

BRUKS SIWERTELL GROUP

SUSTAINABILITY REPORT

2022

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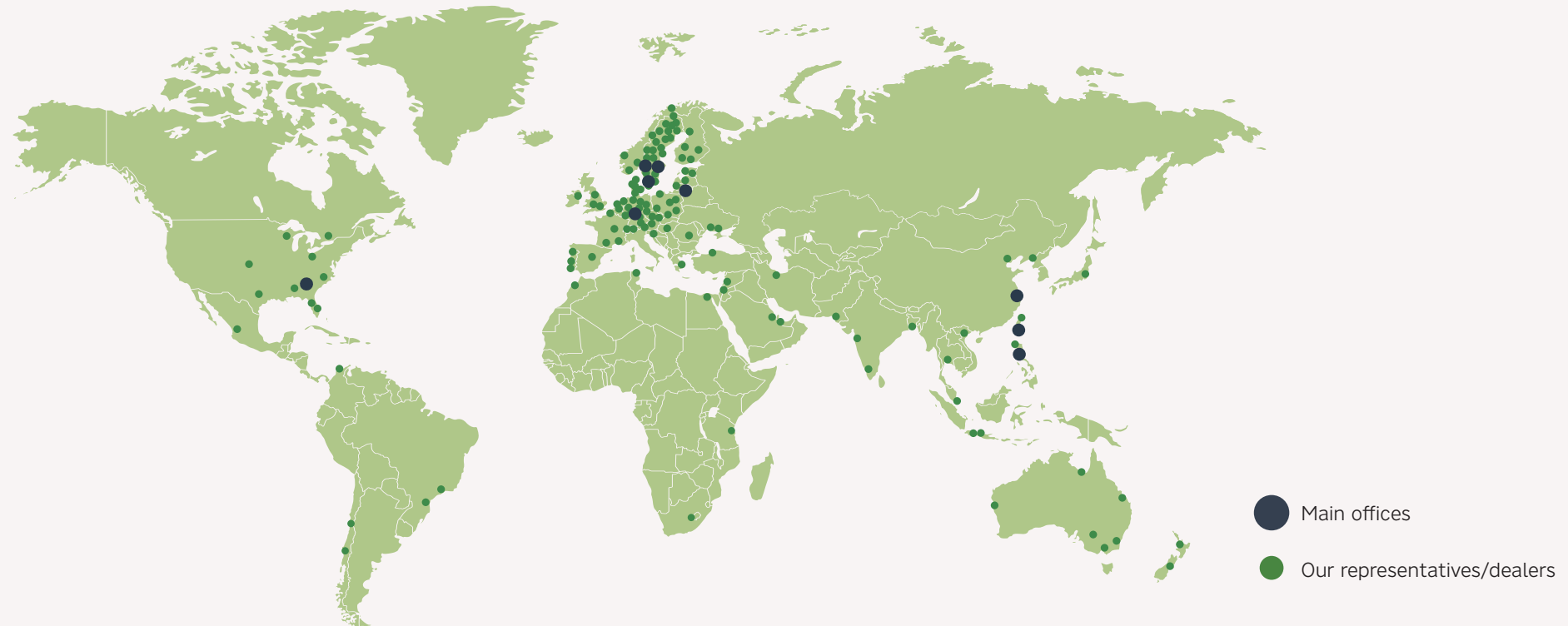
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BRUKS SIWERTELL GROUP



A GLOBAL BUSINESS WITH A BROAD SPAN OF TECHNOLOGIES



Bruks Siwertell Group develops, designs, produces and supplies systems for loading, unloading, conveying, storing, and stacking and reclaiming dry bulk materials, alongside equipment for chipping, screening, milling, and processing wood for the biofuel, bioenergy, panelboard, sawmill, pulp and paper industries. Our solutions and services offer market-leading technology for the global dry bulk handling, wood processing, and forestry industries.

With thousands of installations worldwide, our machines handle raw materials from forests, fields, quarries and mines, maintaining critical supply lines for manufacturers, mills, power plants and ports. Through our commitment to understanding customer needs and industry knowledge, all our solutions are designed to meet the highest demands for sustainability, efficiency, reliability, and performance.

Bruks Siwertell Group is headquartered in Stockholm, Sweden, and its production facilities and offices, some of which have been in operation for more than 125 years, are located in Sweden, Germany, Lithuania, the USA, China, the Philippines, and Taiwan. The Group has about 375 personnel and collaborates with around a hundred representatives and dealers all over the world.

OUR BRANDS

Bruks Siwertell Group consists of a collection of strong, market-leading product brands within the bulk handling, wood processing and forestry technology industries. Each has a long legacy of pioneering innovations and customer-driven developments. Thousands of operators across the world use equipment that carry our brands.



Our owners, JCE Invest AB and Cargotec Sweden AB, formulate a shared view of the company’s vision and direction via owner directives. Based on these, Bruks Siwertell Group’s Board of Directors decides the Group’s goals and strategies, and our CEO and management team develop and manage the business’ goals accordingly. The development of the business in relation to the goals is monitored on an ongoing basis.

To ensure that local conditions are taken into account in the best way possible, operational activities are conducted in a decentralized manner through divisions that have a high degree of autonomy. Each division consists of legal entities with a local management team, which drives the regional work towards common Group goals.

GLOBAL AND LOCAL GOVERNANCE

While a decentralized working strategy is characteristic of Bruks Siwertell, collaborations and the exchange of experience within the Group is encouraged. It promotes innovation, strengthens our position in relation to suppliers, and reduces the workload per unit. This work is

conducted through councils in priority areas where local functional managers are represented. In 2022, there were councils for Sustainability, Supply Management, Information Technology (IT), Service, Human Resources (HR), Digitalization and Marketing & Communications.



A SUSTAINABILITY LENS AT EVERY LEVEL



Last year, 2022, was the year that we really started to formalize our sustainability journey. It has been an eventful twelve months, with global circumstances presenting both challenges and opportunities. The Group has continued to grow in sales, number of personnel, as well as in its sustainability work. We asked our CEO, Peter Jonsson, five quick questions about sustainability.

How do global influences impact Group sustainability?

The Covid-19 pandemic and the war in Ukraine have affected our business, mainly linked to the supply of materials and components. These issues have required us to become even more efficient, increase local production, and keep larger stocks than normal, which binds both capital and warehouse space.

A positive impact on our business is the current focus on forest raw materials, which is the bulk material we handle the most of, in terms of volumes and sales. As more countries are switching to renewable energy sources, both wood chips and biomass pellets have received a demand boost. Another trend that has provided a tailwind for our business is the increase in online shopping. With it comes an increased demand for fiber-based

packaging and cardboard, which in turn increases the demand for wood pulp chips; our specialty. We see great opportunities in both these areas.

Why is sustainability important to you?

We wish to actively contribute to a better world. At the same time, we see sustainability as an opportunity from a competitive perspective. It is not uncommon for companies to make the mistake of positioning sustainability and profitability against each other. We believe that there is no such direct opposition, rather, if we work with sustainability, we can achieve long-term increased profitability. To attract both customers, partners and the best personnel, sustainability work has become a prerequisite.

What are your short- and long-term sustainability ambitions?

For 2023, we have clear goals. Environmentally, we will continue with climate calculations throughout the business, as well as those in the value chain. As for social responsibility, our focus will be on personnel training. We started this in 2022, but efforts will continue in 2023, including a focus on increasing incident reporting as part of our risk-prevention strategy. In terms of governance, main directives and goals have been evaluated and set by our owners, the senior management board and at a Group level.

We recognize the urgency of the issues that we are working on. Our long-term ambition is to set the sustainability standard for the industries that we serve. It is easier to drive sustainability work when owners and management have a common understanding of the importance of the issue.

What was your biggest sustainability success in 2022?

We have made a fantastic start in 2022; a year that laid the foundation for our continued sustainability work. It is wonderful to see our personnel's interest and commitment! Climate calculations were a quantifiable success. They provide a great example of how we can generate concrete results after we have broken the numbers down, something that we initially perceived as being quite difficult and complicated.

What does 2023 hold for your sustainability work?

Over the past year, we have set our strategy and carried out extensive mapping and planning work. This year it is time to move from plan to action. Going forward, it is important that we continue to ensure that we have sufficient resources for this work and maintain the current commitment to continue to motivate our personnel. We will do this by quantifying the effect of different efforts and the values that they create.

OUR COMPANY VALUES



Our core values strongly define the way we do business, our working culture and intentions. Based on these values, we conduct our business with customers, who each express their own unique requests and needs. To be able to successfully meet new challenges in an environment that is constantly changing, it is important that all the cogs in the system work; everything from good relationships with personnel, customers and partners, and ongoing product development.

Our core values strongly define the way we do business, our working culture and intentions

IMPACT

We strive to make a positive impact in all that we do. In line with our sustainability goals, this includes using our expertise and technology to accelerate positive global change, and ensure that our customers, personnel and owners benefit from putting their trust in us.

COMMITMENT

We deliver quality, in our products, solutions and services, and through the collaborations that we engage in. We keep the promises that we make, and our customers should always feel secure in our enduring accountability.

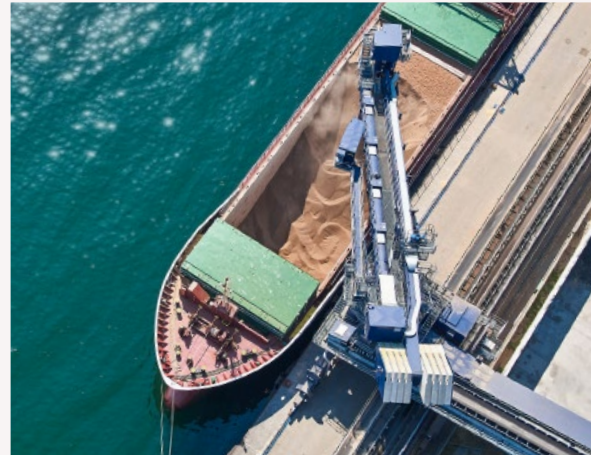
TEAMWORK

Through cooperation together with customers and partners, as well as each other within the company, we achieve the best results. Communication is key to understanding and meeting customer needs, and building a successful team. We are committed to transparency and open dialogues at every stage of each project.

SUSTAINABLE SOLUTIONS FOR CUSTOMERS

Our vision is to develop, design, manufacture and deliver products and services that meet customer needs and are optimized in terms of sustainability, efficiency, reliability and performance. Our research and development focus is steered towards people, products and processes, and development will be driven by new digital solutions and a commitment to social, environmental and economic sustainability.

Profitable growth will be built-up through strategically and continuously developing a product portfolio based on customer needs, and an established service business, which is crucial for any product's long-term reliability and service life.



BULK HANDLING

Our dry bulk handling equipment is used worldwide and is central to the global trade in bulk cargoes, especially in energy production, construction, manufacturing and agriculture. Our fully enclosed equipment handles virtually all dry bulk materials such as grain, fertilizer, sulfur, cement, wood chips, biomass pellets, and coal. Worldwide environmental protection regulations are met through eliminating spillage and minimizing dust emissions. All our machines are robust and reliable, delivering decades of service life in a range of different climates, from tropical heat to Arctic cold.



WOOD PROCESSING

A third of the world's land area is covered by forests, and for more than a century, Bruks Siwertell has developed technology for handling and processing it. We offer complete system solutions for the wood-processing market throughout the entire supply chain, from the forest to the sawmill and onto the pulp, pellet, bioenergy and biofuel industries. Our product portfolio includes everything from chippers, truck-receiving systems, conveyors and storage solutions, to more specialized applications.



FORESTRY TECHNOLOGY

The global forest industry consists of large and small forest owners, both private and state actors. All stakeholders have a great responsibility to manage the forest, both in terms of its ability to sequester carbon, and as a supplier of one of the world's most widely used raw materials. We work together with forest owners who practice sustainable forestry. Our equipment ensures that with robust, durable machines, which deliver a long service life, forest owners can operate in an efficient, sustainable and profitable way.

HANDLING THE FUTURE



Eco-friendly

Save Energy



Bruks Siwertell Group wants to establish the sustainability standard for the industries that we serve, and through ambitious targets, make a positive impact on surrounding ecosystems.

Bruks Siwertell Group sustainability ambition for 2030

SUSTAINABLE DEVELOPMENT GOALS AND UN GLOBAL COMPACT

The United Nation's Sustainable Development Goals (SDGs) are a universal attempt to achieve a sustainable future and promote equality, human rights, and justice for all by 2030. The SDGs are a collection of 17 interlinked goals designed to guide reflection and action on the most critical challenges, and opportunities facing humanity and the natural world.

To move from awareness to action, the UN Global Compact offers participants an extensive toolbox including platforms, hubs and resources, that help businesses take action to achieve the SDGs.

At Bruks Siwertell Group, our sustainability agenda is linked to these 17 SDG, nine of which have been identified as areas of focus following a recent analysis.

The Group's basic responsibility to individuals and the planet is maintained through strategic sustainability work and by supporting and integrating the UN's Global Compact principles into the Group's policies and processes. Maintaining a business culture that has integrity and good ethics is a top priority.



THE UN GLOBAL COMPACT HAS TEN PRINCIPLES:

HUMAN RIGHTS

- 1 Businesses should support and respect the protection of internationally proclaimed human rights
- 2 make sure that they are not complicit in human rights abuses

WORKING CONDITIONS

- 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
- 4 the elimination of all forms of forced and compulsory labor
- 5 the effective abolition of child labor
- 6 the elimination of discrimination in respect of employment and occupation

ENVIRONMENT

- 7 Businesses should support a precautionary approach to environmental challenges
- 8 undertake initiatives to promote greater environmental responsibility
- 9 encourage the development and diffusion of environmentally friendly technologies

CORRUPTION

- 10 Businesses should work against corruption in all its forms, including extortion and bribery

OUR SUSTAINABILITY JOURNEY SO FAR

Sustainability, and all that it encompasses, has been a long-held focus for Bruks Siwertell. Over the years since the Group was formed in 2018, our work has led to improvements through more extensive policies, strengthened routines and the follow-up of key performance indicators. Our main policy documents and guidelines for the business govern how we conduct a sustainable and respectful way of working. These include:

- » Anti-corruption policy
- » Code of Conduct for personnel
- » Code of Conduct for sales representatives
- » Code of Conduct for suppliers and partners
- » Communications policy
- » Environment, Health, Safety, Quality (EHSQ) policy
- » Equality policy
- » EU General Data Protection Regulation (GDPR) policy
- » Sustainability policy
- » Whistleblowing policy
- » Work environment policy

However, our ambitions are higher. To meet our raised expectations and those of our owners and customers, in 2022 the company took a clear and strategic approach to integrate sustainability into its business strategy and business development plans.

We have started a journey with ambitious and challenging goals that aim to set a new sustainability standard for the industries that we serve. The first stage is now complete and the most important milestones over the next few years have been mapped out, including our goals for 2030.

Our sustainability journey began with a comprehensive materiality analysis across several sectors, including stakeholders dialogues, risk analysis and the analysis of external factors that impact our business including political, economic, social, technological, legal, and environmental.

Materiality analysis has been carried out in all office units, and at regional levels based on local infrastructure and legislation, which vary geographically and are dependent on each business area. Analysis covered several areas, such as the impact of global changes on the Group and climate risks. The results have been consolidated and assimilated at Group level, where Group-wide issues have been prioritized. All parts of the materiality analysis have been designed to be educational, increasing our knowledge of how we both impact and are impacted by the outside world.

“ **Our goal is to be ambitious in our work to get suppliers onboard, as well as inspire and support customers in their sustainability journeys**

Anna Halling, Director Digital Transformation and Sustainability, Bruks Siwertell Group



OUR VALUE CHAIN

INNOVATION AND DEVELOPMENT



Understanding customer needs and market knowledge drives our development projects. They aim to find complementary solutions to existing systems or create innovations based on new trends and market demands. Product development also takes place continuously during projects where customers require specific solutions that are adapted to their operational requirements.

SALES TO CUSTOMERS



Sales are made with the help of our own sales force and through representatives, partners, and dealers. Sales lead times are dependent on the equipment and the requirements of the customer.

CONSTRUCTION

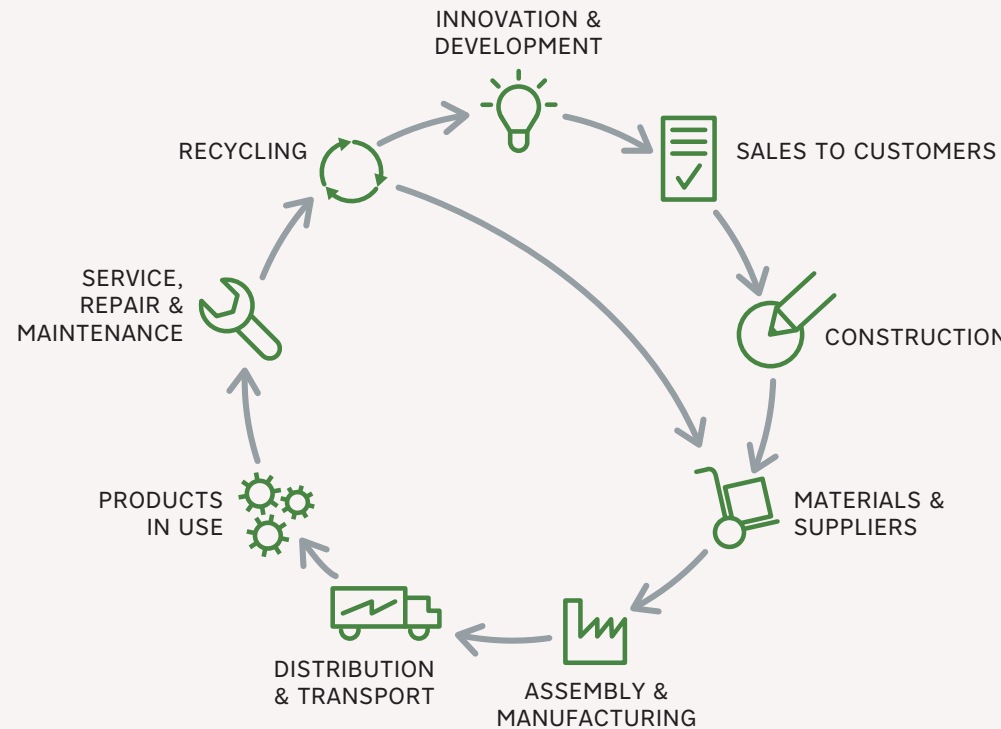


Our experienced engineers and designers develop and prepare technical equipment and installation drawings. With their detailed and wider expertise of the Group's solutions, they know what equipment can be integrated into a complete solution for a customized system. These can comprise project-based, tailor-made or standardized products.

MATERIALS AND SUPPLIERS



Relationships with suppliers are set within the Group's Code of Conduct framework. All suppliers have the Group's guidelines for good business practices to refer to, which enables long-term relationships and successful collaborations. This includes suppliers of materials in the form of steel structures, components, equipment and also services, such as contractors who assemble and configure delivered products and offer aftersales support. The majority of our products can be manufactured by completely or partly recycled materials. To be able to reduce emissions, shipping costs and delivery times, our ambition is to find suppliers as close as possible to our customers.



ASSEMBLY AND MANUFACTURING



The assembly or manufacturing of our machines and systems takes place either in our factories, at subcontractor facilities, or directly on site with the customer, depending on the size of the project. We strive to have the supplier and assembly as close to the customer as possible to reduce the impact of transport. We do this for both practical and environmental reasons.

DISTRIBUTION AND TRANSPORT



Transport, both in the form of deliveries to the factory and the distribution of products and systems to the customer, is mainly carried out by truck freight. In specific circumstances, container vessels or break bulk vessels are used because of the size of the equipment, and when ship unloaders are delivered fully assembled, this is carried out via heavy-lift vessels.

RECYCLING



Equipment and products that have reached the end of their service lives are important to Bruks Siwertell. Those products that predominantly consist of steel structures can be recycled to a large extent. By recycling the steel, natural resources are saved while carbon dioxide emissions are reduced. This part of the value chain can be further developed, and it is our intention to see recycled steel being included as a material in new products.

SERVICE, REPAIR AND MAINTENANCE



Our machines and original manufacturer spare parts are designed to be durable, easy to maintain and repairable to ensure a long service life. After delivery, continuing peak operational performance and service longevity is offered thanks to a global service team. This team of experts provides knowledge, support, maintenance and spare parts to ensure reliability throughout the lifetime of the installation, which can extend over several decades.

PRODUCTS IN USE



Our products are used, for example, in port operations, forestry settings, sawmills, power plants and pulp and paper industries. These are challenging environments with high demands on efficiency and reliability. Ship loading and unloading needs to be carried out quickly and smoothly to prevent disruptions to critical infrastructure and global logistics chains. Similarly, a forest owner in a remote location must be able to rely on our equipment. We attach great importance to machine and system solutions that ensure operator safety and a good working environment.

OUR GOALS AND LOCAL OWNERSHIP

Our sustainability team was established in 2021 and is led by the company's Director Digital Transformation and Sustainability, who supports the units' local initiatives and runs and coordinates Group-wide activities such as training, climate calculations and the mapping of significant sustainability issues. The exchange of knowledge between the participants in the sustainability team drives the Group's entire sustainability work.

Each company within Bruks Siwertell Group has formulated an individual action plan to ensure its feasibility, establishment and a sense of ownership.

We value an individual's knowledge and shared commitment to sustainability issues. Investments in education and collaboration are therefore carried out as an important and natural part of our sustainability journey. Our ambition is that long-term plans can be further developed and gradually raised along the way, in line with increasing knowledge and new lessons learned.

Bruks Siwertell Group's sustainability goals are assessed from an environmental, social, and governance (ESG) perspective, with each initiative falling into one or more of these categories.



ENVIRONMENTAL



SOCIAL



GOVERNANCE

MILESTONES AND ACHIEVEMENTS IN 2022

- ✓ Appointed a sustainability team with representation from all units
- ✓ Conducted risk analysis and stakeholder dialogue
- ✓ Conducted Group-wide materiality analysis
- ✓ Developed multi-year sustainability strategy at Group level
- ✓ Developed a sustainability policy
- ✓ Developed local action plans
- ✓ Increased awareness of sustainability



- ✓ Conducted pilot project for climate calculations of the entire value chain scope 1,2,3
- ✓ Developed new targets for renewable energy sources



- ✓ Set new goals for gender equality
- ✓ Introduced regular employee surveys



- ✓ Completed anti-corruption training
- ✓ Introduced a whistleblowing system
- ✓ Developed new supplier Code of Conduct

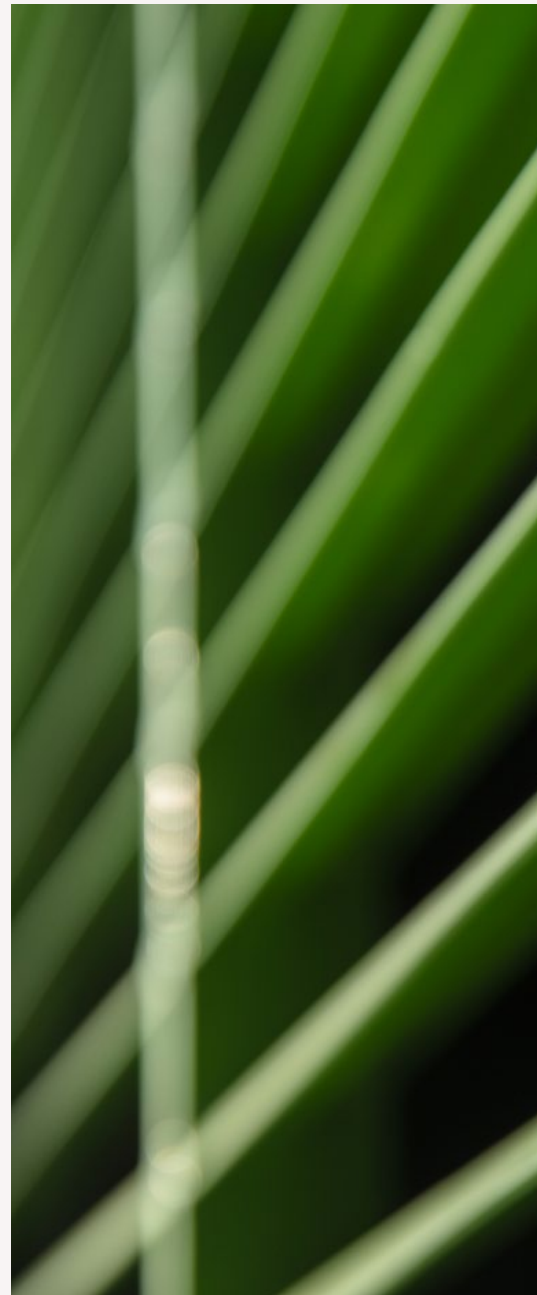


OUR SUSTAINABILITY YEAR

	2021	2022	Change
Net sales (MSEK)	1718.3	2077.6	21%
Earnings before interest, taxes and amortization (EBITA) (MSEK)	187.7	223.9	19%
EBITA-margin (%)	10.9%	10.8%	-0.1%
Average number of employees (FTE)	367	375	2%
CO ₂ emissions (tons CO ₂ e)*	776	811	5%
Share of renewable energy sources (%)	27%	27%	0%
Anti-corruption training (%)**	N/A	94%	-
Whistleblowing cases (number)	N/A	0	-
Employee satisfaction eNPS (scale -100 to 100)	N/A	25	-
Employee gender division (%)	82% (m) 18% (w)	80% (m) 20% (w)	-2% 2%
Management gender division (%)	80% (m) 20% (w)	79% (m) 21% (w)	-1% 1%

* Carbon dioxide equivalent; emissions assessed according to GHG Protocol scopes 1 and 2

** Percentage of employees who completed the training



MATERIALITY ANALYSIS 2022

To map our business, and our role in a macro-perspective, in 2022 we carried out a number of activities that together constitute the materiality analysis that forms the basis for our priority areas. The activities include both analysis of external factors, stakeholders' needs and expectations and our business risks from an environmental, social, and governance (ESG) perspective.

Stakeholder dialogues

We have had ongoing dialogues with stakeholders to gain insight into which issues are most important to them and their needs and expectations of Bruks Siwertell. These dialogues will be developed and built on in the future by including more external stakeholders, such as customers and suppliers.

Business intelligence

To take into account the external factors that affect our business in the trend analysis, we have used the political, economic, social, technological, legal, and environmental (PESTLE) model.

The model is based on external factors such as political instability, conflicts and wars, the

economy and inflation, interest rates, demography and the labor market. Furthermore, technical developments, changes in regulations and legislation, environmental and climate change and how they, in turn, can be expected to impact the business in different ways, are covered.

Analyses of an ever-changing world are ongoing. Through external analyses, we follow technical developments in all business areas from a customer and competitor perspective. We also follow upcoming changes in the ESG area, with, for example, new legal requirements and other aspects relevant to our business.

Risk analysis

An important part of creating a long-term, value-creating business is to understand and manage business risks. During the year, each unit carried out a risk analysis under the leadership of the company's Director of sustainability. The material risks are a collection of the results of each unit up to Group level. The Group's joint action plan is then based on this collective view to identify activities to be carried out to reduce risk exposure.

RESULTS

Essential focus areas

Our most significant and prioritized sustainability issues have now been identified. The results form the basis of the Group's sustainability focus areas, updated key figures, and targets that cover the entire value chain, applicable from 2022 onwards. Within each focus area, a measurable target has been generated, and previous targets have been revised.

Sustainability goals cover the following areas: environment, climate, health and safety, personnel, customer and supplier work and business ethics.



OUTCOMES OF RISK ANALYSIS 2022

RISK	DESCRIPTION	MEASURE
Value chain: commodities	Uncertainties and lack of documentation as to the origin of raw materials, and conditions regarding the environment and human rights in the value chain.	Develop a supply chain follow-up and due diligence procedures.
Transport: road transport and maritime transport	Risk of poor working conditions and climate-impacting greenhouse gas emissions.	Develop a supply chain follow-up and due diligence procedures.
Corruption	Manufacturing and selling in a variety of countries as well as the use of agents in buying and selling. Risk of unethical behavior, distortion of competition and damage to the brand.	Implement Code of Conduct and due diligence procedures as well as conduct anti-corruption training for all personnel.
Dependence on handling fossil fuels	Handling fossil fuels, such as coal, is an important part of port operations. Decarbonization means a change in business segment for Bruks Siwertell.	Global and diversified operations with customers in various industries provide a good spread of risks.
Inequality and discrimination	If Bruks Siwertell were to be considered an unequal or intolerant workplace, it would damage its reputation and brand. This would have a negative impact on new recruitment and skills supply.	Compliance with equality and gender equality policies. Management awareness sessions on inclusion and diversity.
Geopolitical risks	Geopolitics affects where and how business can be conducted. Conflicts and risks.	Roll out business and value chain geographically to spread the risk and minimize the impact of future events that occur in a particular location.

HANDLING THE FUTURE

We have developed a new line of communication, with an associated logo, which we hope represents our sustainability ambitions in a clear way. For us, 'handling the future' means that we will do what we can, and what it takes now, to drive a more sustainable world from a social, environmental and governance perspective, preserving it for future generations.

Handling is a key word in our business. Our equipment handles material transfers in ports, forests and industrial settings and facilities.

We have now added this word to our sustainability ambitions as well. Through our 2030 targets and our sustainability efforts in general, we are aiming to tackle current challenges to reduce and minimize any negative impact; in other words, the future is in our hands.

This journey is not one we want to do, or can do, alone; we hope that as many of our customers, suppliers, business partners and other stakeholders as possible join us in making sure that, together, we handle the future.



OUR 2030 AMBITIONS

The outcome of our materiality analysis has resulted in challenging but clear focus areas and ambitions for 2030: Bruks Siwertell Group wants to set the sustainability standard for the industries that we serve and with ambitious targets, make a positive impact on surrounding ecosystems.

	<p>FOCUS AREAS</p> <ul style="list-style-type: none"> » Product development » Reduce and limit CO₂ and greenhouse gas emissions » Reduce energy use » Reduce waste 	<p>MEASURABLE GOALS</p> <ul style="list-style-type: none"> » 50% reduction in CO₂ emissions » 90% circularity of products » Zero waste in our office units » 100% renewable energy 	<p>ENVIRONMENTAL </p>
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	<p>FOCUS AREAS</p> <ul style="list-style-type: none"> » Health and safety » Employee satisfaction » Diversity and inclusion 	<p>MEASURABLE GOALS</p> <ul style="list-style-type: none"> » Zero workplace accidents » 30 eNPS score » 30% female managers 	<p>SOCIAL </p>
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	<p>FOCUS AREAS</p> <ul style="list-style-type: none"> » Anti-corruption » Supply chain management » Management systems 	<p>MEASURABLE GOALS</p> <ul style="list-style-type: none"> » 100% compliance with Codes of Conduct for both suppliers and customers » 100% of work processes updated and improved 	<p>GOVERNANCE </p>
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ENVIRONMENTAL



FOCUS AREAS

PRODUCT
DEVELOPMENT

REDUCE
CLIMATE IMPACT

REDUCE
ENERGY CONSUMPTION

REDUCE WASTE

We strive to reduce the environmental impact of products throughout their entire lifecycle, in development, design, manufacturing, and use, through to recycling. Our high-quality products have long service lives with minimal requirements for maintenance. They are designed to protect working and external environments where the equipment is used and where the business impacts the environment through air-borne emissions, the generation of waste and noise.

We are committed to minimizing the release of dust into the air and water. Our systems have previously won the prestigious *International Bulk Journal (IBJ)* Environment Protection Award, which is annually awarded to organizations that have contributed to reducing emissions in ports or at sea.

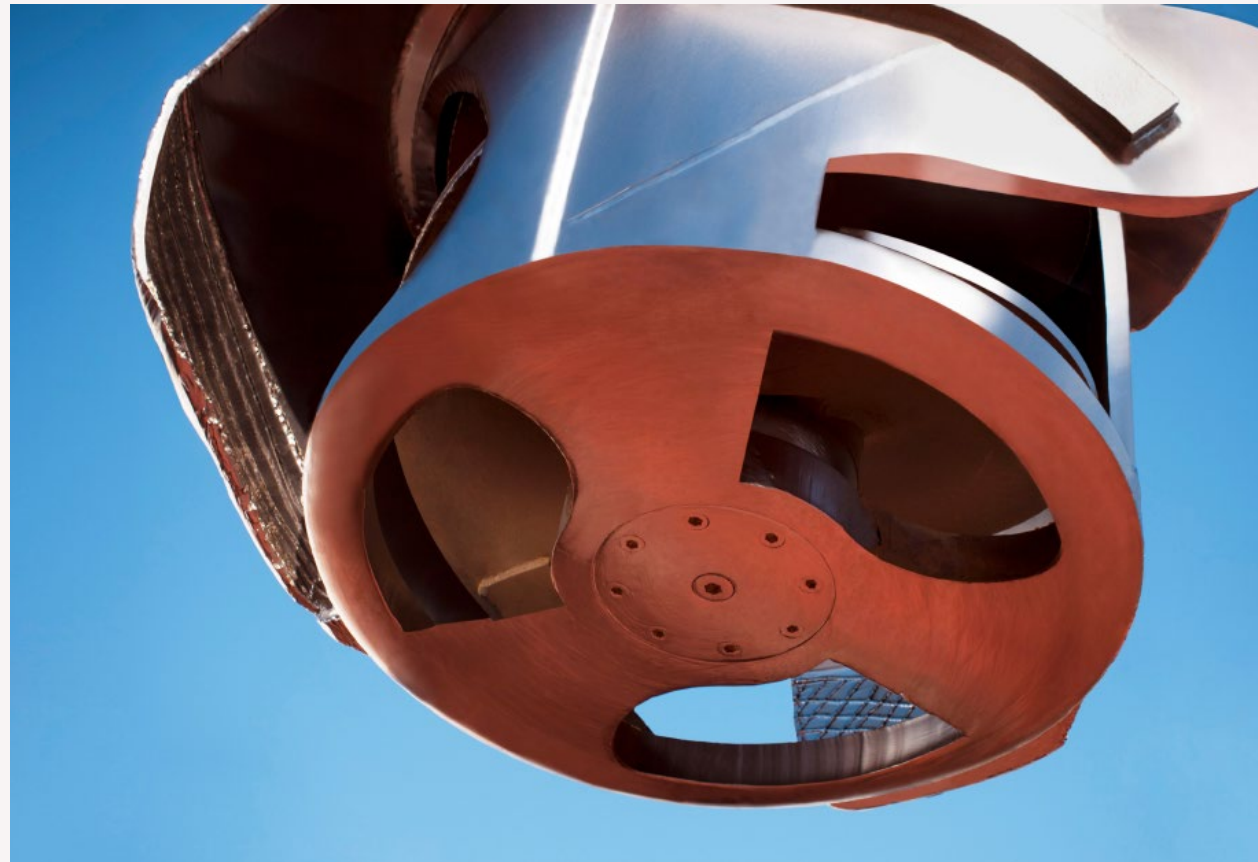


PRODUCT DEVELOPMENT

Meeting the needs of customers and environmental protection

Whether in the project phase, through on-going cooperation with a customer, or as a development project within one of the company's divisions, we continuously develop our products and services to better meet customer needs and increase environmental protection. As projects and products are often tailored to specific customer requirements, product design and material content occur naturally. By challenging conventional ideas about design, and trying out new construction solutions, there are opportunities to find alternative methods and materials that reduce both weight and material consumption.

In 2022, climate calculations, carried out as a pilot project within one of our business areas, indicate that they can be a powerful tool for optimizing environmental performance in design changes. The methodology will be applied to the remaining parts of the business in 2023.



Reduction of dust emissions

Minimizing the spread of dust has long been central to our product development. Dust occurs naturally when handling bulk materials.

A dry bulk commodity is either intrinsically dusty, like powdery cargoes, or dust can be generated from material degradation, which produces small particles called fines. The more carefully material is handled, the lower the percentage of fines in a load. It is therefore important that equipment is designed to minimize material degradation and prevent delicate cargoes from disintegrating. The benefits of this are many: material losses are minimized, as well as the need for cleaning a plant and its machinery; air quality and the working environment are improved for personnel; risks of heat generation and fire are prevented in a dust-free environment; and the marine environments around port facilities are protected.



CASE

Industrial Internet of Things (IIoT): digital solutions deliver new opportunities

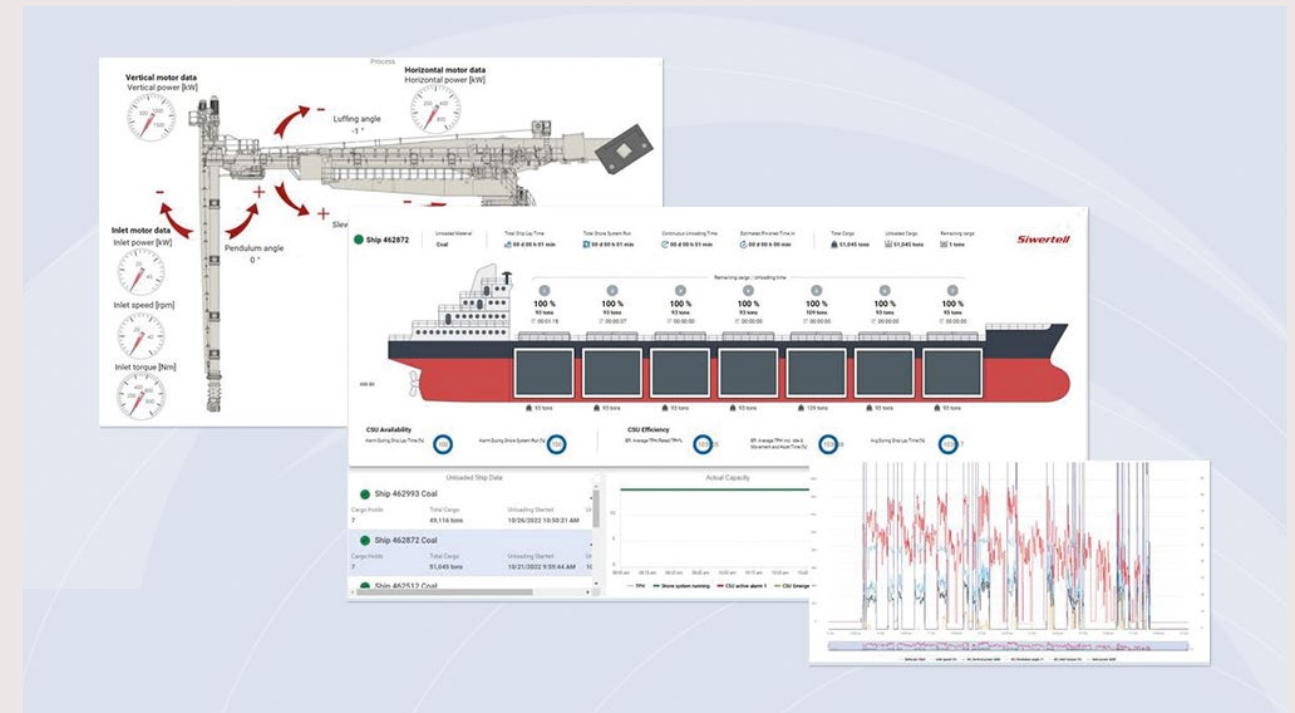
As part of the company's research and development strategy, digital tools and functions are being developed. When the Covid-19 pandemic hit, there was a greater need for remote solutions for commissioning deliveries, service and maintenance as a result of travel restrictions. This need remains today to increase the availability and punctuality of start-up operations, and the support that we can offer to service and maintain equipment.

In 2022, our Port Technology Europe, Middle East, and Africa (EMEA)/Asia business area developed a digital cloud-based tool, called Siwertell Smartview, which will be launched in 2023. Its aim is to optimize productivity when handling dry bulk materials through data analysis. By collecting data during unloading and loading, it is possible to follow-up and analyze both equipment performance and reliability.

Siwertell Smartview reports several important operating parameters such as:

- » managed volumes
- » average capacity
- » total duration of tasks
- » other operational performance
- » any downtime

The information collected and analyzed helps customers identify potential bottlenecks so that they can improve the efficiency and availability of their processes. The information can be accessed via a computer, tablet or smartphone. In the version that will be launched in 2023, Siwertell Smartview is specifically designed to provide an accurate overview of unloading operations. The tool continues to be developed to meet the great potential identified in expanded future features.



“ **Innovation and digitalization are key to achieving our sustainability goals** ”

Anna Halling, Director Digital Transformation and Sustainability
Bruks Siwertell Group



CASE

Automated, enclosed systems deliver optimized operations at US paper mill

During 2022, Bruks Siwertell completed a project with an American customer in the corrugated board industry. All its facilities are certified according to the USA's Sustainable Forestry Initiative (SFI), a certification that ensures that the forest is managed in an environmentally friendly, socially responsible and economically sustainable way. The operator has repeatedly turned to Bruks Siwertell for our expertise in wood processing and bulk material handling.

This time, it needed a complete raw material receiving and transfer system to modernize an existing and costly, partly manually handled woodyard for the paper mill. We designed an automated, enclosed solution to handle sawdust, wood chips and bark, which increased efficiency and reduced operating costs. Inventory control was also improved, as well as maintaining consistency in material quality within the pile.

Environmental gains were significant as the automated systems eliminated the need for the



continuous use of diesel-powered machines used to manage the piles and dust emissions were reduced in comparison with mobile systems.

Dust emissions were further reduced right from the start of operations with our truck-receiving technology. Raw materials are tipped out of the truck at an angle to minimize fugitive dust and it was specially designed to accom-



modate a covered hopper, which is equipped with dust collectors.

Traditional conveyor equipment was also replaced with our fully enclosed low-friction, air-supported conveying system, which is based on a pressurized air system under the belt. This reduces dust emissions, spillage and the impact of weather. In addition, as the conveyor system

eliminates the need for traditional rollers, maintenance requirements and costs were significantly lowered. Air-cushion conveying also ensures smooth material transfers, minimizing material degradation and further dust formation, and their low-friction operation makes them very energy efficient.



50%

Our target to reduce greenhouse gas emissions by 2030



REDUCE CLIMATE IMPACT

A systematic approach to ambitions

Bruks Siwertell is working to reduce its greenhouse gas (GHG) emissions throughout the value chain. Today, parts of the Group's carbon footprint are reported according to the guidelines in Greenhouse Gas Protocol scopes 1 and 2.

The GHG Protocol establishes a global standardized framework to measure and manage greenhouse gas emissions. Direct GHG emissions occur from sources that are owned or controlled by the reporting company and indirect GHG emissions are those that are a consequence of the activities of the reporting company, but occur at sources owned or controlled by another company, such as suppliers.

The GHG Protocol categorizes these direct and indirect emissions into three broad scopes:

Scope 1: all direct GHG emissions

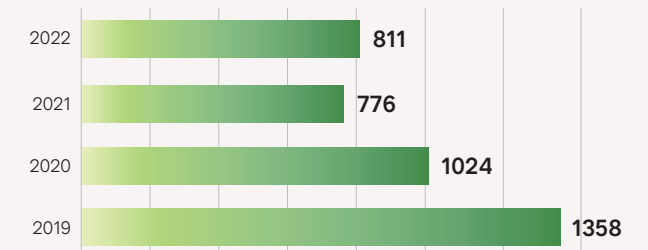
Scope 2: indirect GHG emissions from consumption of purchased electricity, heat or steam

Scope 3: other indirect emissions, such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by the reporting company, electricity-related activities not covered in Scope 2, and outsourced activities, such as waste disposal.

In 2023, each company within Bruks Siwertell Group will carry out climate calculations throughout their operations, both upstream and downstream, and include direct and indirect emissions. This will enable us to prioritize actions in the areas where they can do the most good.

Bruks Siwertell has set a target of reducing greenhouse gas emissions by 50% by 2030, compared to a base-level established in 2019. In 2023, all climate calculation goals will be broken down and set, signaling our climate ambitions and the prioritization of climate-efficient solutions.

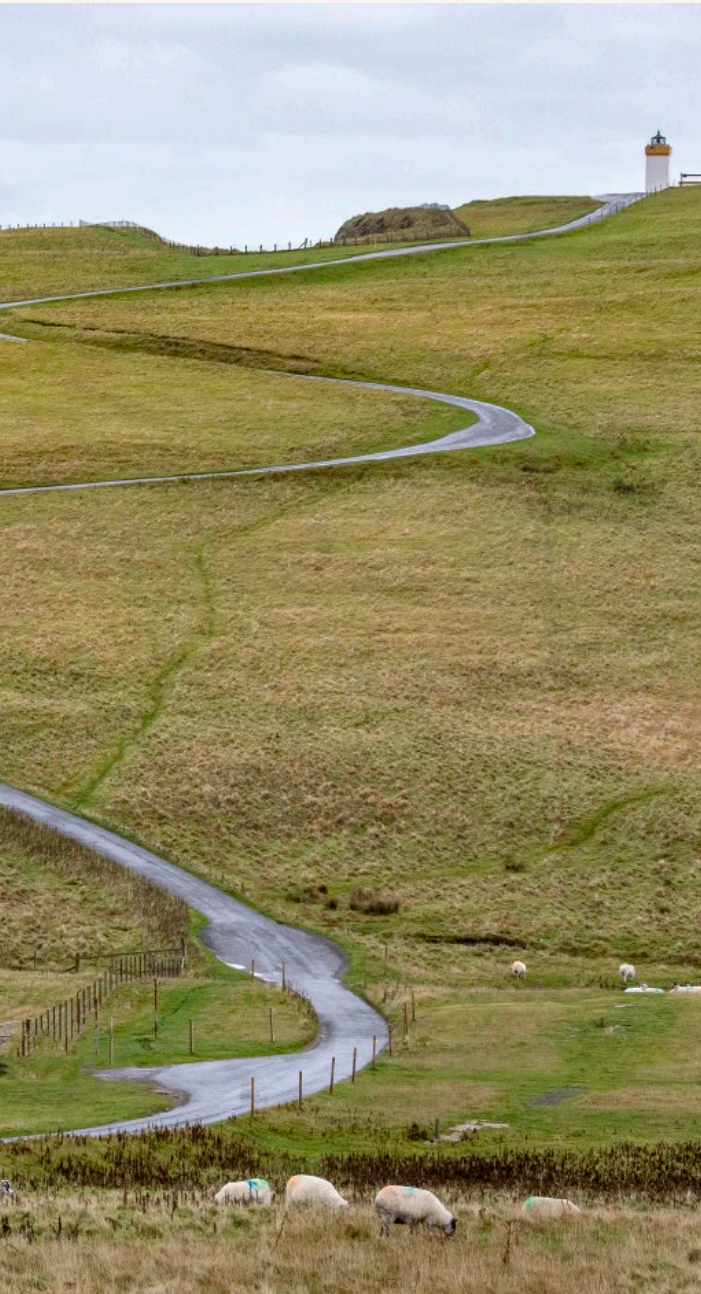
GHG EMISSIONS (TONS CO₂e) – TOTAL SCOPE 1 AND 2 *



* Carbon dioxide equivalent; emissions assessed according to GHG Protocol scopes 1 and 2

Bruks Siwertell's carbon emissions (scopes 1 and 2) have decreased between 2019 and 2022. The change is a result of ongoing initiatives to replace fossil fuels with renewable alternatives and to improve the energy efficiency of operations, but it is also a result of outsourcing some production activities.





Making a positive impact

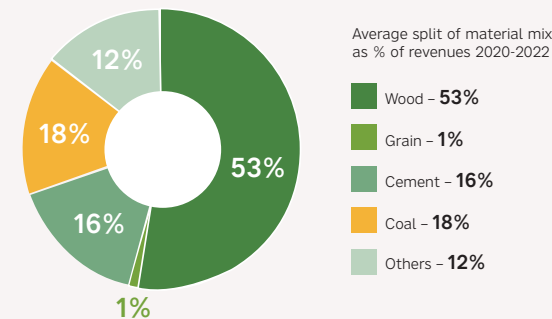
We serve numerous industries across the dry bulk handling, wood processing and forestry sectors. Within each of these, multiple material types are handled and processed for a variety of customers. Across this diverse industrial base, our ambition is to make a positive impact and to support customers to do the same.

Diversification is part of our business strategy, and over the past three years we are happy to note a broad range in our material segments. Wood is the material that we handle most of, and is our biggest market segment. It is where we benefit from the greatest levels of vertical integration, as across the Group, we have a huge knowledge base, cross-sector expertise and technology.

A significant proportion of global biomass comes from wood and wood-based products including logs, wood chips, waste wood residues, bark and hogged fuel, and sawdust. Our wood-processing and handling technology supports every part of the biomass logistics chain, from its waste form to the final pellet, making it an integral component in many biofuel and bioenergy installations.

We recognize that some of the industries that we serve, and some of the materials that our equipment handles, carry higher environmental loads than others, such as coal. Despite its known impact on the environment, coal is still a major dry bulk cargo, traded all over the world for use in industrial processes such as steelmaking and power plants. Bruks Siwertell Group believes that, through our equipment, services and technological capabilities, we can help our customers decrease their environmental impact when handling coal.

MATERIAL MIX 2020-2022



For example, our technology handles coal in a way that absolutely minimizes the environmental impact of its ship to shore link. For this, we mean using enclosed systems that minimize dust and

eliminate spillage into the surrounding environment. Spillage on the levels encountered through using open handling systems, such as grab cranes, can lose up to 2% of a shipment; we believe that waste on this scale is unacceptable.

We have also enabled operators to switch from handling coal to renewable biomass pellets for energy production. Our specially designed ship unloaders and loaders are able to handle multiple materials, efficiently and safely supporting coal-fired power plants with co-firing – burning coal and biomass – through to their complete transition to only burning biomass.

Furthermore, biomass pellets are fragile, and break down if not handled correctly. They are also very dusty and prone to self-ignite. Our totally enclosed equipment is capable of mitigating these risks, and minimizing any material degradation. This maintains the quality of the shipment and its combustion efficiency; additional environmental gains.



CASE

Climate calculation pilot project at FTG Cranes

Between 2021 and 2022, a climate calculation pilot project was carried out by one of our forestry sector companies, FTG Cranes, based in Bäckefors, Sweden. It revealed some interesting results. The site manufactures forestry technology including trailers, and the pilot project revealed that the supply of wheels, rims and tires, for example, had almost as much environmental impact as all the steel in the equipment.

Thanks to this climate mapping, we now have climate-impact control of the components of over 90% of all materials and subcomponents in FTG's products and can set goals and plan further activities based on these results, including which design solutions are the most material-efficient and which should be allowed to act as role models in continued product development. Furthermore, the experience gained from this pilot project will be used to scale-up climate mapping in 2023.



“ **The result surprised us! Wheels, rims and tires had almost as much environmental impact as all the steel. Thanks to the climate mapping, we have detailed knowledge about more than 90% of all materials and subcomponents in our products and can now start to set goals and plan further activities based on these results** ”

Ulf Godtman, Quality and Sustainability Manager, FTG Cranes

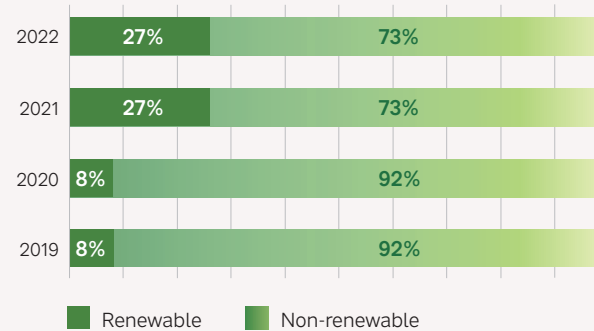


REDUCE ENERGY CONSUMPTION

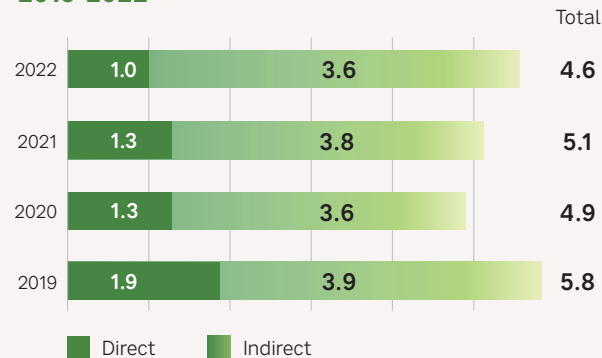
Advocating the use of renewable sources

Bruks Siwertell’s operations involve the consumption of energy in production, in offices and transportation. It is important that operations are conducted in an energy-efficient way, but also that the energy source is evaluated with regard to its environmental impact. Work is underway to review electricity consumption by installing energy-efficient lighting and appliances in all offices and advocating renewable energy sources where possible. These measures have resulted in a reduction in the Group’s electricity consumption. The Group has also continued the phasing out of heating oil, in favor of certified renewable electricity. Despite the increase in our business activities during 2022, our total energy consumption, measured in MWh, has reduced by 8% since 2021.

SHARE RENEWABLE ENERGY SOURCE



TOTAL ENERGY CONSUMPTION AT SITE, MWh 2019-2022





ZERO

Our target for waste
in our office units

REDUCE WASTE

Implementation of circular initiatives

Reducing the amount of waste, managing waste correctly and seeking circular solutions are important to reduce the overall environmental impact of the business and are therefore priority issues for Bruks Siwertell.

In terms of waste management at an office unit-level, internal knowledge-raising initiatives, such as training on waste sorting and waste management, are regularly carried out. Geographical conditions differ significantly and the degree of maturity varies between different countries globally. Bruks Siwertell has therefore started to look for solutions where the waste contractor can be a partner, who in addition to the management of existing and relevant waste fractions, can also offer functions for measurement, follow-up and development.

When it comes to delivered products and systems, priority is given to a comprehensive service that ensures customers get the most out of each investment. Our service teams carry out repairs and maintenance to extend the service life of equipment and contribute to a reduction in waste. Service teams also ensure that customers understand how equipment is best operated and maintained, with optimal settings that lead to energy savings.

Some of Bruks Siwertell's products are also designed so that they can be returned, refurbished and resold, ensuring that they meet the same high standards of quality, performance and energy efficiency as when they were new. This contributes to increased circularity as the service life of equipment is extended.



SOCIAL



FOCUS AREAS

HEALTH AND SAFETY

EMPLOYEE SATISFACTION

DIVERSITY AND INCLUSION

Bruks Siwertell aims to ensure that its personnel have a safe and secure work environment and that our products and services are safe to use, protecting nearby operators; everyone should come home safe and fulfilled at the end of the working day. Safety and security are top priorities and we have several routines to encourage reporting and enable a risk-preventive approach. The challenging, physically demanding, often heavy work environments associated with our installations require clear safety guidelines.

We want to offer an attractive workplace that protects the health and well-being of our personnel. We strive for a fair working environment with an open and transparent atmosphere, where development and growth is adapted to each individual. Bruks Siwertell is committed to promoting equal opportunities, irrespective of background, race, gender identity and expression, religion or sexuality and works to create an inclusive, diverse workplace.





HEALTH AND SAFETY

A clear priority

Bruks Siwertell will offer a safe workplace for all personnel. Personnel are encouraged to maintain a healthy and safe working environment by following local regulations as well as internal policies related to safety and the work environment.

Workplaces must be equipped with safety equipment, and for all activities involving health and safety risks, there must be procedures that describe what should be done, how it should be done, when it should be done and by whom. Accidents, incidents and risk observations should and will be reported and analyzed, and result in an appropriate action. Bruks Siwertell has a target of zero workplace accidents. As part of our safety work, we conduct risk analyses to identify potential risks in situations regarding fire, machine stoppages and power outages and for these situations we have established evacuation and action plans to minimize the risk to personnel.

Our equipment is predominantly used in the heavy-industry environment, such as ports, large industrial facilities and in forestry management, which presents a number of risks to personnel. Bruks Siwertell focuses on delivering machines and system solutions that ensure good personal protection and a safe working environment. To minimize risks in the delivery and equipment installation process at a customer's site, a detailed risk analysis, and planning and division of labor takes place between the customer, Bruks Siwertell and other contractors on site.

“ Safety is incredibly important; all our personnel should come home safe and fulfilled after a day's work

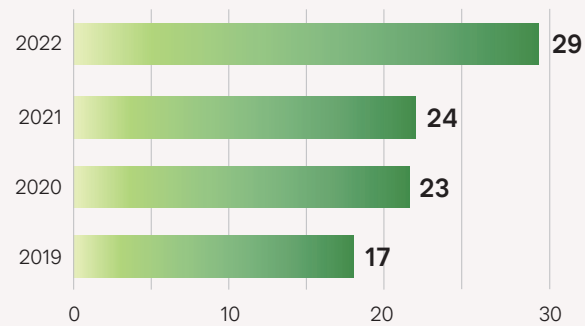
Peter Jonsson,
CEO, Bruks Siwertell Group



System for following-up incidents

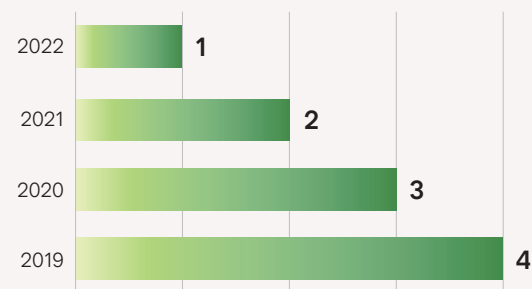
As part of Bruks Siwertell’s commitment to personnel health and safety, transparent reporting of incidents and accidents is encouraged, as well as risk-conscious and safe behavior to prevent injuries in the workplace. Incident reports are available at all office units in the Group. Currently the majority of these forms are paper-based and handled manually. The Group is investigating the extension of a pilot project that uses a digital service, accessible via mobile app or computer, to report incidents. Increased reporting enables successful preventive work.

TOTAL NUMBER OF WORKPLACE INCIDENTS *



* near misses, causing no, or less than one day of sick leave

TOTAL NUMBER OF ACCIDENTS *



* leading to one day sick leave or more

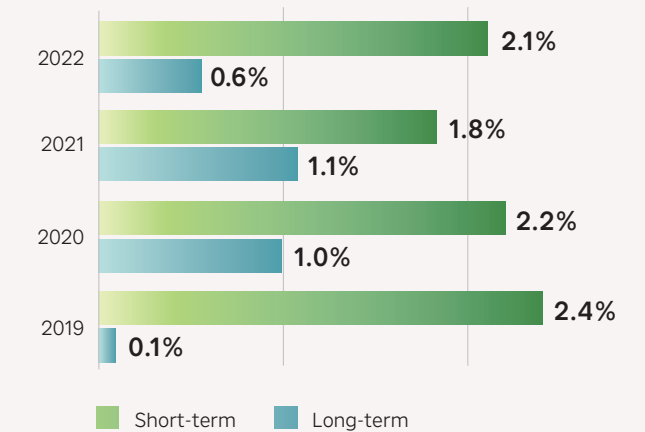
A good working environment

The physical, mental and social work environments are all equally important. We value good leadership and responsiveness in the handling of all issues relating to these. As far as practicable, Bruks Siwertell adapts work environments to personnel needs and strives for them to experience a sense of influence over their work situation. Emphasis is placed on clarity regarding information about work tasks, expectations of work performed, responsibilities and authorities.

We have routines for managing the risk of illness, bullying and harassment, and zero tolerance for discrimination, victimization, harassment and abuse in all forms. Any suspicion of a breach of compliance in these matters should be reported to the immediate manager, human resources or by using the whistleblowing function, which is available on our intranet and external website.

Sick leave is monitored on an ongoing basis for all companies within the Group. In general, sick leave is low. In both 2020 and 2021, the Covid-19 pandemic naturally impacted these figures, leading to a slight increase in long-term sick leave. During parts of 2022, Covid-19 has continued to impact these rates, albeit to a lesser extent.

SHORT- AND LONG-TERM SICK LEAVE





EMPLOYEE SATISFACTION

Focus on personnel engagement

To maintain its position as a market leader and achieve long-term success, Bruks Siwertell is dependent on talented, knowledgeable and committed personnel. It is important that all individuals know and understand the Group's corporate strategy and how it relates to the work that they do. It is communicated via annual presentations of Group-wide strategic directions and goals, so personnel have a shared understanding of how they contribute to the targeted achievements.

Another key to increasing personnel engagement in their duties at work, is the opportunity for personal growth through skills development. The Group therefore provides personnel with continuous skills development. Training is offered in each office unit, but there are also Group-wide training programs. One example is leadership training in situational leadership. This is conducted annually. With the development of digital tools, and their increasing significance in the workplace, communication is carried out

using digital tools. A mandatory training initiative is also planned to increase personnel competency using Microsoft Office 365. We will also implement management sessions on inclusion and diversity.

Employee surveys

In 2022, Bruks Siwertell introduced a system for Group-wide employee satisfaction surveys. The results are recorded as an employee Net Promoter Score (eNPS), which is scaled from -100 to 100. The survey is published quarterly and completed digitally. Nine factors are evaluated and compiled into a total index, and every second survey, the eNPS is also evaluated,

including the extent to which personnel would recommend their employer to others.

The eNPS value is one of Bruks Siwertell's new key figures and formulated as an ambitious goal of achieving at least 30 by 2030. A survey indicating our eNPS has only been established once before for the entire Group. It revealed an outcome of 25, demonstrating a positive result with many content personnel within the company. In 2023, the focus will be on evaluating future results, following trends and overall developments at different levels within the Group, divisions and office units, and then putting in place appropriate measures.

“ Our new value for measuring employee satisfaction, the eNPS score, will help us evaluate ourselves as an employer

Katarina Åkesson,
HR Director, Bruks Siwertell Group



DIVERSITY AND INCLUSION

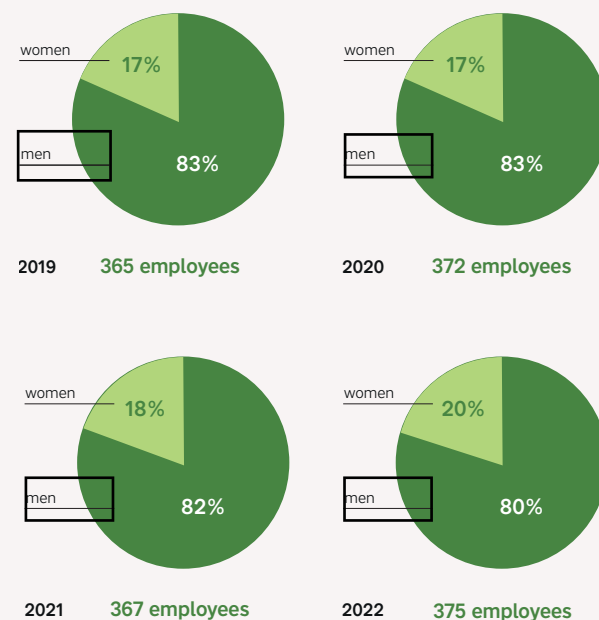
A natural part of daily operations

Equality

A workplace that values gender equality and diversity is attractive to both customers and personnel. Bruks Siwertell’s overall goal is that our gender equality work should be a natural part of daily operations, at all facilities and levels within the company. All personnel have and will be guaranteed equal value and the same opportunities within the company regardless of age, gender or gender expression, disability, ethnicity, religion or sexual orientation. This should be reflected in our daily operations and in recruitment.

The equal opportunities of all personnel are regulated in our Group-wide equality policy. Information about this policy is available to all personnel. Extended information about the policy will be provided to managers. One of our sustainability goals is for women to hold at least 30% of management roles within the company.

GENDER BALANCE IN PERSONNEL



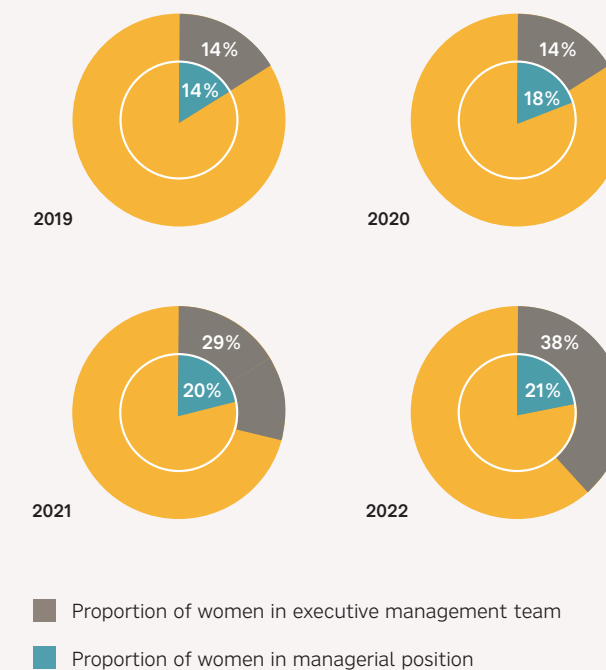
Diversity

In the recruitment process, we encourage applications from all people irrespective of background, race, gender, religion, or sexuality. When recruiting, the successful candidate is selected on the basis of their competence and attitude.

Local community engagement

Our offices and manufacturing facilities are part of local communities, with the majority located either in or close to small towns. Through socially responsible behavior, good relationships and active support for local associations, activities and initiatives, we hope to contribute to sustainable community development.

GENDER BALANCE IN MANAGEMENT



30% Our target for the number of women in management roles



CASE

Together for the environment and the local community

In 2022, Bruks Klöckner GmbH, a Bruks Siwertell company based in Hirtscheid, Germany, participated in a project to replant trees in an area that has been severely affected by the spruce bark beetle.

The initiative was led by a local charity organization called Wäller Helfen. Donations are used to buy locally planted tree seedlings from nearby foresters, with the donating companies and foresters planting the trees. Through donations from our local business unit, a 500-pine tree forest has now been planted by our personnel and their families.

500 pine trees have now been planted by our personnel and their families





GOVERNANCE



FOCUS AREAS

ANTI-CORRUPTION

SUPPLY CHAIN MANAGEMENT

MANAGEMENT SYSTEMS

Owners' directives and policy documents form the foundation of the Group's governance and compliance strategies. They also govern its decentralized organization. In line with this, Bruks Siwertell's sustainability work is conducted at the local divisional level, but is held and coordinated through our global sustainability councils, which collaborate with other specialized councils.



ANTI-CORRUPTION

Zero tolerance

Bruks Siwertell is a global group with interactions between customers, suppliers and business partners around the world. Within the different divisions, representatives or dealers are used to reach out to different markets. Due to its global representation, the Group sometimes operates in countries with an increased risk of corruption. The Group adheres to the principles of the UN Global Compact. The principles are found in the Group's policies and agreements, and are integrated into working methods and processes to create a good business culture and business responsibility, which is a key to the Group's long-term success.

Bruks Siwertell has zero tolerance towards corruption. The work is based on international and local regulations in countries where operations occur, and is supplemented with the Group's

Code of Conduct and anti-corruption policies as a means of preventing any violations. The anti-corruption policy is available to all personnel on the company's intranet and must be signed by each person. The policy serves primarily as educational material for situations where bribery tends to occur and includes methods to avoid corruption. The anti-corruption policy provides compliance requirements to prevent improper payments and to ensure accurate reporting of permitted payments under all applicable anti-bribery laws.

Group policies permeate daily work and apply to all personnel within the Group as well as agents with whom Bruks Siwertell cooperates. To further increase the importance of this work, Group-wide anti-corruption training is being conducted. In 2022, 100% of managers and 94% of all personnel completed this training.



SUPPLY CHAIN MANAGEMENT

Human rights throughout

Whistleblowing

The whistleblowing function is an important part of Bruks Siwertell's work against corruption and part of our risk prevention work. The whistleblowing system creates a channel for reporting suspected internal violations of our governing documents and frameworks, suspicions of

irregularities, corruption or harassment. The whistleblowing system is provided by a third-party, which enables an anonymous reporting channel for information that is otherwise not captured by normal procedures. In 2022, no cases that qualified under the whistleblowing guidelines were recorded.



The Group works continuously to detect, prevent and limit negative impacts on human rights, and is committed to complying with the UN's Guiding Principles on Business and Human Rights. Respecting and supporting human rights is also found in the Group's Code of Conduct for suppliers and Code of Conduct for agents and partners; documents are available to all personnel via the company's intranet and distributed for external agents and partners to sign.

Due to the Group's global representation, Bruks Siwertell may operate in countries with an increased risk of human rights violations. Through risk analyses, the Group's units have mapped risks, their probability and consequence at the various stages of the business' value chain, from the extraction of raw materials, to transport, manufacturing and assembly. For example, there could be the risk of child labor, forced labor, poor working conditions, restrictions on freedom of association and discrimination.

Long-term relationships with suppliers, regular visits and a local presence are considered to be the key to ensuring efficient, compliant purchasing processes where quality and sustainability are in focus. Operational decisions regarding purchasing take place locally at the units, where local knowledge can be enlisted. Local offices have been established in places where important suppliers are located. This enables the ongoing insight into suppliers' operations as well.

Representatives from all units gather every month to exchange experiences within our Purchasing Council. In 2022, the Purchasing Council developed a new Code of Conduct for suppliers. This supplier Code of Conduct will support the work with sustainable supply chains and in 2023 will include the evaluation and follow-up of compliance with the Code of Conduct.





MANAGEMENT SYSTEMS

Improved processes and clear steps

By controlling operations based on the structure of management systems, systematic and continuous improvement work is created within all of the Group's office units. The management systems consist of the Group's vision, the values of the business, policies and goals, processes and established routines and methods of follow-up.

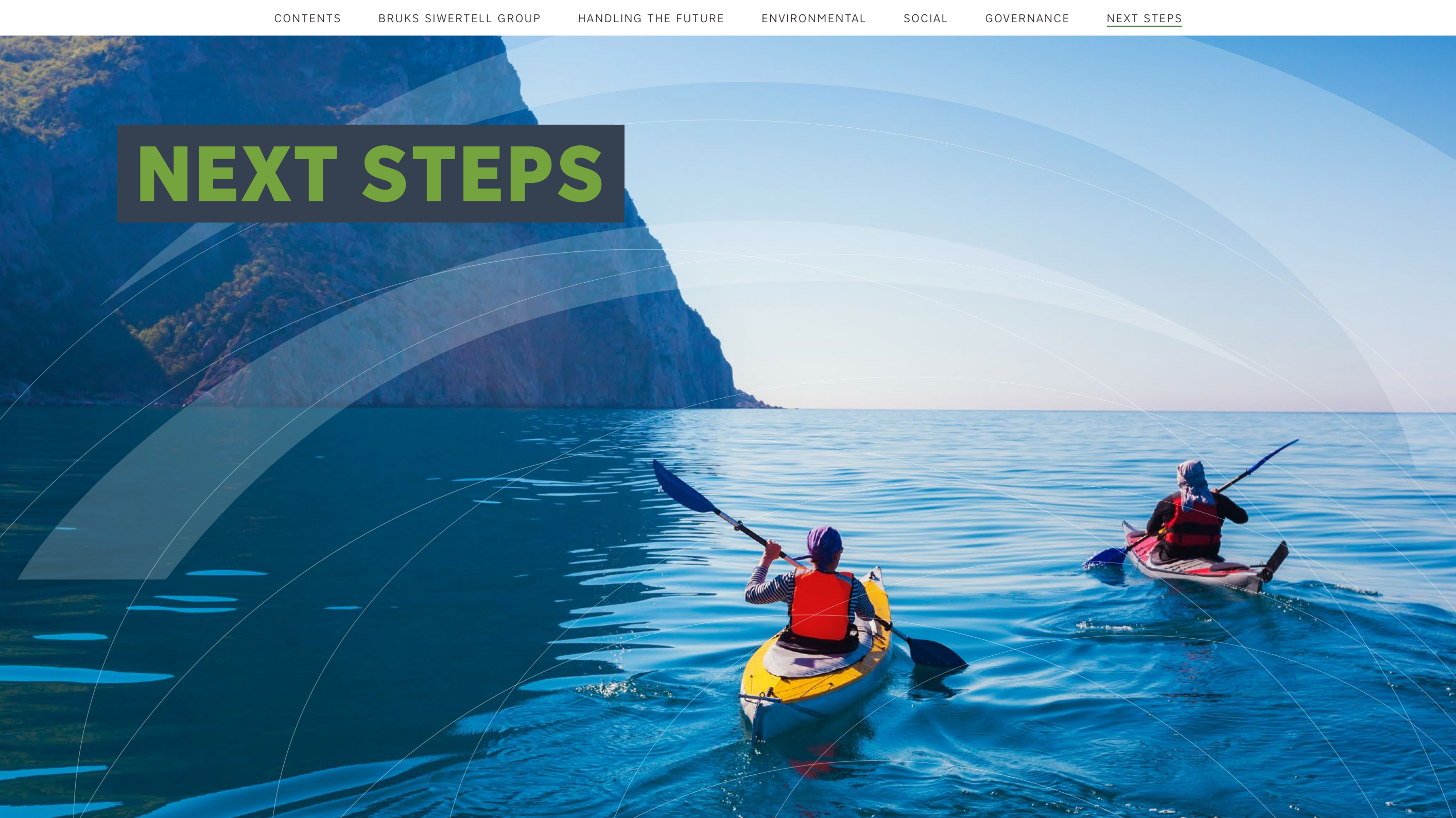
Systematic improvement work is based on activities such as risk analysis, internal control functions and management of non-compliances and follow-up of incidents. Examples of tools for this are incident follow-up systems, whistle-blowing functions, and internal and external audits. External follow-up, including contract follow-up and the follow-up of requirements in the supplier Code of Conduct, will continue to be developed and strengthened.

Group management aims to integrate sustainability into all meetings and into all decisions, and further anchor this in local office units.

2023 priority governance action



NEXT STEPS



OUR CONTINUING SUSTAINABILITY JOURNEY IN 2023

Over the coming years, our sustainability journey is full of exciting and focused work. By identifying and outlining actionable targets for each of our focus areas, they become a tangible resource with clear and measurable results. This year will see the implementation of our new sustainability strategy continue and includes a committed approach within three main categories: environmental, social and governance.

“Over the coming years, our sustainability journey is full of exciting and focused work

Anna Halling, Director Digital Transformation and Sustainability, Bruks Siwertell Group



ENVIRONMENTAL

Reduce waste

Reduce the amount of waste, manage waste correctly and seek circular solutions. Look for contractors that offer the ability to measure, follow-up and develop waste management.

Map the entire business and prioritize accordingly

Carry out climate calculations of all divisions throughout the Group to be able to direct measures towards the areas that are most significant.

Develop products from a lifecycle perspective

Create awareness of a product's entire life-cycle, from design to delivery, so that it can be optimized based on material selection, repairability and recyclability. Reduced material consumptions deliver many advantages such as reduced mining of new raw materials and faster and easier assembly and disassembly.



SOCIAL

Continue to prioritize health and safety

Updating safety instructions and a continued investment in health and safety training for personnel will reduce risks and promote healthy work practices among personnel, customers and suppliers.

Communicate best practices

Going forward, a key strategy is to be transparent with personnel, partners, customers and other stakeholders, about the progress that is being made and what challenges arise both internally and externally. Information initiatives and the exchange of experiences will enable the successful generation of examples and measures within the Group to be disseminated so that other units become aware of them.



GOVERNANCE

Follow-up on Code of Conduct compliance

Within the sustainable supply chains framework, the new Code of Conduct for suppliers will be implemented and its compliance followed up and evaluated.

Certify management systems

The Group will work towards certifying management systems, wherever possible and logical, within all business units, developing processes and working methods to achieve progress and improvements.

Innovation is the solution

Business models that include rental or reuse concepts will be evaluated and, if possible, developed. The aim is to meet challenges with material shortages, supply issues, and resource consumption that exceeds the planet's limits.

Clear signal from the top

Group management aims to integrate sustainability into all meetings and into all decisions, and further anchor this in local office units.

Photos: Bruks Siwertell Group, Shutterstock

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Auditors: Deloitte AB

This Sustainability Report relates to the financial year 2022. The report covers the parent company Bruks Siwertell Group AB, and all its legal entities which are being consolidated in the financial statement of Bruks Siwertell Group AB for the same period.

bruks-siwertell.com

