption risks in our operations. According to the Anti-Bribery and Anti-Corruption policy, suspected breaches are reported to Group Legal or via Fortaco's whistleblowing channel, which initiates the inves-tigation process The Anti-Bribery

and Anti-Corruption Policy provides detailed guidelines, according to which business can be conducted in a transparent and honest manner when offering and accepting gifts, hospitality and other forms of benefits. Caution is particularly required when dealing with corporate executives and manag-ers responsible for decision-making in sales, purchases and sourcing as well as when dealing with public officials. All Fortaco personnel, including 100 % of functions at risk, must participate in mandatory anti-bribery and anti-corruption training which is organized in cooperation between Group Legal and People & HR functions.

We have identified the need to screen our suppliers on a wide variety of topics. Currently we mainly screen sanctions and government watch lists while we investigate how to add screening related to ethics, compli-ance, anti-bribery and anti-corruption. Before entering high-risk partnerships such as joint ventures or acquiring businesses we perform more comprehensive partner due diligence processes covering a wide selection of topics including sustainability. Through the screening process, we could review how potential business partners prevent, detect, and address allegations or incidents of corruption and bribery.

Fortaco employees and stakeholders are encouraged to report any ethical concerns and suspected non-compli-ance with laws. Fortaco employees are recommended to contact their direct superior, or local representative

of the People & HR if they have any concerns. It is also possible to contact a manager of higher rank or Legal Director. In addition, Fortaco has a whistleblowing channel as an early warning system to reduce risks and to handle reports of violations and suspected misconduct. The whistle-blowing channel offers a supple-mentary reporting channel in cases where it is not possible or appropriate to report concerns or suspected misconduct through regular reporting channels. The whistleblowing reporting tool is acquired from a third-party service provider, and it allows submitting reports anonymously, securely and in compliance with laws regarding data protection and privacy. The whistleblowing channel will serve also external stakeholders. Fortaco is committed to protecting whistle-blowers in accordance with applicable laws. Fortaco's Whistleblowing Team has access to reports and ensures appropriate handling, assessment and escalation of reports in accordance with the Whistleblowing Policy.

As business conduct starts from within, in 2025, we will focus on legal training for Fortaco's employees based on the new legal compliance policies, including anti-bribery and anti-corruption, whistleblowing, competi-tion compliance, data protection and trade compliance.

Metrics and targets

At Fortaco we have set targets and KPIs to measure business conduct and ethical operations. These relate to our corporate culture and reaches out

to the supply chain. We follow up and ensure all our employees participate in the Code of Conduct training upon joining the company and thereafter at least once every second year. We also aim at in the long-term, by 2030, having 80 per cent of our direct suppliers' commitment to Fortaco's code of conduct. In 2024, the number of suppliers who have formally committed was not available and Fortaco will in 2025 assess the baseline. In 2024, we had no suppliers in high risk countries and we plan to investigate suitable targets to mitigate our risks.

Reports submitted to Fortaco's whistleblowing channel may be of various kind, including allegations related to bribery, fraud, and other inappropriate or illegal conduct. Each report is investigated thoroughly and objectively. In 2025, Fortaco will continue development of the whistle-blowing channel and follow up on the substantiation rate (percentage of reports found to be valid after investigation) to assess the functioning of the whistleblowing channel and to ensure that the whistleblowing channel is being used appropriately. In 2024, none of the reported cases were critical to our business or caused adjustments to our financial results. None of the cases lead to convictions for Fortaco.

Management of sustainability and ethical business is monitored in Fortaco's supply chain by supplier screenings, assessments, and audits. The number of supplier screenings and due diligence activities conducted is

determined by procurement priorities from year to year.

In 2024, Fortaco has not been fined or convicted for violating any anti-bribery or anti-corruption laws.

In 2024, it took Fortaco on average of 66-69 days to pay an invoice from when the invoice is received by Fortaco or the scope of supply has been fully delivered to Fortaco. Payments are process according to the Fortaco Group Payment Policy where payment dates are defined. Unless otherwise is agreed upon or prescribed in manda-tory legislation in relevant jurisdiction, the standard payment in Fortaco's general terms and conditions for

purchases is on average 63 days for all main supplier categories. In case of smaller suppliers, the payment conditions can be reconsidered individually and differ from the general terms. The development of Fortaco's contractual payment terms is followed on regular basis. However, in 2024, there was no regular follow-up on how actualized payments aligned with the payment terms. Based on selected scope, we estimate that 20% of payments are aligned with the contractual payment terms. Fortaco is not party to any legal proceedings due to late payments.

Incidents of corruption or bribery	Unit	2024
Number of convictions	Number	0
Fines for violation of anti-corruption and anti-bribery laws	€	0
Code of conduct training		
Employees required to complete the code of conduct training	%	100
Employees who have completed the code of conduct training	%	100

Accounting principles

Convictions
Total number of incidents leading to bribery or corruption convictions of Fortaco during the financial

Fines for violation of anti-corruption and anti-bribery laws
Total fines in euros paid related to convictions during the financial year

Code of Conduct training
The share of employees that have completed training in Fortaco's code of conduct within the past two years. The share is relative to the amount of employees invited to take the course.

SUSTAINABILITY
STATEMENT APPENDICES

Statement on sustainability due diligence (ESRS 2 GOV-4)

The following table provides an overview of where in our sustainability statements we disclose information about our due diligence process.

Core elements of due diligence	Section in the sustainability statement
a) Embedding due diligence in governance, strategy and business model	ESRS 2 ESRS G1
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 ESRS S1, S2, S3 ESRS G1
c) Identifying and assessing adverse impacts	ESRS 2 ESRS E1, E2, E4, E5 ESRS S1, S2, S3 ESRS G1
d) Taking actions to address those adverse impacts	ESRS 2 ESRS E1, E2, E4, E5 ESRS S1, S2, S3 ESRS G1
e) Tracking the effectiveness of these efforts and communicating	ESRS 2 ESRS E1, E2, E4, E5 ESRS S1, S2, S3 ESRS G1

Datapoints derived from other EU legislation (ESRS 2)

The following tables list all the datapoints in cross-cutting and topical standards that derive from other EU legislation.

Appendix B: List of datapoints in cross-cutting and topical standards that derive from other EU legislation								
Disclosure Requirement		Datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Compulsory or material	Section
ESRS 2 GOV-1	21 (d)	Board's gender diversity	x		x		Yes	48
ESRS 2 GOV-1	21 (e)	Percentage of board members who are independent			x		Yes	48
ESRS 2 GOV-4	30	Statement on due diligence	x				Yes	92
ESRS 2 SBM-1	40 (d) i	Involvement in activities related to fossil fuel activities	x	x	x		Not applicable	
ESRS 2 SBM-1	40 (d) ii	Involvement in activities related to chemical production	x		x		Not applicable	
ESRS 2 SBM-1	40 (d) iii	Involvement in activities related to controversial weapons	x		x		Not applicable	
ESRS 2 SBM-1	40 (d) iv	Involvement in activities related to cultivation and production of tobacco			x		Not applicable	
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050				x	Yes	65
ESRS E1-1	16 (g)	Undertakings excluded from Paris-aligned Benchmarks		x	x		Yes	65
ESRS E1-4	34	GHG emission reduction targets	x	x	x		Yes	67-68
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	x				Not applicable	
ESRS E1-5	37	Energy consumption and mix	x				Yes	70
ESRS E1-5	40-43	Energy intensity associated with activities in high climate impact sectors	x				Yes	70
ESRS E1-6	44	Gross Scope 1, 2, 3 and Total GHG emissions	x	x	x		Yes	68
ESRS E1-6	53-55	Gross GHG emissions intensity	x	x	x		Yes	71
ESRS E1-7	56	GHG removals and carbon credits				x	Not material	
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks			x		Phased in	
ESRS E1-9	66 (a); 66 (c)	Disaggregation of monetary amounts by acute and chronic physical risk; Location of significant assets at material physical risk		x			Phased in	
ESRS E1-9	67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes		x			Phased in	
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities			x		Phased in	

Appendix B: List of datapoints in cross-cutting and topical standards that derive from other EU legislation								
Disclosure Requirement		Datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Compulsory or material	Section
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation emitted to air, water and soil	x				Yes	73
ESRS E3-1	9	Water and marine resources	x				Not material	
ESRS E3-1	13	Dedicated policy	x				Not material	
ESRS E3-1	14	Sustainable oceans and seas	x				Not material	
ESRS E3-4	28 (c)	Total water recycled and reused	x				Not material	
ESRS E3-4	29	Total water consumption in m3 per net revenue on own operations	x				Not material	
ESRS 2- SBM 3 - E4-	16 (a) i		x				Yes	74-75
ESRS 2- SBM 3 - E4-	16 (b)		x				Yes	74-75
ESRS 2- SBM 3 - E4-	16 (c)		x				Yes	74-75
ESRS E4-2	24 (b)	Sustainable land / agriculture practices or policies	x				Not material	
ESRS E4-2	24 (c)	Sustainable oceans / seas practices or policies	x				Not material	
ESRS E4-2	24 (d)	Policies to address deforestation	x				Not material	
ESRS E5-5	37 (d)	Non-recycled waste	x				Yes	78
ESRS E5-5	39	Hazardous waste and radioactive waste	x				Yes	78
ESRS 2- SBM3 - S1	14 (f)	Risk of incidents of forced labour	x				Yes	79
ESRS 2- SBM3 - S1	14 (g)	Risk of incidents of child labour	x				Yes	79
ESRS S1-1	20	Human rights policy commitments	x				Yes	79
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			x		Yes	79-80
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	x				Yes	81,82
ESRS S1-1	23	Workplace accident prevention policy or management system	x				Yes	80-81
ESRS S1-3	32 (c)	Grievance/complaints handling mechanisms	x				Yes	82
ESRS S1-14	88 (b) and (c)	Number of fatalities and number and rate of work-related accidents	x		x		Yes	85
ESRS S1-14	88 (e)	Number of days lost to injuries, accidents, fatalities or illness	x				Yes	85

Appendix B: List of datapoints in cross-cutting and topical standards that derive from other EU legislation								
Disclosure Requirement		**Datapoint**	**SFDR reference**	**Pillar 3 reference**	**Benchmark Regulation reference**	**EU Climate Law reference**	**Compulsory or material**	**Section**
ESRS S1-16	97 (a)	Unadjusted gender pay gap	x		x		Not material	
ESRS S1-16	97 (b)	Excessive CEO pay ratio	x				Not material	
ESRS S1-17	103 (a)	Incidents of discrimination	x				Yes	84
ESRS S1-17	104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	x		x		Yes	84
ESRS 2- SBM3 – S2	11 (b)	Significant risk of child labour or forced labour in the value chain	x				Yes	85
ESRS S2-1	17	Human rights policy commitments	x				Yes	85
ESRS S2-1	18	Policies related to value chain workers	x				Yes	85-86
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	x		x		Yes	86
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			x		Yes	85
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	x				Yes	86
ESRS S3-1	16	Human rights policy commitments	x				Yes	87
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines	x		x		Yes	87
ESRS S3-4	36	Human rights issues and incidents	x				Yes	88
ESRS S4-1	16	Policies related to consumers and end-users	x				Not material	
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	x		x		Not material	
ESRS S4-4	35	Human rights issues and incidents	x				Not material	
ESRS G1-1	§10 (b)	United Nations Convention against Corruption	x				Yes	90-91
ESRS G1-1	§10 (d)	Protection of whistle- blowers	x				Yes	90-91
ESRS G1-4	§24 (a)	Fines for violation of anti-corruption and anti-bribery laws	x		x		Yes	91
ESRS G1-4	§24 (b)	Standards of anti- corruption and anti-bribery	x				Yes	91

ESRS disclosure requirements complied with

The following tables list all the ESRS disclosure requirements in ESRS 2 and the topical standards which are material to Fortaco. Topical standards E3 and S4 are below our materiality thresholds and have therefor been omitted.

ESRS Requirement		Page
ESRS2	General Disclosures	
BP-1	General basis for preparation of the sustainability statement	48
BP-2	Disclosures in relation to specific circumstances	48
GOV-1	The role of the administrative, management and supervisory bodies	48
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	48-49
GOV-3	Integration of sustainability-related performance in incentive schemes	49
GOV-4	Statement on due diligence	49
GOV-5	Risk management and internal controls over sustainability reporting	49
SBM-1	Strategy, business model and value chain	50, 53
SBM-2	Interests and views of stakeholders	50-51
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	50, 55-59
IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	51-52
IRO-2	Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	54

Environmental information		Page	
ESRS E1	Climate change		
ESRS 2, GOV-3	Integration of sustainability-related performance in incentive schemes	49	
E1-1	Transition plan for climate change mitigation	65	
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	65	
ESRS 2, IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	64-66	
E1-2	Policies related to climate change mitigation and adaptation	66	
E1-3	Actions and resources in relation to climate change policies	66-67	
E1-4	Targets related to climate change mitigation and adaptation	67	
E1-5	Energy consumption and mix	70	
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	68	
ESRS E2	Pollution		
ESRS 2, IRO 1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	72	
E2-1	Policies related to pollution	72	
E2-2	Actions and resources related to pollution	72	
E2-3	Targets related to pollution	73	
E2-4	Pollution of air, water and soil	73	
E2-5	Substances of concern and substances of very high concern	73	

Environmental information			Page
ESRS E4	Biodiversity and ecosystems		
E4-1		Transition plan and consideration of biodiversity and ecosystems in strategy and business model	74
SBM-3		Material impacts, risks and opportunities and their interaction with strategy and business model	74-75
ESRS 2, IRO-1		Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities	74-75
E4-2		Policies related to biodiversity and ecosystems	74
E4-3		Actions and resources related to biodiversity and ecosystems	75
E4-4		Targets related to biodiversity and ecosystems	75
ESRS E5	Resource use and circular economy		
ESRS 2, IRO-1		Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	50, 75
E5-1		Policies related to resource use and circular economy	75
E5-2		Actions and resources related to resource use and circular economy	76
E5-3		Targets related to resource use and circular economy	77
E5-4		Resource inflows	77
E5-5		Resource outflows	78

Social information		Page
ESRS S1	Own workforce	
ESRS 2, SBM-2	Interests and views of stakeholders	50, 79
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	79-80
S1-1	Policies related to own workforce	80-82
S1-2	Processes for engaging with own workforce and workers' representatives about impacts	81
S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	82
S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	80-82
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	83
S1-6	Characteristics of the undertaking's employees	83-84
S1-13	Training and skills development metrics	84-85
S1-14	Health and safety metrics	85
S1-17	Incidents, complaints and severe human rights impacts	84

Social information		Page
ESRS S2	Workers in the value chain	
ESRS 2, SBM-2	Interests and views of stakeholders	50
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	86
S2-1	Policies related to value chain workers	86
S2-2	Processes for engaging with value chain workers about impacts	86-87
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	87
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	87
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	87
ESRS S3	Affected communities	
ESRS 2, SBM-2	Interests and views of stakeholders	50
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	87-88
S3-1	Policies related to affected communities	87-88
S3-2	Processes for engaging with affected communities about impacts	88
S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	88
S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	88
S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	88

Governance		Page
ESRS G1	Business conduct	
ESRS 2, GOV-1	The role of the administrative, management and supervisory bodies	48
ESRS 2, IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	51-54
G1-1	Business conduct policies and corporate culture	89-90
G1-2	Management of relationships with suppliers	90
G1-3	Prevention and detection of corruption and bribery	90-91
G1-4	Incidents of corruption or bribery	91
G1-6	Payment practices	91

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