



**Sustainability
strategy Elsystem i
Perstorp AB
2024**



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About Elsystem

Everything started 2005 in Perstorp. The company have been building up a strong knowledge base and gathered experience of what is required to be able to deliver the right kind of equipment for the industry. We develop systems that create security for our customers. System solutions that are dependable and cost-effective.

Addtech AB acquired the company in 2020 and since then the journey has developed fast. Since the acquisition, the company has almost doubled its sales, several new people have been hired and new goals have been set.

Among other things, we have started our sustainability work where we want to create sustainable business, a sustainable supply chain and a sustainable organization. Our journey within Addtech has only just started and together with all Addtech companies we will deliver sustainable technology solutions to our customers.

Now we start living the future!

We are facing a time of decisive change, not only in our industry but in all industries. For us to be part of the future, we must dare to change our way of thinking. We all must realize that Sustainability is not an ambition, it's our common direction to shape the world that we and our descendants wants to live in.

Through our vision "Leading technology solutions for a sustainable tomorrow", we create opportunities to jointly change our way of thinking for a better world. We tackle our global sustainability challenges and drive our mission forward "We shall be a leader in value-creating technology solutions for a sustainable tomorrow." With this, we create a competent, long-term, and sustainable cooperation partner of both customers, suppliers and employees."

Mikael Svensson
VD, Elsystem AB



Environmental analysis

Circular in Europe

Europe aims to become the world's most sustainable region and is now at the beginning of the transformation towards a more sustainable and circular economy.

One of the main tools for creating more sustainable growth and more sustainable jobs is the new "Circular Economy Action Plan", which is designed with the specific aim of reducing the use of natural resources.

The new action plan announces initiatives along the products entire life cycle. It focuses on how products are designed, promotes circular economy processes, encourages sustainable consumption and aims to ensure that waste is prevented and that the resources used remain in the EU economy for as long as possible.

Traceability & transparency

Trends that require increased transparency and traceability across value chains are increasing from customers and partners. The new CSRD directive from the EU is a clear example of more laws and regulations starting to take shape on a global level.

Sustainability data will become a greater focus where goals and follow-ups will generate the policy changes that are being developed. What we will gain from this is an opportunity to explore, value and enable greater positive impact on value chains.

Climate changes

Biodiversity is decreasing globally at an unsustainable rate and is having a negative impact on our planet.

The risks associated with this are high and the importance of actively working with an increase has embraced on a global level. At one of the UN conferences at the end of 2022, a global framework for biological diversity was adopted, which is considered an especially important milestone in the work ahead.

Challenges:

- Stricter environmental requirements and sustainability regulations that place demands on investments, transport and climate development to apply and adapt our operations so that we can meet and grow together with the requirements.

Possibilities:

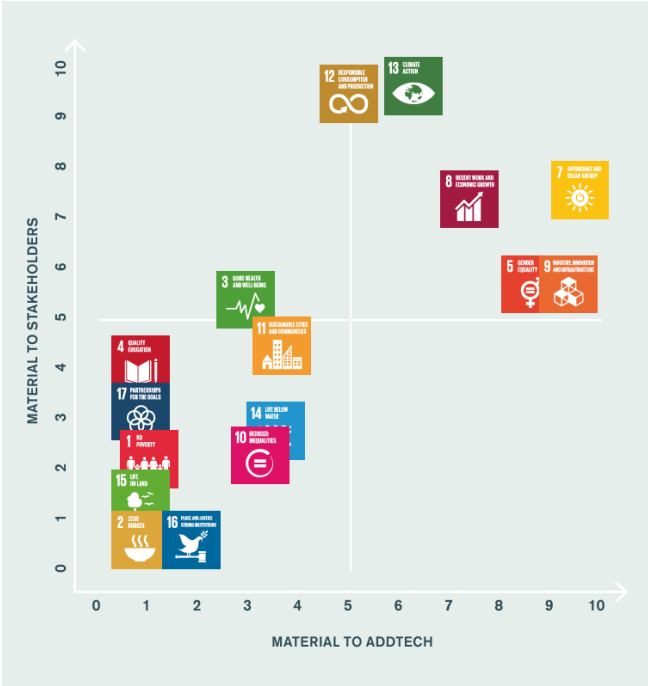
- Contribute and work for customers and suppliers' sustainability transition and together develop more sustainable business and supply chains.
- Developed towards the circular economy where we focus on recycling and phase out the linear economy.
- Contribute to the extensive work to reduce carbon dioxide emissions.

Through our focus on these areas, we strive to meet and develop the industry's challenges and thereby be a dependable partner for sustainable and climate-smart solutions. This supports our vision of obtaining leading technology solutions for a sustainable tomorrow.

Stakeholder analysis

Essential to stakeholders

In connection with materiality analysis, a stakeholder dialogue is conducted with prioritized stakeholder groups. The UN's global goals, the global framework for sustainable development, used as a starting point for the dialogue. The dialogue consists of interviews and surveys where the stakeholder groups can answer questions about which sustainability issues are important to them and what expectations they have for Elsystems and Addtech's continued sustainability strategy. The result is reported in the Y-axis of the materiality matrix: Material for Stakeholders.



Our stakeholder groups define sustainability as an important part of future development and see significant importance in the use of products with a high degree of recycling. One of the conclusions in our latest stakeholder analysis shows a clear awareness of the importance of reducing the carbon footprint in product and supplier chains.

Essential for Addtech & Elsystem

The board and the management team of Addtech AB may, in a survey, prioritize the global goals according to which goals may represent risks but also business opportunities for the group. The answers are presented later during a workshop with the management team where the relationship between Addtech's ambitions and the stakeholders' expectations is also discussed. The result is reported in the X-axis of the materiality matrix: Material for Addtech and Elsystem.

STAKEHOLDER GROUP	DIALOGUE METHOD	IMPORTANT ISSUES FOR THEM	PRIORITISED UN SUSTAINABLE DEVELOPMENT GOALS
Shareholders	In-depth interviews with a selection of our largest shareholders and analysts that follow the Addtech share, capital market day, Annual General Meeting, Annual Report, Interim Reports and website.	Earnings trend, human rights, anti-corruption, climate impact, sustainable business models and gender equality.	5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 13 CLIMATE ACTION
Employees	In-depth interviews with focus groups from every business area, sustainability surveys for selected employees, development interviews, courses and the intranet.	Gender equality, working conditions, skills development, responsible suppliers, sustainable business opportunities and climate impact.	5 GENDER EQUALITY, 7 AFFORDABLE AND CLEAN ENERGY, 8 DECENT WORK AND ECONOMIC GROWTH, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION
Customers	In-depth interviews with a selection of our largest customers, the companies' own channels and meetings and the website.	Innovation, human rights, responsible resource consumption, anti-corruption, working conditions and climate impact.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION
Suppliers	In-depth interviews with a selection of our most important suppliers, the subsidiaries' own channels and meetings, supplier evaluations and visits.	Business ethics, customer satisfaction, collaboration and the climate impact.	7 AFFORDABLE AND CLEAN ENERGY, 8 DECENT WORK AND ECONOMIC GROWTH, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 11 SUSTAINABLE CITIES AND COMMUNITIES

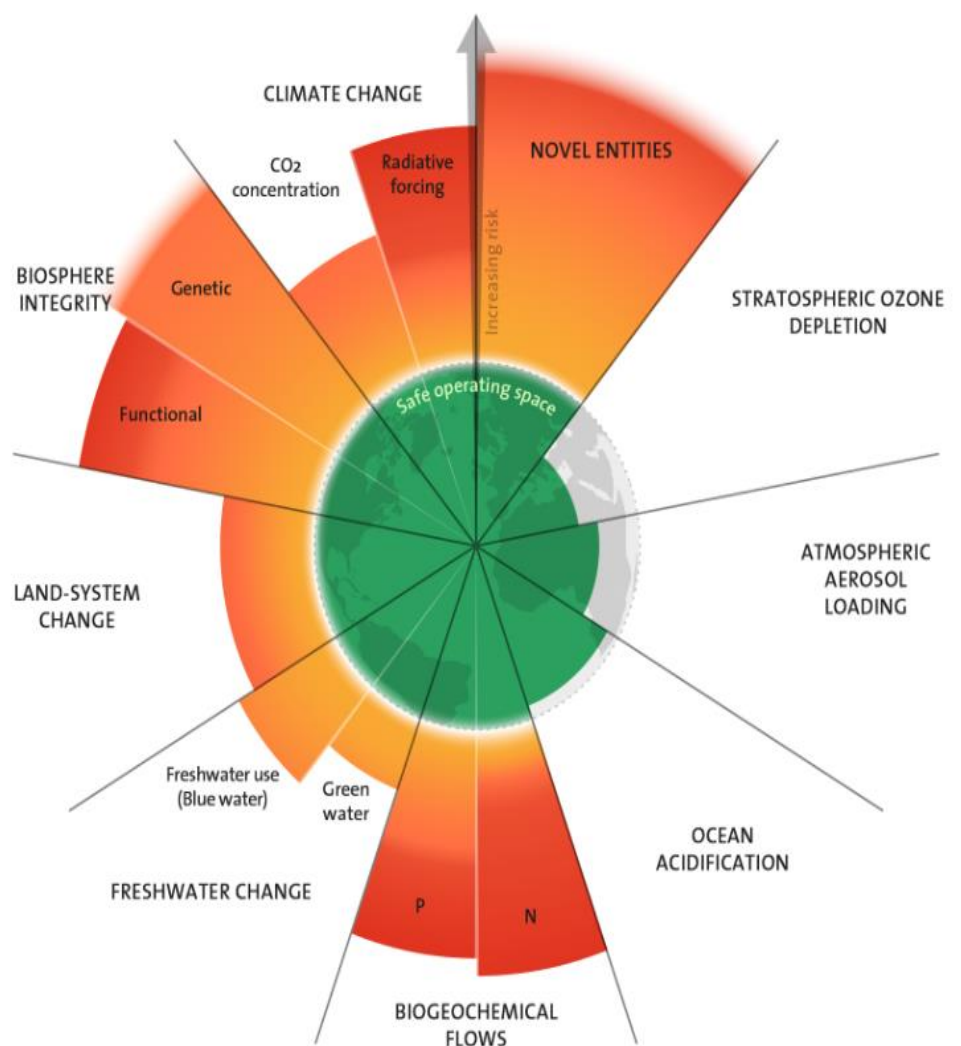
Elsystems Impact analysis

In our impact analysis, we have analyzed our influence towards planetary boundaries and the global sustainability goals, this has given us a clear insight into our commitment and how we can be effective.

This impact analysis is an important part of our strategic approach. We see it as a guide to better understand the challenges and opportunities we face and how we can maximize our positive impact on the world around us.

Planetary boundaries

The Planetary Boundaries are nine critical areas for the stability of the planet that include climate change, biodiversity, water use, air quality and other factors that define a safe environment for all life on Earth.



FN:s Global goals

On September 25, 2015, the UN member states adopted Agenda 2030, a universal agenda for sustainable development that contains seventeen global goals to be achieved by the year 2030. The global goals, in turn, have 169 sub-goals and roughly 230 global indicators for how the work should be implemented and monitored up.

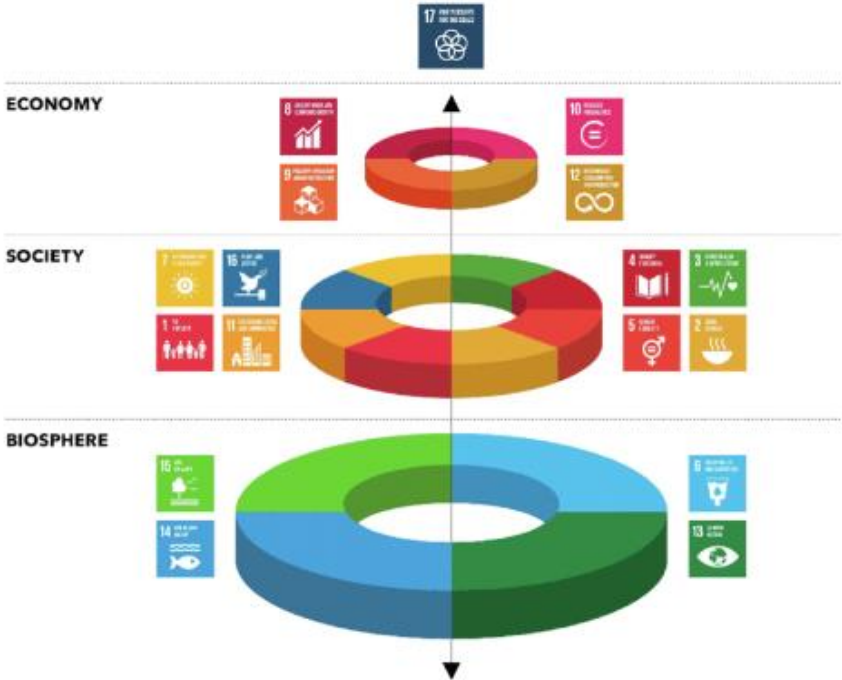
The Global Goals and Agenda 2030 are the most ambitious agreement for sustainable development that world leaders have ever adopted. The concept of sustainable development integrates the three dimensions of sustainability: social, economic and environmental.

We are the first generation that can eradicate poverty, and the last that can fight climate change – and the Global Goals are our common plan for how we create a better and more sustainable world for everyone!

We have identified that our activities have the largest impact on the planetary boundaries of climate change and biodiversity. By focusing on managing our impact on these, we can direct our efforts to contribute positively to several of the UN's global sustainability goals. Our actions to minimize these negative impacts on the environment have a direct positive impact on several of the following global goals.



THE GLOBAL GOALS For Sustainable Development





Good health and well-being

By striving for an elevated level of healthy attendance and minimizing work-related injuries, we aim to promote the health and well-being of our employees. Together with all employees, we have created a vision board that we actively take a position according to. For this, we have a work environment group that actively works with development points within our company, where we also opened a suggestion box for development and ideas. With our code of conduct, we want to promote development and increase well-being in order to embrace our growth potential. Our company is connected to occupational health care to promote the health and well-being of the staff.



Life on land

We have the opportunity to work with sustainable material choices and actively collect scrap material for sorting and recycling in order to reduce our impact on ecosystems and thereby actively contribute to the preservation of biological diversity.



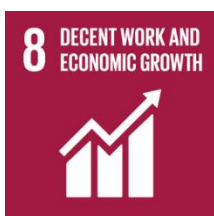
Gender equity

Living a life free from violence and discrimination is a basic human right and crucial for people and societies to develop their full potential. By working for equality between women and men, we increase the prerequisites for sustainable development. Through an equal and climate-smart operation, we want to create an attractive and sustainable organization which is a prerequisite for sustainable and peaceful development.



Affordable and clean energy

This goal is of significant importance because it indirectly affects everyone's success in meeting the goals to reduce climate change. We will prioritize the use of renewable energy sources to the greatest extent possible while working to lower our total energy consumption in relation to the development of the business.



Decent work and economic growth

The basis for cooperation with suppliers is our code of conduct. Through dialogue and systematic follow-up, we work to ensure that the requirements of our code are met in areas such as: human rights, working conditions, equal treatment, anti-corruption and the environment. We strive to be a respected employer and constantly improve health and safety in the workplace. We must ensure a safe and good working environment from a physical, mental and social point of view, and strive to be an attractive employer with regard to the employees' personal development. Necessary safety conditions must be provided, including appropriate equipment, training and information.



Industry, innovation and infrastructure

We work daily in diverse ways to help customers find the best and most sustainable technology solutions. This applies both to improving the customers' business and to contributing to various societal benefits, such as more energy-efficient and climate-smart transport and processes, technology solutions for electrification, production of renewable sources, cleaner emissions and safer workplaces.



Responsible consumptions and production

We work actively to significantly reduce the amount of waste through measures to prevent, reduce, reuse and recycle waste. When we do work at a customer's place, we collect our cable waste in a designated bag that goes for recycling. At the facility in Perstorp, we sort our waste. Plastic, corrugated cardboard, cable, electrical materials, fluorescent tubes and food waste are sorted into different bins. We have standardized the construction of our electrical cabinets so that cables can be cut to the right lengths so that waste is minimized. Elsystem takes responsibility for installed machines and facilities and offers service and maintenance support to our customers to ensure that they function over an extended period of time.




Climate action

We have designed goals to reduce our own carbon dioxide emissions through several measures. Our biggest impact comes from the transport of goods (scope 3) and therefore focuses on streamlining and switching to more carbon-efficient transport. To achieve our goal, cooperation with suppliers and customers is of the utmost importance. We also drive vehicle upgrades, energy efficiency and conversion to renewable energy sources to reduce emissions from our own production and operations (scope 1 & 2). We work with the traceability of conflict minerals and strive in our code of conduct for suppliers to ensure the use of virgin materials.



Quality education

Obtain training that is relevant and developmental for the staff from a safety and development perspective. Our culture is based on the basic idea that if our employees grow, so does the business. In the end, it is our employees who make the difference. We offer individual development opportunities in an organization that stands for diversity and equality. Employees can, through conversation with their manager, request and receive further training in their professional role and receive training to develop in another role at the company. New employees receive a mentor to ensure that the introduction works as well as possible and to increase skills development.



Our sustainability vision

”Leading technology solutions for a sustainable tomorrow”

Our vision extends beyond the traditional. We strive to be a pioneer in sustainability and to design an industry where responsibility and innovation go hand in hand. By being a leader in our sustainability work, we see opportunities to shape and influence the entire automation sector towards a more environmentally friendly and socially responsible future. Our endeavor is not only to improve our own operations, but also to inspire and support our partners, customers and suppliers in their journey towards sustainability. Through our sustainability work, we want to be a driving force for change in the industry.

Our sustainability mission

” We must be a leader in value-creating technology solutions for a sustainable tomorrow. With this, we create competent, long-term and sustainable partners of both costumers, suppliers and employees”

Our mission is to be the catalyst that drives change towards sustainable technology solutions. By offering innovative solutions and sustainable services, we aim to be the decisive partner in transforming the technology sector into a more sustainable and responsible industry. We believe that the impact of our business extends beyond just our own actions; we want to enable and support our partners, customers and the entire technology ecosystem to jointly create a better and more sustainable future for generations to come.

Elsystem Focus areas



100%
of sales contribute to
sustainable development

Sustainable business

The requirements and demand for energy-smart and sustainable technology solutions are growing in line with environmental factors such as energy prices, energy shortages and increasing demands for sustainable production. By offering technology solutions that contribute to our customers' transition and development, we want to create sustainable business. This applies both to improving the customers' business and to contributing to various social benefits; for example, more energy-efficient transport and processes, production of renewable energy, cleaner emissions and safer workplaces. We act in different areas of technology and have great opportunities to be a catalyst for the transition to a more sustainable society and industry. This includes, for example, leading technology solutions for electrification, automation, Industry 4.0, infrastructure, solutions to reduce emissions and medical technology.



40%
women in leading positions
50%
reduced CO₂ intensity

Sustainable organisation

Through an equal and climate-smart operation, we want to create an attractive and sustainable organization. The requirements and demand for sustainable technology solutions are continuously growing, this creates business opportunities for Elsystem as well as value for our customers, suppliers and society. Our company works for long-term relationships with suppliers, which develop over time. We support our suppliers to develop in terms of sustainability and for them to live up to the requirements of our code of conduct for suppliers.

We work daily in diverse ways to help customers find the best and most sustainable technology solutions. This applies both to improving the customers' business and to contributing to various societal benefits, such as more energy-efficient and climate-smart transport and processes, technology solutions for electrification, production of renewable sources, cleaner emissions and safer workplaces.

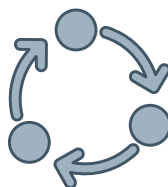


80%
of the purchase volume
assessed based on our
Code of Conduct

Sustainable supply chain

Through structured supplier follow-ups, we want to promote good working conditions and responsible production for a sustainable supply chain. Our supplier relationships are long-term and characterized by dialogues about products and solutions. This is a collaboration that eventually benefits both the quality of our work and our customer satisfaction. At the same time as it gives us an opportunity to be at the forefront in terms of technical solutions. These already established contacts with our suppliers give us good conditions for a structured supplier follow-up where we want to promote good working conditions and responsible production for sustainable development. Ensuring a sustainable supply chain is important to deliver value to our customers as well as to contribute to sustainable development.

Internationalization creates opportunities, while at the same time the importance of taking responsibility throughout the supply chain increases. It is becoming increasingly important to ensure good business ethics, zero tolerance for corruption and that human rights are respected throughout the supply chain.



Sustainable recycling

By examining our supply chain together with the environmental analysis and the impact on the planetary boundaries, we see the importance of creating a circular society. We work actively to significantly reduce the amount of waste through measures to prevent, reduce, reuse and recycle waste. During projects, we collect our cable waste in the intended sack, which goes to recycling and sorting in a facility that is one of Sweden's few facilities that require a permit. At the facility in Perstorp, we sort our waste carefully and it consists of, among other things, plastic, corrugated cardboard, cable, electrical materials, fluorescent tubes and food waste, which are all sorted into different containers.





We have standardized the construction of our electrical cabinets by pre-cutting cables to the right lengths so that waste is minimized. Elsystem takes responsibility for installed machines and facilities and offers service and maintenance support to our customers for them to function over an extended period.






Elsystem goals























To clearly direct our efforts towards a sustainable future, we have formulated concrete sustainability goals, divided our essential focus areas: Sustainable business, Sustainable organisation and Sustainable supply chain.

We have carefully adapted these goals to the UN's global sustainability goals (SDGs) to make our impact measurable and meaningful. Through an active action plan, we strive not only to achieve these goals, but also to revise and renew them annually, which is an integral part of our commitment to continuous improvement and a constant quest to increase our positive impact.

Below we present our goals and their connection to the global goals for sustainable development.

Sustainable business		
Goals	Completed	FN:s SDG
100% of turnover must contribute to sustainable development	2030	  
Recurring customer satisfaction measurement	2026	

Sustainable supplier chain		
Goals	Completed	FN:s SDG
Self-assessed 80% of purchase volume based on reporting in Kodiak	2030	 
Work for our suppliers to sign our Code of Conduct	Annually	  

Sustainable organisation		
Goals	Completed	FN:s SDG
Reduce our carbon dioxide emissions by 50% in scope 1 and 2	2030	 
Reduce our carbon dioxide emissions by 50% in Scope 3	2030	 
Follow up and work according to our Code of Conduct	Annually	  
Increase the recycling of cable residues/waste	Annually	  
Leading positions must consist of 40% women	2030	
Support at least one high school that trains automation electricians	Annually	
Offer internships for future electricians	Annually	
Offer LIA places for aspiring automation engineers	Annually	
Raise our health presence	2026	 
Work towards our values	Annually	 
Obtain training that is relevant and developmental for the staff for a safety and development perspective	Annually	  
Leadership training for all personnel in a leadership position	2025	



The future

Elsystem is now facing a developing journey towards fulfilling our vision and reaching our goals, and with this Sustainability Strategy our journey has now started.

Working with the strategy has given us a base which we can continue building our work on.

As an individual company, it is challenging to see the effects of the work, but together with our owner, our customers, our suppliers and above all our employees, we can make a significant difference that will benefit us already today and make a significant difference in the future.

Whistleblower funktion

Elsystem and our owner Addtech strive to maintain a transparent business climate and high business ethics. We value everyone's safety and respect everyone affected by our operations.

We therefore offer a whistleblower service that can be used by anyone to draw attention to if something is not managed in line with our values and code of conduct. To guarantee anonymity for the person who blows the whistle, we use an external partner, Whistle B.

Follow the link below to access our external whistleblower function. There is more information in several languages:

<https://report.whistleb.com/sv/addtech>

Questions regarding the sustainability strategy?

If you have any questions about our Sustainability work, please contact us:

By email at sandra.eriksson@elsystem.se / info@elsystem.se

or by Phone: +46 (0) 435-443470