

**Sustainability Report**

Merx Svenska AB

2025

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## Activities

Merx's vision is to be a climate-neutral and attractive employer, as well as the first choice for customers in Sweden and globally for advanced machining and as a system supplier.

Merx's business concept is to be a leading player in turning and milling, characterized by high quality, expertise, and the latest technology. As a technical supplier, Merx aims to be a key partner for the global industry.

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## Summary of sustainability initiatives

Merx has developed a sustainable transition plan that involves analyzing, prioritizing, planning, engaging, and reporting our sustainability efforts. Our transition plan aligns with the Global Goals and is based on the ESG model.

The ESG model encompasses sustainability issues that concern companies, organizations, and society, standing for Environmental, Social, and Governance aspects. A crucial part of our transition plan is the action plan we have developed with concrete activities to become a more sustainable company.

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## Sustainability Goals

- **Renewable Energy:** Increase the use of renewable energy within the company's operations. The installation of solar panels on the facility's roof is estimated to cover approximately 25% of the annual electricity consumption.
- **Diversity and Inclusion:** Promote diversity and inclusion among employees and management.
- **Energy Efficiency:** Improve energy efficiency by reducing energy consumption per unit produced. In 2024, the electricity consumption per production hour was 14.0 kWh/TO(h), with a target of 15.0 kWh/TO(h). The revised target for 2025 is 13.5 kWh/TO(h).

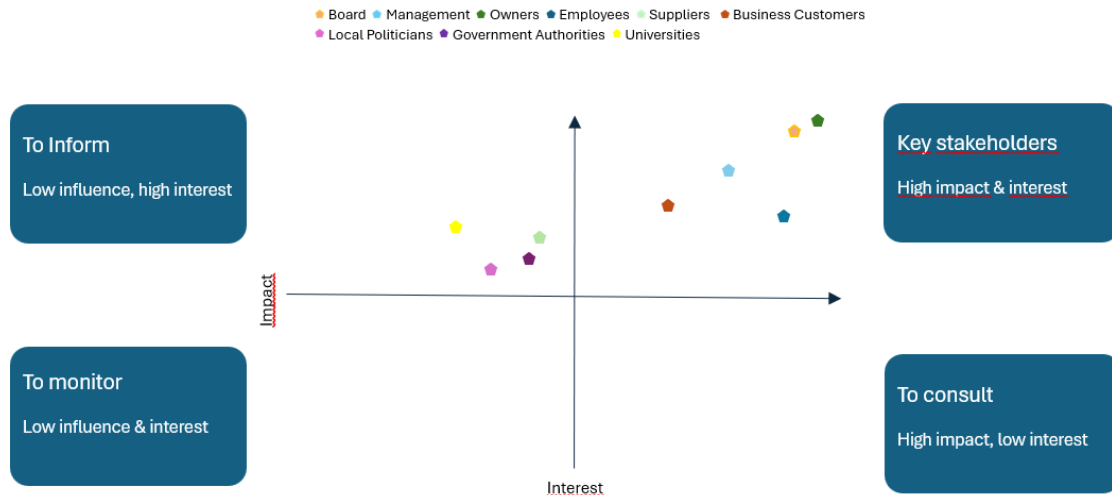
At Merx Svenska AB, we are committed to reducing our environmental impact and working towards a sustainable future. We have set ambitious 2030 targets within three main areas:

- **Scope 1:** Reduce emissions from company-owned vehicles and machinery by 20% from the 2022 baseline.
- **Scope 2:** Reduce emissions from purchased electricity and heating by 20% from the 2022 baseline.
- **Scope 3:** Reduce emissions from suppliers, transportation, and waste management by 10% from the baseline year.

## Transition Plan

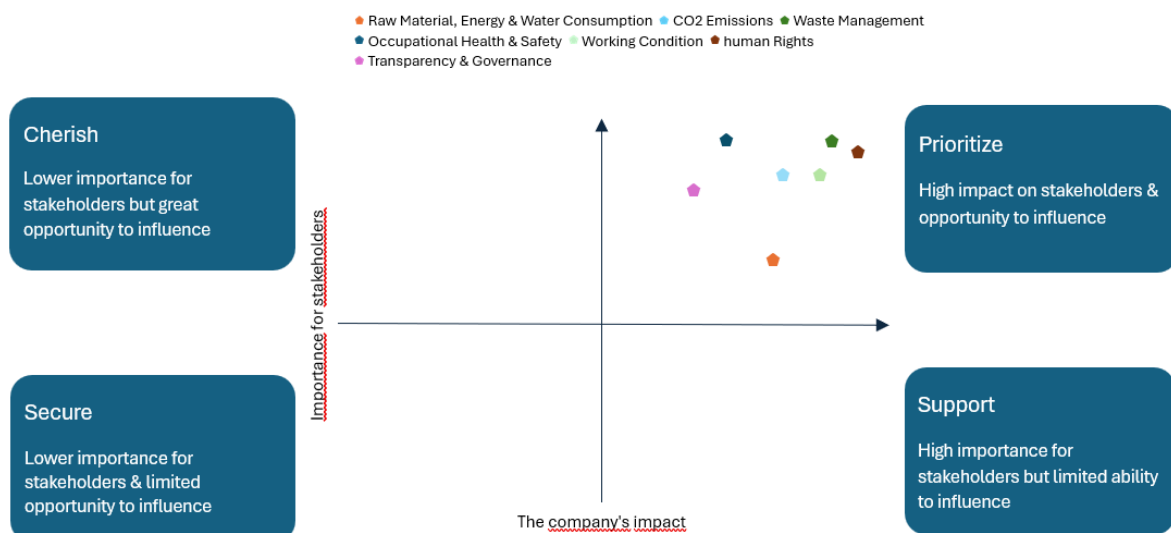
### Stakeholder Analysis

To create a relevant transition plan, we began by analyzing our current position to prioritize the areas where we can make the greatest impact. We identified our key stakeholders and the sustainability areas where we have the most influence and responsibility.



### Materiality Analysis and Action Plan

Based on our key stakeholders, we have identified and prioritized the most significant areas within environmental sustainability, social responsibility, and corporate governance where we currently have the most negative impact and the greatest potential to drive positive change.



## Environmental Responsibility

Working towards environmental sustainability involves meeting today's needs without compromising the ability of future generations to meet their needs. For a company, this translates into contributing to the green transition by reducing carbon emissions, increasing the use of renewable energy, and improving resource efficiency in production.

### Priority Areas

- Raw material, energy, and water consumption
- CO2 emissions
- Waste management

### Completed Activities

- Installation of solar panels on the facility's roof
- Installed energy-saving lamps throughout the business
- Offering incentives for purchasing, leasing, or renting e-bikes
- Proper handling and sorting of hazardous waste
- Switching from bleached to unbleached packaging materials in collaboration with suppliers
- Transitioning company vehicles to electric, replacing fossil-fueled cars

### Planned Activities

- Prioritizing local producers in daily operations
  - Implementing a project to monitor sustainability by tracking incoming and outgoing production materials and measuring the company's carbon footprint
  - Continuous staff training on waste management
  - Replace the current range of work clothes with Eco-clothes, i.e., they have a certain percentage of recycled material in them and are resource-efficiently produced (reduced water consumption and environmentally friendly dyes, etc.)
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## Social Responsibility

Social responsibility includes considering all people connected to the company, including employees, customers, and subcontractors. It focuses on promoting diversity, inclusion, equality, a healthy work environment, and respecting human rights.

### Priority Areas

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

- Occupational health & safety
- Working conditions
- Human rights

### Completed Activities:

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

- Regular safety and evacuation drills
  - Offering massage and treatment benefits
  - Ensuring proper safety equipment for employees
  - Conducting regular employee surveys
  - Providing access to labor unions and employee representation
  - Ensuring a safe and secure work environment through systematic reporting of risks, incidents, and accidents
  - Offering regular health check-ups for employees over 50 years old
  - Providing wellness benefits
  - Offer accident insurance for all employees.
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## Corporate Governance

Corporate governance includes compliance with regulations, transparency, board composition, business ethics, management structure, sustainability reporting, strategies, and the prevention of corruption and bribery.

### Priority Areas:

Through sustainable corporate governance, we work towards structures and a corporate culture that create conditions for sound and transparent management. Therefore, we have chosen to prioritize the following key areas:

- Transparency & Governance

### Completed Activities:

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

- Maintaining and actively working within quality and management systems
  - Reporting and following up on complaints and incidents
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## Our Contribution to the Global Goals

With our transition plan and completed activities, we are continually progressing towards our long-term sustainability goals. In addition to completed initiatives, we have planned further activities, which will be monitored to ensure continued progress in contributing to the UN's Agenda 2030 and the 17 Sustainable Development Goals.

### UN global goals

### Merx Svenska AB bidrag



#### Goal 3: Good Health & Well-being

- Regular health check-ups (50+)
- Wellness benefits
- Massage and treatments



#### Goal 6: Clean Water & Sanitation

- Energy & water management



#### Goal 7: Affordable & Clean Energy

- Solar panels
- Installed energy-saving lamps throughout the business
- Incentives for e-bikes
- Electric vehicle adoption



#### Goal 8: Decent Work & Economic Growth

- Fair working conditions
- Human rights
- Labor representation
- Employee surveys
- Personnel training in waste management
- Health & Safety in the Workplace
- Offer accident insurance for all employees
- Safe working environment through reporting of risks and accidents



Goal 9: Industry, Innovation & Infrastructure

- Sustainability and carbon footprint monitoring project



Goal 12: Responsible Consumption & Production

- Raw material management
- Waste handling
- Hazardous waste disposal
- Sustainable packaging



Goal 13: Climate Action

- Reduction of CO2 emissions



Goal 16: Peace, Justice & Strong Institutions

- Transparency in quality and management systems
- Ensure a safe and secure work environment through systematic work and reporting of risks, incidents, and accidents.



Goal 17: Partnerships for the Goals

- Continued global collaboration on sustainability



## **Responsibilities of the Board**

The company and the board strive to establish structures and conditions for the organization 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 ensure sound corporate governance. By engaging stakeholders, setting clear goals, and ensuring transparent reporting, we demand accountability from ourselves and those around us to work towards a more sustainable future.

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## **Future prospects**

We aim to integrate sustainability as a natural part of our daily operations and long-term goals to manage risks, address challenges, and seize opportunities.

### **Jimmy Johansson**

Quality and Environment Manager

Merx Svenska AB