

# Sustainability report

## Merx Svenska AB 2024

Merx Svenska AB has prepared a voluntary sustainability report. The report has been prepared in line with the provisions of Chapter 6 of the Swedish Annual Accounts Act.

Merx Svenska AB has created a sustainable transition plan as part of becoming a more sustainable company and contributing to our environment, society and the Global Goals. We use SUSTIGO's digital platform as a tool in our transition work and reporting.



in cooperation with SUSTiGO

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## **Activities**

Merx's vision is to be a climate-neutral attractive employer and the first choice for customers in Sweden and globally of advanced processing and as a system supplier. Merx's business concept is to be a leading player in turning and milling characterized by high quality, competence and the latest technology. As a technical supplier, Merx will be an important partner to the global industry.

## **Summary of sustainability initiatives**

With the help of SUSTIGO, we have developed a sustainable transition plan, which involves analyzing, prioritizing, planning, engaging and reporting our sustainability work. Our transition plan works towards the Global Goals and is based on the ESG model. The ESG model encompasses sustainability issues affecting companies, organizations and society and stands for Environmental, Social and Governance. An important part of our transition plan is the activity plan with concrete activities we have developed to become a more sustainable company.

## **Sustainability objectives**

### **Renewable Energy**

Increase the use of renewable energy in the company's operations. The installation of solar panels on the roof of the business is estimated to cover about 25% of the annual electricity consumption.

### **Diversity and Inclusion**

The aim is to promote diversity and inclusion among the company's employees and management team.

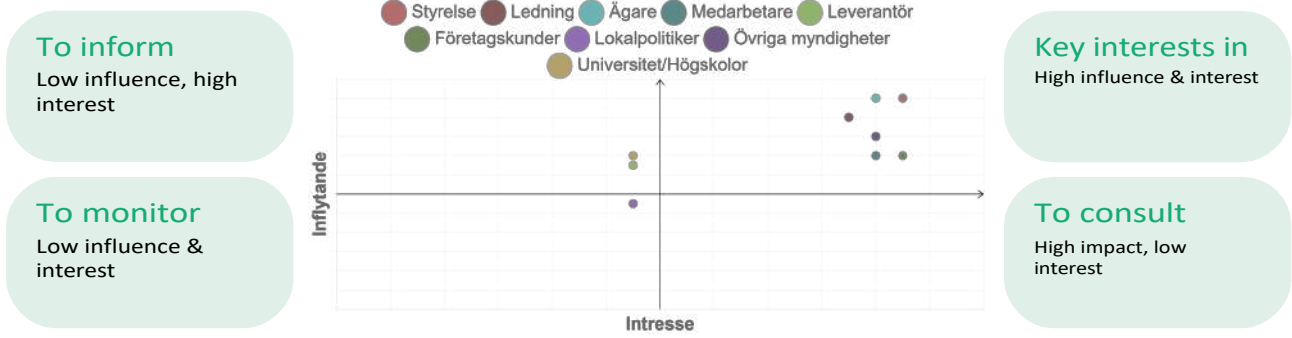
### **Energy efficiency**

Improve energy efficiency by reducing energy consumption per unit of production. Electricity consumption per hour of production was 16.5 kWh/hr in 2023 and the target was 18.0 kWh/hr. The target for 2024 is revised to 15.0 kWh/hr.

# Re-rolling plan

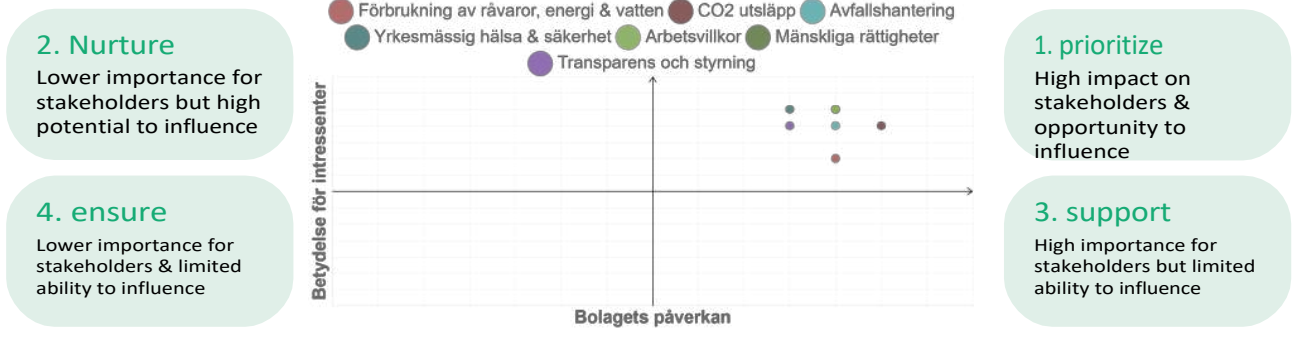
## Stakeholder analysis

To create a relevant transition plan, we started by analyzing where we stand today in order to prioritize the areas where we can make the biggest difference. We therefore identified our key stakeholders and the sustainability areas where we have the greatest impact and/or opportunity to influence, through a stakeholder analysis.



## Materiality analysis and activity plan

In relation to our key stakeholders, we have identified and prioritized the most material areas for us in environmental sustainability, social responsibility and corporate governance, where we have the greatest negative impact today and a significant opportunity to influence. Based on the materiality analysis, we have created an activity plan to concretely work towards our goals and follow up on them.



## **Environment**

Environmental sustainability is about meeting the needs of the present without compromising the ability of future generations to meet their own needs. For a company, this can translate into contributing to the green transition and, for example, reducing carbon emissions, increasing biodiversity, and working to preserve forests, land and oceans throughout the value chain.

### **Priority areas**

In the environment, we have the greatest impact and opportunity to contribute in the following key areas:

- Consumption of raw materials, energy & water
- CO2 emissions
- Waste management

### **Activities carried out**

To work towards our environmental sustainability goals, we have initiated and implemented the following activities:

- Create a purchasing policy
- Installing solar panels
- Offer discounts for buying, leasing or renting a bike as a benefit
- Offer teleworking
- Managing and sorting hazardous waste
  - Work with supplier to replace all bleached packaging material with unbleached packaging material.

### **Planned activities**

To further work towards achieving our long-term goals towards a more sustainable environment, we have planned the following activities:

- Choose local producers
- Replacing fossil fuel vehicles with more sustainable alternatives
- Implement a travel policy
- Training staff in effective waste management

## **Social responsibility**

Social responsibility aims to take into account the people who are connected to the company in different ways, such as employees, customers and subcontractors. It means promoting diversity, inclusion, gender equality, a good working environment, and human rights.

### **Priority areas**

Through social responsibility, we safeguard the social environment and human rights throughout the value chain. With this in mind, we have chosen to prioritize the following key areas:

- Occupational health & safety
- Working conditions
- Human rights

### **Activities carried out**

To work towards our social responsibility goals, we have initiated and implemented the following activities:

- Conduct regular safety and evacuation briefings
- Establish policy documents with security information and procedures
- Offer massages and treatments
- Ensure proper safety equipment
- Conduct regular employee surveys
  - Ensure that employees have access to trade union organizations and representation
- Introducing an anonymous whistleblowing system
  - Ensure a safe and secure working environment through systematic work and reporting of risks, incidents and accidents.
- Offer regular health check-ups (over 50 years)
- Offer wellness allowances

## **Corporate governance**

Corporate governance is about compliance, transparency, board composition, business ethics, management structure, sustainability reporting, strategies, and preventing bribery and corruption.

### **Priority areas**

Through sustainable corporate governance, we promote structures and a corporate culture that create the conditions for sound and transparent governance. To this end, we have chosen to prioritize the following key areas:

- Transparency and governance

### **Activities carried out**

To work towards our goals and more sustainable corporate governance, we have initiated and implemented the following activities:

- Investing in quality and management systems
- Implement a whistleblowing procedure
- Report and follow up on complaints and incidents

## Our contribution to the Global Goals

With our transition plan and the activities we have implemented, we are constantly taking steps towards achieving our long-term sustainability goals. In addition to the activities already implemented, we have planned further activities. These will be monitored and new activities may be added to ensure that we continue to make progress and contribute to the UN 2030 Agenda and the 17 Global Goals.

The images below show the global goals we contribute to.

UN Global	GoalsMerx Svenska AB contribution
 <p>3 GOD HÄLSA OCH VÄLBEFINNANDE</p>	<ul style="list-style-type: none"> <li>• Conduct regular safety and evacuation briefings</li> <li>• Establish policy documents with security information and procedures</li> <li>• Offer massages and treatments</li> <li>• Ensure proper safety equipment</li> </ul>
 <p>8 ANSTÄNDIGA ARBETSVILLKOR OCH EKONOMISK TILLVÄXT</p>	<ul style="list-style-type: none"> <li>• Conduct regular employee surveys</li> <li>• Offer regular health check-ups (over 50 years)</li> <li>• Offer wellness allowances</li> </ul>
 <p>11 HÅLLBARA STÄDER OCH SAMHÄLLEN</p>	<ul style="list-style-type: none"> <li>• Investing in quality and management systems</li> <li>• Implement a whistleblowing procedure</li> <li>• Report and follow up on complaints and incidents</li> </ul>
 <p>12 HÅLLBAR KONSUMTION OCH PRODUKTION</p>	<ul style="list-style-type: none"> <li>• Create a purchasing policy</li> <li>• Installing solar panels</li> <li>• Choose local producers</li> <li>• Managing and sorting hazardous waste</li> <li>• Training staff in effective waste management</li> </ul>





- Replacing fossil fuel vehicles with more sustainable alternatives
- Offer discounts for buying, leasing or renting a bike as a benefit
- Offer teleworking
- Implement a travel policy
- Work with supplier to replace all bleached packaging material with unbleached packaging material.



- Ensure that employees have access to trade union organizations and representation
- Introducing an anonymous whistleblowing system
- Ensure a safe and secure working environment through systematic work and reporting of risks, incidents and accidents.

## **Responsibilities of the Board**

The company and the Board of Directors aim to create structures and conditions for the company and its stakeholders to work towards a more sustainable society. Through a concrete transition plan, we aim to reduce our environmental impact, promote human rights and sound corporate governance. By engaging stakeholders, setting clear targets and activities, and transparent reporting, we set requirements for both ourselves and our surroundings to work towards a more sustainable society.

## **Future prospects**

We strive to integrate sustainability as a natural part of our daily work and long-term objectives to manage risks, challenges and seize opportunities.