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## ENVIRONMENTAL AND CLIMATE POLICY

Höganäs aims to be the number one sustainable metal powder supplier in the world and our products and solutions should be the preferred choice of customers. Our products must be produced in a responsible way, taking environmental and health impact, carbon footprint, resource efficiency and ethical aspects into account, contributing to our customers' transition and providing sustainable solutions to society.

We have validated science-based climate targets<sup>1</sup> to reach net-zero emissions<sup>2</sup> in the value chain (scope 1, 2 and 3, cradle to gate). Our own production facilities are characterised by high energy efficiency and powered by fossil-free energy. We aim to reach net-zero emissions in our own operations by no later than 2030 (scope 1 and 2) and to become net-zero in the value chain (scope 1, 2 and 3 upstream) by 2037. To reduce our own and society's need for virgin material, we must find ways to use and repurpose our side streams (e.g. slag and filter dust), instead of disposing of them as landfill.

We drive change in reducing environmental impact and improving climate adaptation upstream in the value chain by cooperating with suppliers and ensuring that our raw materials are manufactured and transported responsibly, with a lower environmental and climate footprint.

We work systematically according to certified environmental and energy management systems and adhere to statutory requirements wherever we operate, as a minimum. We apply the precautionary principle and work with continuous improvements to go beyond our legal obligations and to have a positive impact whenever possible. To proactively prevent negative environmental and climate impacts, we regularly evaluate our risks and our environmental impact in terms of energy use, waste management, manufacturing methods and equipment, as well as water and air treatment facilities.

Developing and manufacturing our products based on principles of increased resource productivity, circularity and climate adaptation, as well as reduced risk to the environment and people's well-being, is reflected in all the decisions we make regarding the choice of raw materials and the use of chemicals.

We facilitate environmental and climate adaptation downstream in the value chain by providing products and services that enable increased resource efficiency and reduced energy use in our customers' manufacturing processes, and that extend the life of our customers' and their customers' products wherever they are used.

Our organisation consists of competent employees and decision-makers who work according to effective procedures and methods, and who make decisions in line with our values, principles and goals.

<sup>1</sup> <https://sciencebasedtargets.org/companies-taking-action/>

<sup>2</sup> 'Net-zero emissions' requires balance between greenhouse gas emissions produced and greenhouse gas emissions taken out of the atmosphere.