

SUSTAINABILITY REPORT 2024

TERRA TECH



SVAB



STEELWRIST

SJØRRING 

TERRATECH SUSTAINABILITY REPORT 2024

TABLE OF CONTENTS

1. INTRODUCTION

1.1. Earthmoving efficiency for a better world	4
1.2. Sustainability – A Continuous Mindset.....	5
1.3. A short introduction to Terratech	6
1.4. Business model and value chain	8
1.5. Sustainability at Terratech.....	10

2. OUR ESG STRATEGY

2.1. Double Materiality Assessment	12
2.2. Framework used to clarify and reach our goals	13
2.3. Contribution to Science Based Targets initiative, SBTi.....	13
2.4. Contribution to Sustainable Development Goals, SDG	14

3. PROGRESS 2024 AND GOALS FORWARD

3.1. ESG Focus Areas	15
3.2. Focus area 1: Net zero emissions	16
3.3. Focus area 2: Zero Accidents	22
3.4. Focus area 3: Terratech as a Responsible Business.....	25

4. APPENDIX

4.1 Terratech ESG data summary 2024.....	33
4.2. Indicator definition.....	34



INTRODUCTION

Terratech Group AB continues to strengthen its position as a global leader in enhancing excavator efficiency and sustainability. Our core contribution to environmental progress lies in equipping excavators with advanced tiltrotators, fully automatic quick couplers, control systems, and optimized attachments—solutions that dramatically increase productivity while reducing fuel consumption, machine wear, and site congestion.

While market conditions remained relatively weak throughout 2024, we continued to expand and develop our global organization with long-term commitment. At Steelwrist, we launched the third-generation tiltrotators—the XTR-series—marking the company's largest product introduction to date. These next-generation systems are designed to take excavator efficiency even further and lay the foundation for future advancements in productivity and sustainability.

Sjørring made a notable step forward by presenting a fossil-free bucket at a major mining exhibition, showcasing how innovative materials and responsible design can align even heavy-duty applications with sustainability goals.

At SVAB, the transition to the new Åsbro facility was completed in early 2024, following a successful ramp-up of the new production line. Alongside this, significant efforts were dedicated to advancing future control systems, including the introduction of the A9 joystick, the successor to the world-leading L8, further solidifying our leadership in human-machine interfaces.

Across all three companies, we carried out a double materiality analysis in line with upcoming European sustainability reporting regulations, reinforcing our commitment to transparency and long-term ESG compliance.

Throughout 2024, our restructured ESG organization remained a driving force. With dedicated leadership and ambassador teams in each company, we have continued to embed sustainability in every aspect of our business—from product design and supplier collaboration to employee engagement and governance.

Steelwrist was once again named a Best Managed Company by Deloitte for the fifth consecutive year, reaching Gold Level status—a reflection of consistent operational excellence, strong values, and resilience in a changing world.

We also made further progress in cybersecurity and data ethics, completing a second NIST review and rolling out employee training to strengthen our protection against cyber threats. Internally, our culture of innovation and continuous improvement has remained a strong focus, with more than 90 projects completed at Steelwrist and 56 at SVAB through our operational development programs. Meanwhile, Sjørring is actively incorporating similar methods.

Our product ecosystem—supported by initiatives like the Open-S standard—continues to improve work tool compatibility and machine versatility, directly contributing to reduced resource use and increased productivity. In parallel, sustainability initiatives like wellness programs, cooperation with Samhall, and efforts to improve diversity, age balance, and work environment reflect our broader view of what it means to run a responsible business.

This fourth sustainability report outlines our ongoing journey to integrate environmental, social, and governance considerations into the heart of everything we do. Terratech remains fully committed to building a safer, more efficient, and more sustainable future—together with our customers, partners, and employees.





1.1. Earthmoving efficiency for a better world

An excavator equipped with a tiltrotator from Terratech's product portfolio—including Steelwrist, SVAB, and Sjørring manufactured products—is typically 20 to 40 percent more efficient than a traditional excavator. In some cases, like a recent study in Japan, productivity gains of over 50 percent have been measured when comparing job completion head-to-head with a conventional setup. On a global level, however, only a small share of excavators are currently equipped with tiltrotators, fully automatic quick couplers, advanced control systems, and high-performance, optimized work tools that significantly enhance excavator efficiency.

Terratech's largest environmental contribution is clear: equipping more excavators with our efficiency-boosting products. The primary benefit comes from

faster task execution, resulting in reduced overall fuel consumption. Greater machine versatility also reduces the number of machines needed on-site, cutting transport requirements. Less frequent repositioning further minimizes wear on components such as tracks, extending equipment lifespan and reducing waste.

Beyond environmental benefits, our solutions also contribute to safer worksites. Tasks can often be done with fewer people near the excavator, and innovations such as our patented Front Pin Lock and LockSense systems help ensure safer tool changes. Operator safety and comfort are also enhanced through our SVAB joysticks, widely used by major excavator manufacturers and recognized for their ergonomic, multifunctional design.

Terratech's vision remains unchanged: to lead the development, sales, and manufacturing of work tools that enhance excavator efficiency and safety—good for the environment, better for safety, and fully aligned with what our stakeholders value most.

Designing and producing equipment for construction machinery is central to our environmental impact. Terratech's development work, done in close cooperation with customers, prioritizes optimized attachments and equipment—ensuring manufacturing and supply chain efficiency, higher productivity, lower operational costs, and longer machine life.

1.2. Sustainability – A continuous mindset

Each year brings its own challenges and opportunities—and 2024 was no exception for the Terratech Group. While the global business climate remained subdued throughout much of the year, we stayed focused on long-term development, continued to grow our organization globally, and remained committed to sustainability as a fundamental mindset in everything we do.

Across the group, our operations remained stable, allowing us to push forward with important strategic initiatives. We continued to build on our ESG ambitions—aiming for net-zero emissions, zero harm in the workplace, and consistently acting as a responsible business. As part of this journey, we conducted a double materiality analysis across all three companies, laying the foundation for full compliance with the upcoming CSRD (Corporate Sustainability Reporting Directive).

I continue to believe that excavators are among the most essential machines of the modern world—whether used for climate adaptation, like burying power lines or building flood defenses, or for cleaning up after storms, floods, or earthquakes. In this context, we are in the very fortunate position that our biggest contribution to a more sustainable world is to help our customers do more with less: less fuel, fewer machines, less transportation, and improved site safety.

While we are of course working actively to reduce our own environmental footprint, the reality remains that the impact we make through our products is many times greater than the footprint of our operations. That is why we put so much effort into improving machine efficiency, control systems, and work tool versatility—and why product innovation will always be at the heart of our sustainability strategy.

One major highlight of the year was Steelwrist's launch of the third-generation tiltrotators—the most significant product release in the company's history. These products will, over time, redefine excavator efficiency. In parallel, Sjørring's fossil-free bucket, unveiled at a major mining fair, is a step forward in sustainable materials innovation. At SVAB, the long-anticipated move to Åsbro was completed, and the new A9 joystick was introduced—furthering our leadership in ergonomic, high-performance operator interfaces.

We also continued to advance the Open-S standard, which Terratech co-founded. Open-S remains a key enabler of efficiency, as it drives interoperability between manufacturers and unlocks a new level of flexibility for excavator owners. With more companies adopting Open-S, we see growing momentum toward a more open, efficient, and sustainable industry.

Looking ahead, we remain committed to building smarter, safer, and more sustainable solutions for our customers—and to doing so with integrity, innovation, and an unwavering belief in continuous improvement.

Sustainability isn't a separate initiative at Terratech—it's embedded in how we operate, how we innovate, and how we grow.



*Stefan Stockhaus,
CEO Terratech Group AB,
May 2025*

1.3. A short introduction to Terratech

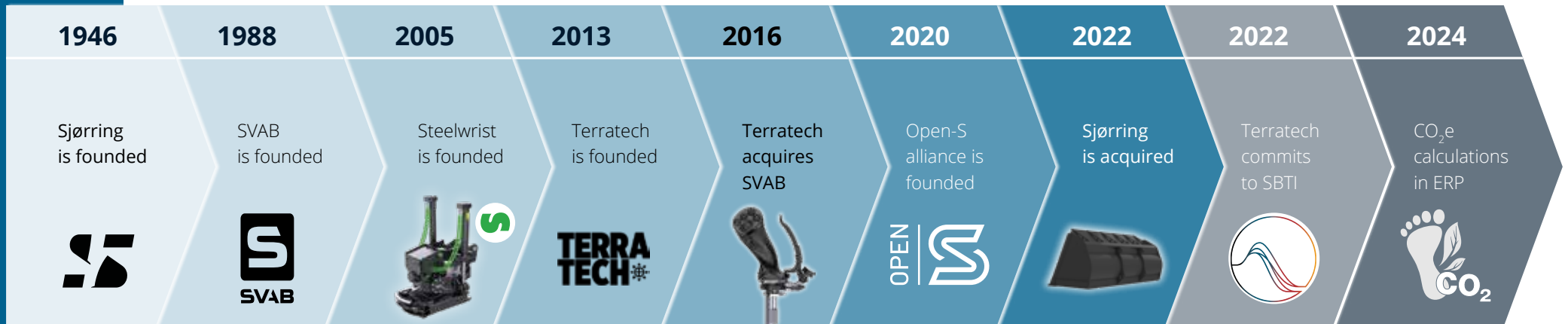
The Terratech Group is made up of three companies: SVAB Hydraulik AB (SVAB), headquartered and manufactured in Åsbro, Sweden; Steelwrist AB (Steelwrist), headquartered and produced in Rosersberg, just north of Stockholm, Sweden; and Sjørring Maskinfabrik A/S (Sjørring), based in Thisted, Denmark. Steelwrist also includes ten subsidiaries, giving the group a global footprint in more than 20 countries.

Terratech was founded in 2015 with Steelwrist as its first subsidiary. In 2016, SVAB was acquired, followed by the acquisition of Sjørring in 2022. Since its inception, Terratech's focus has grown from tiltrotators and quick couplers to a broader product portfolio that delivers a complete solution for excavators.

SVAB contributes expertise in automation and sensor technology, while Sjørring brings decades of experience in engineering and manufacturing excavator and wheel loader buckets and other robust work tools. Together, the three companies offer a complementary product range that enables end customers to fully optimize their excavators.

Within the group, SVAB has overall responsibility for Automation, Operator, and Sensory input products. Steelwrist leads the development and production of Enablers, Adaptors, and Powered Work Tools, while Sjørring provides Non-Powered Work Tools.



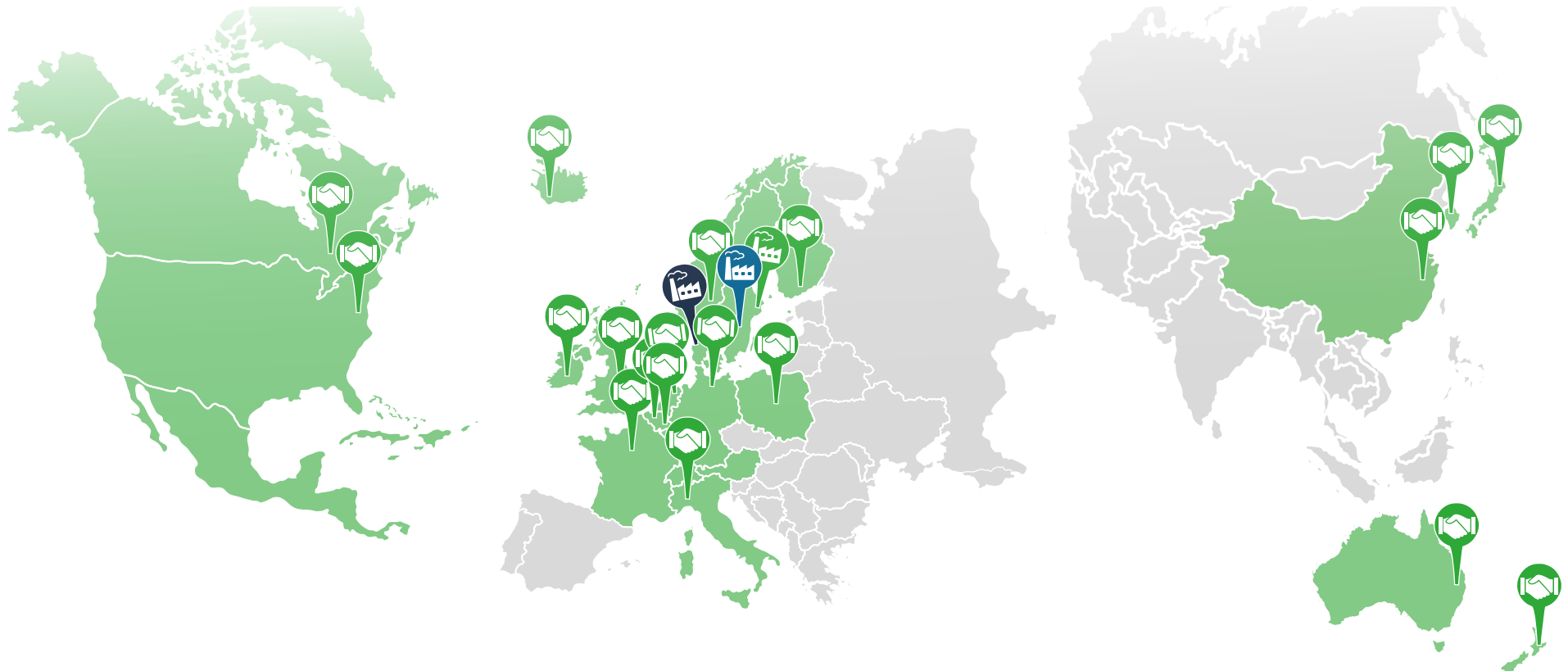


GLOBAL REPRESENTATION

Terratech has a large global presence through ten Steelwrist subsidiaries, and sales representatives in additional countries. The sales functions are spread across four continents, with Europe having the

largest representation. Additionally, the American, Asian, and Oceania markets are all experiencing rapid growth. By the end of 2024 our presence was in Sweden, Norway, Finland, Denmark, Iceland, France,

Germany, Belgium, Netherlands, Luxembourg, Italy, Poland, the United Kingdom, Ireland, the United States, Canada, Australia, New Zealand, Japan, South Korea and China.



1.4. Business model and value chain

Terratech's core business idea is to develop, manufacture, sell, and support products that enhance excavator efficiency. While much of our marketing is directed at end users—through social media, trade fairs, product demos, and traditional channels—sales are conducted either via OEDs (Original Equipment Distributors) or OEMs (Original Equipment Manufacturers).

Our single greatest contribution to a more sustainable world is our ability to significantly improve excavator efficiency. In addition, we place a strong focus on building a responsible and efficient value chain. This includes using recyclable materials, ensuring our suppliers adhere to fair and transparent business practices, verifying that they hold relevant ISO certifications, and continually optimizing transportation and logistics. We also work closely with local partners around the world to ensure fast support and service in local languages, further strengthening our customer relationships and minimizing downtime.

Our complete value chain can be described in the following nine steps:

STEP 1. REFINEMENT OF RAW MATERIAL

The materials used in our products come either from refined raw materials extracted directly from mines or from recycled materials processed through various refinement methods. We continue to work on increasing transparency in the material mix by identifying the proportion of recycled versus virgin material used in our products. Expanding the use of recycled materials remains a key priority as we further align our value chain mapping with Scope 3 of the Science Based Targets initiative (SBTi).

STEP 2. SUPPLIERS

Once raw materials have been refined, our suppliers transform them into components such as steel castings, welded structures, hydraulic parts, and electrical systems.

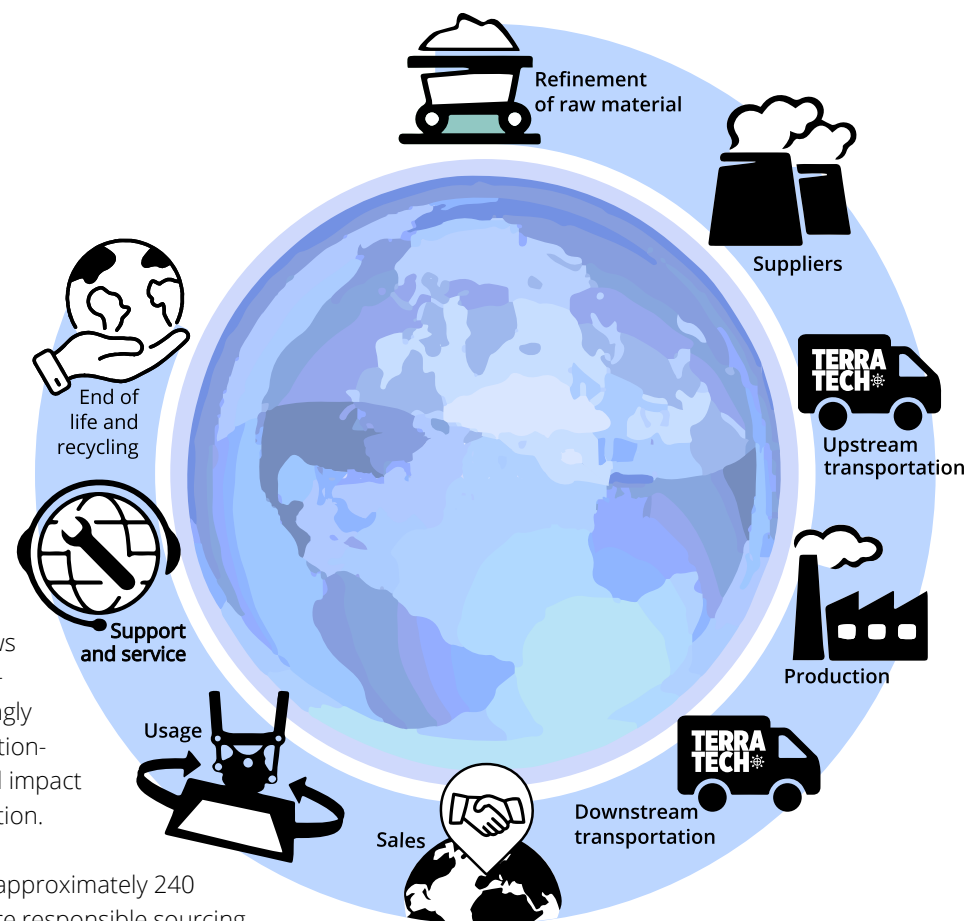
Most of our suppliers are based in Europe, with a significant concentration in Sweden. As our presence grows in North America and the Asia-Pacific region, we are increasingly establishing local supplier relationships to reduce environmental impact from long-distance transportation.

We currently collaborate with approximately 240 production suppliers. To ensure responsible sourcing, we conduct regular follow-ups to confirm that our suppliers adhere to our Code of Conduct and comply with fair and ethical business practices.

STEP 3. UPSTREAM TRANSPORTATION

Once products leave our suppliers, they are transported—mainly via truck, ship, or air freight—through our logistics partners. As previously noted, we prioritize sourcing from local suppliers to reduce transportation distances and emissions.

We are also continuously working to coordinate and consolidate shipments wherever possible to minimize environmental impact.



One important improvement in our upstream logistics is the continued optimization of transport flows from our work tool hub at Sjørring to our group companies across the globe.

STEP 4. PRODUCTION

When materials and components arrive at our three production facilities, they are processed and assembled according to each company's specialization. At SVAB, we assemble advanced electronic components. At Steelwrist, we handle machining and the assembly of electrical, mechanical, and hydraulic systems. At Sjørring, we manufacture a wide range of work tools, including buckets and other attachments.

STEP 5. DOWNSTREAM TRANSPORTATION

When products are ready for delivery, we primarily rely on our logistics partners to ship goods either directly to OEM factories, to OED excavator dealers, or to our own subsidiaries, which maintain local stock for standard products and spare parts.

To minimize environmental impact, we aim to follow a fixed freight schedule to our subsidiaries, consolidating shipments whenever possible—by truck within Europe and by container sea freight to destinations such as the United States, South Korea, Japan, and Australia. This reduces the number of urgent shipments and lowers our reliance on air freight.

STEP 6. SALES

Our products are sold either directly from our three production facilities in Sweden and Denmark or through one of our nine subsidiaries with local inventory. We supply OEMs with direct deliveries to their production sites around the world, while OEDs are primarily served via our regional sales offices and local representatives.

STEP 7. PRODUCT USAGE

Once our products reach the machine operator, they begin delivering significant gains in efficiency. Terratech solutions—especially those equipped with Steelwrist tiltrotators—enable much more effective excavator work compared to traditional setups. This not only saves valuable time for the customer but also reduces fuel consumption, benefiting both the user and the environment.

An independent study conducted in Japan from late 2023 to early 2024 confirmed a productivity increase of just over 40% when comparing an excavator equipped with Terratech products against

a conventional bucket setup. The same job required approximately 40% less fuel, and the operator could work without additional personnel near the machine, enhancing safety on site. To support users, we provide installation guidance, safety instructions, user manuals, tutorial videos, and full lifecycle support.

STEP 8. SUPPORT AND SERVICE

Our customer support operates across four levels. Level 1 involves the dealer or service partner that installed the product. Level 2 is handled by the local subsidiary's support team. Level 3 is managed by our global support function based in Sweden. Level 4 includes the R&D teams within each company for specialized technical support.

We continuously expand our support network and partnerships with local service providers to ensure that assistance is available close to the end user and in their local language. Before products reach end of life, we also offer a Full Service refurbishment, restoring the product and issuing a renewed warranty.

STEP 9. END OF LIFE AND RECYCLING

The vast majority of materials used in our products are recyclable. Since 2023, we have been using the CDX (Compliance Data Exchange) platform to map all materials included in our products—an ongoing effort that also involves training our suppliers in the system to handle complex assemblies, such as those from Steelwrist and SVAB.

We also register any applicable Substances of Very High Concern (SVHC) in the SCIP database (Substances of Concern In articles as such or in complex objects), further strengthening our compliance and transparency.



1.5. Sustainability at Terratech

As the effects of climate change become increasingly evident, excavators play a vital role in both preventative measures and disaster response. Whether it's burying overhead power lines, constructing flood protection barriers, or clearing debris after storms, floods, or earthquakes, excavators are indispensable tools in building climate resilience.

As highlighted earlier, Terratech's greatest contribution to a more sustainable world lies in the ability of our products to dramatically increase excavator efficiency. With Steelwrist tiltrotators, combined with SVAB and Sjørring components, excavators can accomplish significantly more work with less fuel and fewer machine movements. Given that global adoption of tiltrotators remains well below five percent, there is substantial untapped potential for our offering to contribute to a more efficient and sustainable construction industry.

Sustainability is therefore a core principle at Terratech—not only in how we design and develop products, but also in how we operate as a business. We adhere to ISO standards, implement policies to promote responsible and safe business practices, and continually work to reduce emissions and enhance our environmental impact.

2

OUR ESG STRATEGY

In 2022, Terratech introduced a new organizational structure to better oversee and coordinate our ESG (Environmental, Social, and Governance) efforts. This included appointing a Head of Quality and ESG at the group level and forming an Ambassador Group with representatives from each of our three companies: SVAB, Steelwrist, and Sjørring.

The ESG organization has established a structured approach to ensure that ESG activities are integrated and continuously developed throughout Terratech. This framework continues to evolve gradually, but the overall strategy set out remains unchanged during 2024, as we stay firmly on the path we have already defined.

Our primary ESG objective is to maintain and strengthen both a sustainable business model and a sustainable product portfolio. To achieve this, we have aligned stakeholder expectations with global sustainability frameworks and practices, analyzed key improvement areas, and set both short-term and long-term goals.

ESG work at Terratech is embedded in our daily operations. We gather data year-round, carry out planned initiatives, identify new opportunities for progress, and communicate our efforts transparently to internal and external stakeholders.

The materiality assessment conducted earlier remains a key tool in guiding our priorities. It

highlights the sustainability issues that matter most to our stakeholders and shapes the foundation of our ESG work.

Based on this assessment, we have defined three key sustainability focus areas:

- Achieving net-zero emissions
- Ensuring zero harm
- Operating as a responsible business

These focus areas are explored in detail in Chapter 3, outlining our strategies and initiatives.

For each area, we have reviewed past performance data, set new development targets, and aligned our ambitions with the UN Sustainable Development Goals (SDGs) and the Science Based Targets initiative (SBTi), which Terratech is committed to joining.

Through this work, we have also identified additional opportunities where Terratech can improve and deliver even greater impact going forward.



2.1. Double Materiality Assessment

During 2024 a revision of the double materiality assessment was performed within all three subsidiaries, Steelwrist, SVAB and Sjørring and summarized in a total Terratech document.

Stakeholders — including customers, employees, suppliers, shareholders, and external actors such as banks, auditors, and industry organizations— were consulted through dialogues and surveys to evaluate and rank relevant sustainability topics.

Based on Terratech's latest materiality assessment and the company's ability to influence outcomes, the following topics remain the most important, both from a financial and sustainability (double materiality) perspective.

A SAFE AND STIMULATING WORK ENVIRONMENT FOR EMPLOYEES

This continues to be a core area, especially given identified risks in Steelwrist and Sjørring (S1 – negative impact). Occupational health and safety, as well as employee engagement and competence development, are critical both ethically and strategically.

CUSTOMER SATISFACTION AND END-USER SAFETY

While not marked as material in the DMA (S4), these topics remain strategically significant. They directly affect Terratech's reputation, product responsibility, and long-term market position.

PRODUCTS AND PROCESSES FREE FROM HARMFUL SUBSTANCES

A key risk area under E2 – Pollution, which was flagged

DMA TERRATECH:

	Steelwrist	SVAB	Sjørring
E1-Climate change	X	X	X
E2-Pollution	X	X	X
E3-Water and marine resources	---	---	---
E4-Biodiversity and eco systems	---	---	---
E5-Resource use and circular economy	XX	X	X
S1-Own workforce	X	---	X
S2-Workforce in value chain	X	X	---
S3-Affected communities	---	---	---
S4-Consumers and end-users	---	---	---
G1-Business conduct	X	---	---

X Positive Impact or Opportunity X Negative Impact or Risk --- Not Material

as material (negative impact) across all business units. Regulatory pressure and customer expectations demand safe and compliant product design and chemical management.

FAIR AND EQUAL TREATMENT OF INDIVIDUALS

Closely linked to topics S1 (own workforce) and S2 (value chain workforce), particularly relevant in a global supply chain context.

RESPECT FOR HUMAN RIGHTS, BUSINESS ETHICS, AND ANTI-CORRUPTION

Marked as material for Steelwrist (G1), but these principles apply across all entities. As regulatory and stakeholder expectations grow in 2024, companies

are expected to implement robust due diligence and compliance processes.

RENEWABLE MATERIALS AND SUSTAINABLE PRODUCTION

This relates to E5 – Resource Use and Circular Economy, where both risks and opportunities were identified. Sustainable resource use and circularity are key enablers of long-term competitiveness.

CLIMATE CHANGE

Categorized under E1 – Climate Change, this is material for all entities. It includes both emissions reductions (Scopes 1–3) and climate resilience, aligned with Terratech's climate roadmap.

2.2. Framework used to clarify and reach our goals

The frameworks Terratech has chosen to use and work with are for example SBTi and GHG protocol (Green House Gas Protocol) for measuring our CO₂ impact and with this create better possibilities to lower our emissions. Terratech signed up to SBTi in 2022

and were published as one of the “Companies taking action” on the SBTi web page, in the beginning of 2023. Other frameworks that influence the defined actions and goals in the Terratech sustainability focus areas are UNGC (UN Global Compact) and the UN SDG:s.

Terratech’s recognition of the UN SDG:s has resulted in a first prioritized focus of three goals to work with, these goals are SDG 5; gender equality, SDG 8; decent work with equal, full and productive employment and SDG 12; be a responsible and sustainable business.

2.3. Contribution to Science Based Targets initiative, SBTi

Terratech believes reducing emissions is the way forward to a sustainable future and with this belief we joined the SBTi in 2022. Our committed goal is to reduce Terratech’s emissions to zero by 2040. The SBTi goal has been defined as follows: Terratech has committed to net zero emissions by 2040 with the defined target: “Terratech Group AB commits to reduce

Scope 1 and Scope 2 GHG emissions by 46% by 2030 from a 2019 base year, and to measure and reduce its Scope 3 emissions. Terratech Group AB commits to reduce Scope 1+2+3 emissions with 90% by 2037 from a 2019 base year.” This target was approved using a streamlined target validation route exclusive to small and medium-sized enterprises (SMEs) ¹. Our

ESG organization is structuring and analyzing previous and new emission data in line with the defined scopes in SBTi. However, as the SBTi goals were adopted before the acquisition of Sjørring in 2022 there might be a need to recalculate the base year to 2021 in order to secure comparable figures going forward. This change has been paused during 2024 and will be revised during 2025.



STEP 1:

In Terratech’s 2022 sustainability report we declared our set structure for calculation and reporting of SBTi Scope 1 & 2 for all of Terratech’s production facilities which accounts for the main share of Terratech’s total emissions. The climate accounting is at this time presented for 2024 emissions excluding sales offices and sale office vehicles.

STEP 2:

We are now preparing for the recalculation of the baseline year to 2021 instead of 2019 in order to include Sjørring and make sure we have comparable figures going forward. However, in this report we include data for missions 2022, 2023 and 2024 considering the most recent release of emission factors.

STEP 3:

Once implemented data for Scope 1 to 3 in the ERP sustainability module we will be able to include a climate footprint on our products at the quote stage. We believe this will give us a competitive advantage as sustainability is climbing on the agenda of our customers. Implementation of sustainability data in our ERP systems will be done sequentially among the three companies within the Terratech Group.

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

2.4. Contribution to Sustainable Development Goals, SDG

We strive to be a responsible and sustainable business regarding both consumption and production. We aim to achieve environmentally sound management

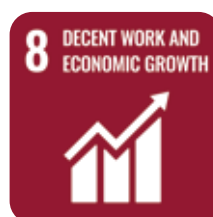
for sustainability practice including, but not limited to reducing waste, chemical, air and water pollution. Moving forward with our sustainability work we will

regularly revise where to focus our efforts in regard to the results from the materiality assessment and the SDG:s. We maintain our chosen focus areas also follow.



SDG 5 GENDER EQUALITY:

We work towards creating gender equality and end discrimination against women as well as create equal opportunities for women in leadership positions.



SDG 8 DECENT WORK:

We work towards creating decent work with equal, full, and productive employment. We also aim to promote innovative, inclusive, and sustainable economic growth as well as take actions against forced labor and instead promote safe and secure working environment.



SDG 12 RESPONSIBLE AND SUSTAINABLE BUSINESS:

We strive to be a responsible and sustainable business regarding both consumption and production. We aim to achieve environmentally sound management for sustainability practice including, but not limited to reducing waste, chemical, air and water pollution.

GOAL	SUB GOAL	ACTIONS
5	5.1	End all forms of discrimination against all women and girls everywhere
	5.5	Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life
8	8.2	Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors
	8.3	Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services
	8.5	By 2030, achieve full and productive employment and decent work for all including for young people and persons with disabilities, and equal pay for work of equal value
	8.7	Take effective measures to eradicate forced labor, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labor, including recruitment and use of child soldiers, and by 2025 end child labor in all its forms
12	8.8	Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment
	12.4	By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment
	12.5	By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
	12.6	Encourage companies, especially large & transnational companies, to adopt sustainable practices & to integrate sustainability information into their reporting cycle

3

PROGRESS 2024 AND GOALS FORWARD

Environmental impact, social responsibility, human rights and anti-corruption are all key areas related to Terratech's sustainability work towards a more circular and fair economy. Terratech can influence by investing in energy efficient machinery and equipment, by eliminating waste, pollution, and carbon emissions, by

using materials that can be recycled, by refurbishing products and by maintaining our machinery and inventory. We can also work to make sure that people are treated fairly in our value chain and that business is performed in an honest and legal way. However, in order to make best use of our resources we must focus

on areas where we see we can influence the most and on topics that will contribute to real change. We set annual targets as part of our management system and define actions in line with these. With these targets we aim to reach our overall sustainability goals as well as other goals.

3.1. ESG Focus areas

Terratech's ESG focus areas remain centered on three main objectives: achieving net-zero emissions across our operations, ensuring that our products cause zero accidents—both on worksites and within our facilities—and operating as a responsible business towards our customers, employees, and the broader society. These focus areas are described in detail in the following chapters.

WE WANT TO BE PART OF THE SOLUTION!

That's why we want to focus on:



3.2. Focus area 1: Net zero emissions

Our environmental impact is, apart from the positive impact on excavator efficiency with following lower fuel consumption, mainly related to the usage of energy and raw material in producing our products as well as transporting them to the next step in the value chain. Furthermore, as we refine our products inhouse through machining, welding, painting, assembly, test and transportation to our customers, various consumables are used which generate waste. Finally, our office personnel as well as field sales representatives and service personnel have an environmental impact through travel and office waste.

Developing products and implementing processes that utilize renewable and sustainable materials while also ensuring their freedom from harmful substances are two areas that fall within our own control. These areas have the potential for negative environmental impact and are of significant importance to our stakeholders.

Terratech has, as mentioned previously, joined the SBTi with the goal to reduce greenhouse gas emissions from our business, including for example production processes, transportation, and usage of a Terratech product within the excavation industry, to net zero emissions before the year 2040.

ON OUR WAY TO NET ZERO EMISSIONS

Terratech has always prioritized emission reductions and continues to make steady progress in this area. Through our group-wide ESG structure, we aim to accelerate our efforts and achieve even stronger environmental results.

During 2024 efforts have been made to introduce SBTi Scope 1, 2 and 3 in our ERP systems in Steelwrist and SVAB. As of early 2025 it is now possible to show emission data on product level in Steelwrist.

3.2.1. Scope 1: Production emissions and company vehicles

Terratech's operations are still primarily focused on assembly, which means that SVAB does not produce any direct process-related emissions. However, some emissions occur during specific machining steps at Steelwrist, and to a greater extent at Sjørring. Due to its full-scale manufacturing, the Sjørring facility is the Group's largest single source of direct emissions.

Comparing the latest results with earlier years, total Scope 1 emissions fell from 574 tonnes of CO₂-equivalents in 2022 to 528 tonnes in 2023 and a further 516 tonnes in 2024, a net reduction of about ten percent over the two-year span. Roughly eighty-six percent of the 2024 footprint—about 444 tonnes—still came from production, with natural-gas space heating at Sjørring alone responsible for some 311 tonnes, or close to sixty percent of all Scope 1 emissions.

To tackle that hotspot, Terratech agreed in 2023 to connect the plant to the district-heating network; a technical review completed in 2024 confirmed district heating as the best option, and conversion work is scheduled for early 2025, with a projected cut of more than ninety percent in heating-related emissions once commissioned.

While production emissions declined, those from the company-vehicle fleet climbed from 58 tonnes in 2022 to 66 tonnes in 2023 and 71 tonnes in 2024. The upward trend reflects expanded customer activity and higher mileage, often in remote areas where charging infrastructure is limited. Electrification nevertheless accelerated: the number of battery-electric vehicles grew from a single car in 2022 to fourteen in 2024, while diesel cars fell from twenty-one to eleven and hybrids hovered around eight to nine units.

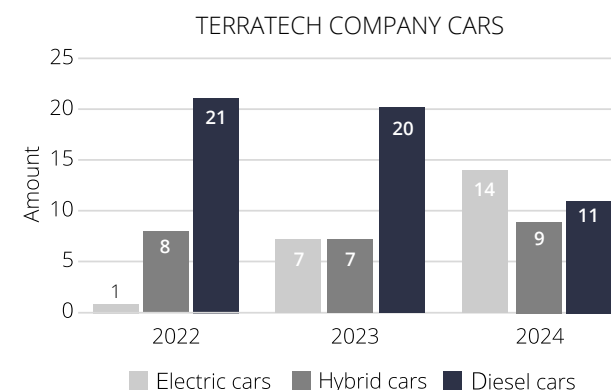
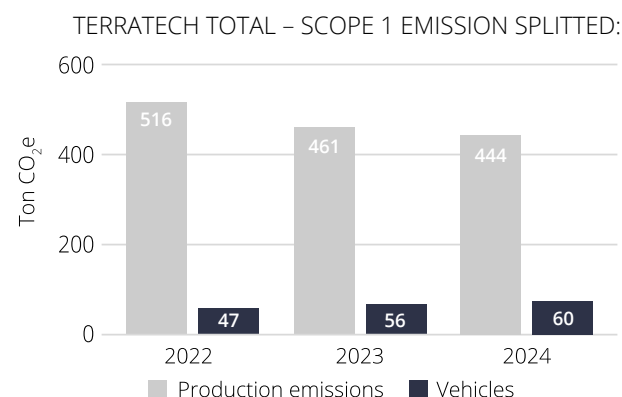
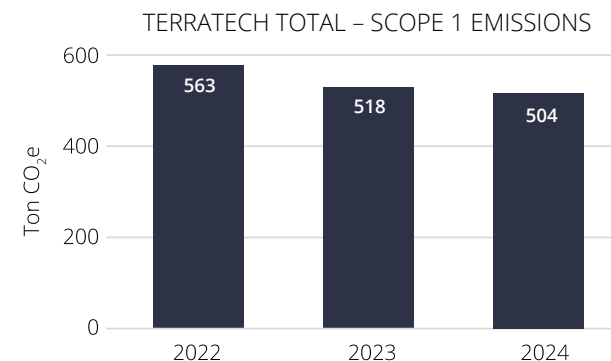
Looking ahead, priority actions for 2025 are to complete the district-heating switchover at Sjørring, extend the ongoing optimisation of welding processes, install fast-charging solutions at strategic customer hubs, and phase out the remaining diesel cars wherever range requirements allow. These steps are designed to keep Terratech on track toward its 2030 goal of halving Scope 1 emissions from the 2022 baseline.

References and sources of emission factors for Scope 1: Energimyndigheten² for vehicle emission factors in Sweden, GHG 3 protocols transport tool for Danish vehicle calculation. Process emission factors as well as fuel emission factors for Denmark comes from SustainX 4.

3.2.2. Scope 2: Purchased electricity and heating

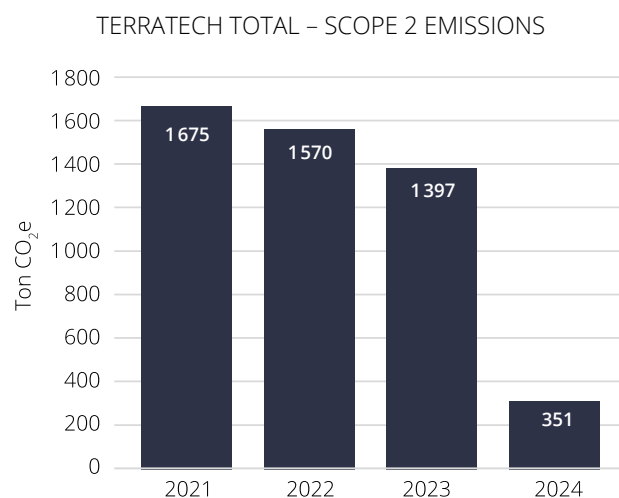
Both SVAB and Steelwrist already procure 100% renewable electricity to power the facilities in Sweden. This commitment ensures that we rely solely on renewable energy sources. During 2023, a new production facility was built for SVAB, and in early

2024, the company moved from Hallsberg to the new facilities in Åsbro. The new factory is significantly more energy efficient, and we are now evaluating the possibility of installing solar panels to further reduce overall electricity usage.



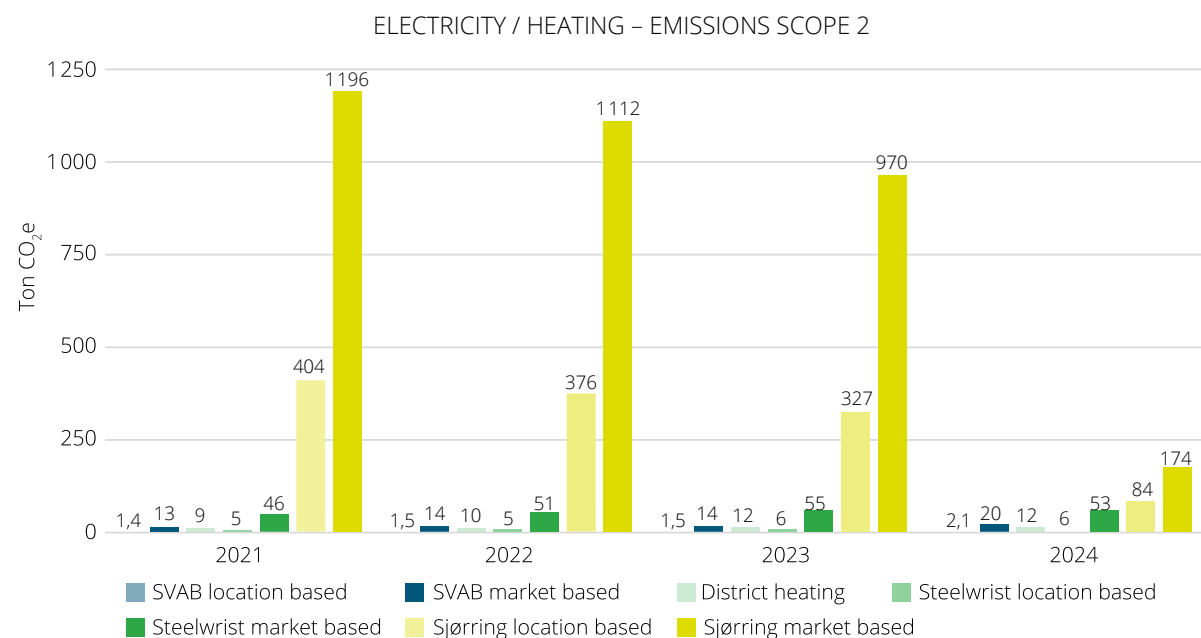
During 2023, a BREEAM (Building Research Establishment Environmental Assessment Method) review was performed on Steelwrist's production and headquarter building in Rosersberg. The BREEAM review process assesses the environmental performance of buildings in areas such as energy use, indoor climate, water management, and waste management. Our Rosersberg site was awarded "Excellent" with a 70.8% total score, including a perfect 100% score on "Pollution."

We have already converted much of the lighting to LED and maintain a slightly lower temperature in offices, including a reduction in the heating flow temperature from 75°C to 60°C at Sjørring. In 2023, Sjørring also finalized a project to optimize the ventilation unit with liquid-coupled batteries, achieving 70% heating efficiency.



As a result of these measures, the total number of CO₂e equivalents from Scope 2 was reduced by approximately 12%. Most of this reduction came from Sjørring, while SVAB's emissions remained flat and Steelwrist's increased due to expanded business activity. Despite the overall decrease, around 94% of total Terratech emissions in 2023 came from the Sjørring production site and the global work tool hub.

When analyzing Terratech's total Scope 2 emissions, approximately 75% were considered market-based, 24% location-based, and the remaining 1% from district heating.



Between 2022 and 2024, Terratech has significantly reduced its total Scope 2 emissions—from 1,570 tonnes CO₂e in 2022 to 351 tonnes CO₂e in 2024. While 2023 already marked progress with a 12% drop compared to 2022, the results from 2024 represent a substantial acceleration in emission reductions. This sharp decline reflects the cumulative impact of energy efficiency measures, renewable energy use, and optimization projects across our facilities. The most significant contributor to the 2024 reduction was the transition of the Sjørring production site to certified renewable electricity.

References and sources of emission factors for scope 2: Location and market-based emission factors for purchased electricity in Denmark and estimates for Sweden come from SustainX. Emission factor for district heating for Sweden comes from Stockholm Exergi Miljörapport for 20215 (will be updated with 2022 data when available).

² <https://www.energimyndigheten.se/fornarb/hallbarhetskriterier/drivmedelslagen/vaxthusgasutslapp/>

³ World Resources Institute (2015). GHG Protocol tool for mobile combustion. Version 2.6.

⁴ <https://sustainx.dk/en/> ⁵ <https://www.stockholmsexergi.se/content/uploads/2022/01/Miljönyckeltal-2021-1.pdf>

3.2.3. Scope 3: Reducing negative environmental impact from our business

EMISSIONS SCOPE 3 UPSTREAM AND DOWNSTREAM

Terratech's main focus connected to Scope 3, has previously been to reduce emissions caused by transportation of purchased goods and sold products. We are now starting to analyze types of materials used throughout the process and how to recycle and reuse these in the best possible way.

TRANSPORTATION UPSTREAM AND DOWNSTREAM

Terratech continues to focus on optimizing logistics both upstream and downstream in order to reduce environmental impact. Efforts include aligning order quantities with optimal transport volumes, enhancing packaging efficiency, increasing in-house production, and consolidating deliveries. Despite these ongoing improvements, the overall Scope 3 emissions related to transportation showed diverging trends in 2024.

Upstream emissions, which saw a sharp increase in 2023 primarily due to a rise in express deliveries caused by supplier delays, were significantly reduced in 2024. Total upstream Scope 3 emissions dropped from 1,156 tonnes CO₂e in 2023 to 250 tonnes CO₂e in 2024—representing a reduction of nearly 80%. This dramatic improvement is largely attributed to improved delivery precision from suppliers, better planning of inbound logistics, and notably, reduced inventory levels of purchased goods during 2024, which led to fewer shipments overall.

In contrast, downstream Scope 3 emissions increased from 762 tonnes CO₂e in 2023 to 1,066 tonnes CO₂e in 2024. While Terratech continues to work on consolidating deliveries, improving packing methods, and utilizing scheduled container shipments, the

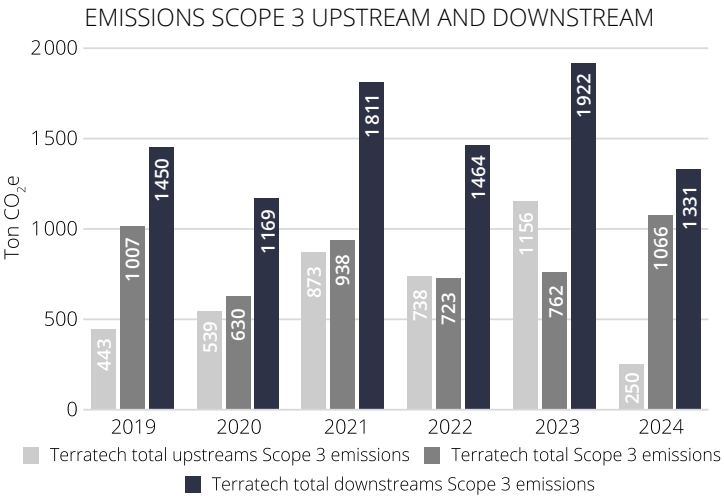
increase in downstream emissions reflects the substantial growth in business activity and delivery volumes to global markets.

When comparing the overall transportation-related emissions between 2022 and 2024, upstream emissions have been effectively brought under control, while downstream logistics remain a priority area for further efficiency gains. The development highlights both the progress made and the challenges that remain in Terratech's transport-related climate impact.

MATERIAL HANDLING AT TERRATECH

Terratech aims to have products and processes free from harmful substances whilst containing as much renewable and sustainable materials as possible. By analyzing the types of waste we generate and their subsequent handling, we gain insights into which materials are more harmful and how we can reduce their use. For several years, we have tracked the amount of material recycled in different waste categories and monitored the treatment of waste after it leaves our premises.

Overall waste volumes have been influenced by the growth of Terratech. In 2024, a total of 2,286 tons of waste was generated across all sites. The majority came from the Sjørring factory with 2,076 tons, followed by Steelwrist with 203 tons and SVAB with 7 tons. Of the total waste, 35 tons (about 1.5%) were classified as hazardous. Hazardous waste originated mainly from Steelwrist (23 tons) and Sjørring (12 tons), with SVAB reporting none.



Approximately 76% of the total waste by weight at Sjørring is made up of waste steel material and shot blasting operations, all of which is directed to material reuse. On a group-wide level, around 91% of total waste continues to be reused as material.

In 2024, the final treatment of all waste was distributed as follows: 69% was directed to material reuse, 23% went to energy recovery, 8% to landfill, and no waste was reported as having undefined use. This distribution reflects the company's efforts in circular material flows and reducing reliance on landfill disposal.

An ongoing initiative is the collection of detailed material data for all substances used in our products, reported to the CDX (Compliance Data Exchange), the construction equipment industry's material data platform. This project was accelerated in 2023 and the first complete product entries were filed in early 2024.

Terratech's overarching goal is to ensure that our production processes are free from hazardous substances. Furthermore, we strive to use materials free from conflict minerals and, where possible, opt for recycled materials. Product-related substance data is also reported to the SCIP database (Substances of Concern In articles as such or in complex objects (Products)), managed under the Waste Framework Directive by the European Chemicals Agency.

Of the 35 tons of hazardous waste generated at Terratech in 2024, 26 tons (about 74%) were directed to material reuse, another 7 tons (19%) went to energy recovery, and 3 tons (7%) were sent to landfill. These figures demonstrate the commitment of all three Terratech companies to the principle of circular economy.

WASTE WATER

Terratech also aims to minimize water waste across its facilities. In 2024, water usage remained relatively stable at all sites. Steelwrist reported a slight decrease from 993 m³ in 2023 to 978 m³ in 2024.

At Sjørring, usage remained largely consistent, increasing marginally from 1,124 m³ in 2023 to 1,131 m³ in 2024. SVAB, which had seen an unexpected rise in 2023, reported a return to more typical levels with 300 m³ of water used in 2024, down from 468 m³ the year before.

The reduction at SVAB is attributed to improved data accuracy, following concerns about irregular readings from the local water provider in 2023. Moving forward, Terratech continues to prioritize accurate and regular monitoring of water use at all locations.

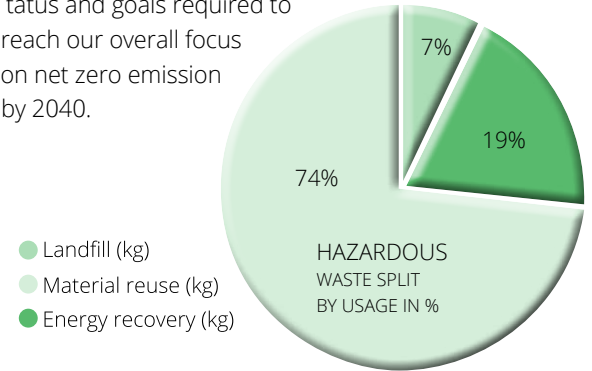
At Sjørring, wastewater is managed through separation systems, industrial wastewater is collected and transported to treatment facilities for purification, while clean water such as rainwater is released directly back into nature.

COMMUTING AND COMPANY TRAVEL

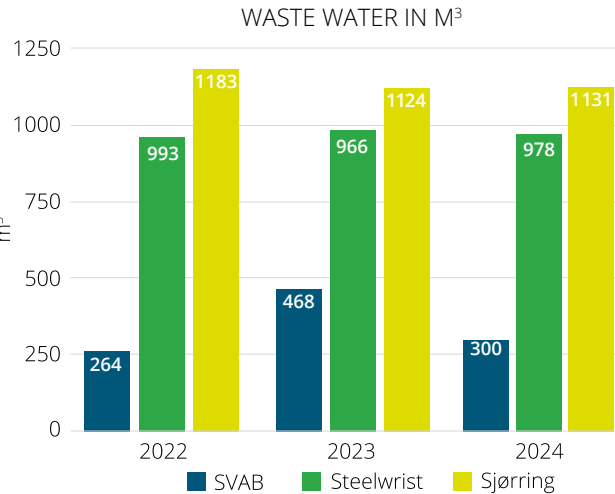
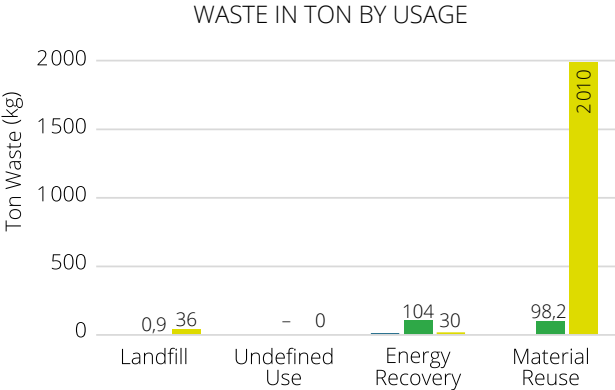
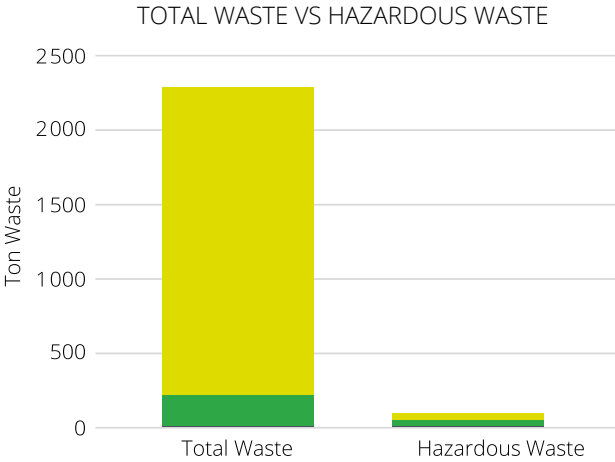
When it comes to travel and commuting, we have policies in place to encourage all employees to choose the most environmentally friendly option when booking business trips. We also work with travel agents who apply these sustainability criteria when handling bookings. At Steelwrist, we continue to offer employees the option to lease bicycles through the company for both commuting and private use. At Sjørring and SVAB, electric charging stations for both cars and bicycles have already been installed. In 2024, a decision to expand the number of charging stations at Steelwrist was implemented, further supporting the transition to more sustainable commuting options across the group. To strengthen monitoring and follow-up on commuting and business travel, relevant data collection will be integrated into our ERP system during 2025.

3.2.4. Summary of focus area 1

To visualize the full picture of our focus area 1, we have summarized the most important topics in the following table. The summary includes actions, tatus and goals required to reach our overall focus on net zero emission by 2040.



Disclosure:
Terratech's emission reporting for Scope 1 & 2, as well as for the reporting on Scope 3, in the 2024 sustainability report is done with estimates for some emission factors as well as with guidance from, but not completely in line with, the Green House Gas protocol. We have estimated the emission factors, where these have not been found and done so in regard to all seven greenhouse gases where data has been available and found that only CO₂, NH₄ and N₂O are emitted from our Scope 1 & 2 emissions. As previously stated, this is a first step to our climate accounting in accordance with the SBTi and GHG Protocol.



Focus area 1: Net zero emissions

ACTIONS FOR 2024	STATUS	SUB GOAL	FRAMEWORK	GOAL 2040
Mapping of all daughter companies' complete status to SBTi (Terratech)	25%	Have a sustainability practice that fulfils SDG 12.6 and SBTi by the end of 2024	SBTi & SDG 12.6	Net zero emissions by 2040
Set up a system and collect sustainability data SBTi & SDG 12.6 for selected volume parts in ERP system (SVAB, Steelwrist)	5%			
Setting a structure to gather information connected to Scope 3 (Terratech)	40%		SDG 12.6	
Measure consumed electricity per machine group (Steelwrist)	100%	Net zero emissions from our production by 2040	SBTi - Scope 1	
Ongoing on the project to change to district heating or other fossilfree heating to reduce the amount of natural gas used for heating (Sjørring)	100%			
All new company vehicles to be non-emission vehicles (Terratech)*	100%	Zero emissions from our vehicles by 2026*	SBTi - Scope 2	
Buy renewable electricity (Sjørring)	100%	Zero emissions from purchased electricity by 2035		
Solar cells installed at new production facility to decrease the amount of externally purchased power (SVAB)	10%			
Air curtain on gates in production (Sjørring)	0%	Zero emissions from purchased steam, heating and cooling by 2035		
Start up local assembly (Steelwrist)	100%	Net zero emissions from Transportation of goods and products by 2040	SBTi - Scope 3	
Fossil free steel - partnership with SSAB (Sjørring)	100%			
Upgrading the structure for waste reporting (Terratech)	0%	Defined structure for waste handling and end of life treatment by 2025	SBTi - Scope 3 & SDG 12.5	
Upload and get a first complete unit approved in CDX (Steelwrist, Sjørring)	50%			
Recycling of plastic and corrugated cardboard	0%			
Investigate to use digital instructions in production, reduce paper. (Steelwrist, Sjørring)	50%			
Removal of plastic on buckets (Steelwrist)	100%	Net zero emissions from commuting by 2040	SBTi - Scope 3	
Installation of electric charging stations for cars	100%			

* Where the infrastructure allows this

3.3. Focus area 2: Zero Accidents

Terratech is firmly committed to preventing risks associated with both the manufacturing and usage of our products. This responsibility spans across various stages, including worksite operations, installation processes, and in-house production and assembly by our employees. Our aim is to ensure a safe environment throughout the entire lifecycle of our products.

One of our top priorities is to enhance user safety by designing products that minimize the need for ground personnel and improve the overall work experience. Among the innovations contributing to this goal are our quick couplers with front pin lock and our ergonomic joysticks.

In 2024, several important safety-focused innovations were introduced. These include the launch of our third-generation tiltrotators and the new A9 joystick, both of which represent significant advancements in our product portfolio. While the L8 joystick remains a benchmark in ergonomic and multifunctional control, the A9 joystick takes safety and user experience to a new level. With integrated haptic feedback, the A9 provides tactile signals to the operator, helping to increase awareness and reduce the likelihood of operational errors.

The XTR20, the first model in our third-generation tiltrotator lineup, features the introduction of the LockSense safety system. LockSense is designed to meet today's rigorous safety demands while also anticipating future regulatory requirements. It reflects our proactive approach to long-term safety and compliance.

As Terratech continues to expand, we recognize the growing need for safer products and stronger internal safety practices. In 2024, we took concrete steps to strengthen health and safety across our operations. This included improved reporting and follow-up procedures for incidents and near misses, as well as targeted ergonomic enhancements in our production environments—all aligned with our goal of achieving zero incidents.



3.3.1. Safety for our customers and end users

Without safe and satisfied customers, it is impossible to grow our company, develop our co-workers, or improve our products. We regularly conduct customer surveys to gather feedback on both our products and overall performance. In a previous survey conducted in late 2022 among experienced Steelwrist users, 82% responded that Steelwrist “Makes work safer for me and my team.” Perhaps even more telling is that 96% stated, “My job is more fun” — a crucial factor at a time when attracting skilled operators remains a significant industry challenge.

Providing a safe and reliable experience when installing our products — whether at a customer's production facility or on an end user's site — remains a top priority. Our dedicated support team continues to offer assistance both remotely and in person, ensuring a high level of service.

3.3.2. Health and safety at our facilities

Terratech continues to prioritize a safe and stimulating work environment for all employees. At the end of 2024, the number of full-time employees in the group reached 458, compared to 448 in 2023 and 447 in 2022. This steady increase reflects the company's ongoing growth and operational expansion.

When reviewing sick leave, the rate remained unchanged at 4.5% in 2024, compared to 4.4% in 2023 and 4.5% in 2022. While the level is consistent, it underscores the ongoing need for proactive health and wellness initiatives.

In terms of workplace safety, the total number of recordable injuries decreased from 25 in 2023 to 22 in 2024, which is a positive development after the sharp increase from 15 in 2022. At the same time, the number of recordable incidents rose to 47 in 2024, up from 28 in 2023 and 34 in 2022. This increase is primarily attributed to improved internal routines and awareness around safety

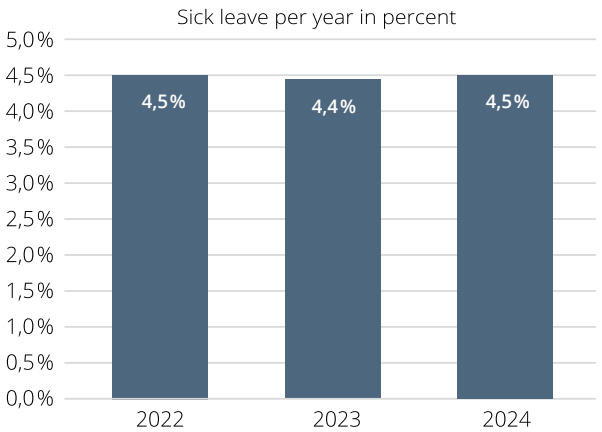
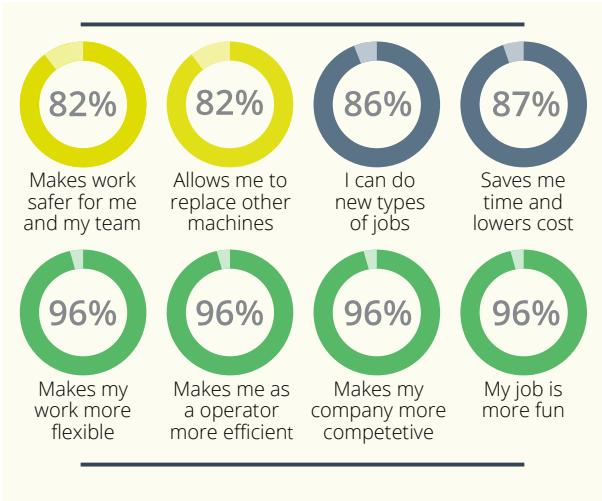
In 2024, we continued to expand the reach of our After-market Portal, making it available in more countries and supporting additional languages. This has made it even easier for customers to locate spare parts and documentation, contributing to more efficient service and reduced downtime.

We also made important strides with InstallMate, our installation support app first introduced in 2023. Throughout 2024, InstallMate has been further developed to include additional languages and more product-specific installation guides. This ensures that installations are performed correctly and safely, regardless of location or installer experience. By delivering consistent and accurate instructions directly to mobile devices, we help our customers install products with greater confidence and efficiency.

reporting, resulting in a more accurate and transparent picture of potential risks.

Throughout 2024, targeted safety improvements were implemented across several sites. Sjørring continued to benefit from the earlier replacement of jib cranes with overhead cranes, and Steelwrist made further upgrades to lifting equipment in its assembly processes. At SVAB, the inauguration of the new Åsbro factory in early 2024 emphasized a strong commitment to building a modern, safety-focused workplace from the ground up.

We consistently monitor safety rounds, incident reports, and injury statistics to develop and refine our preventive actions. While the decrease in injuries is encouraging, the increase in incident reporting highlights the effectiveness of our improved safety culture and follow-up processes. Terratech remains fully committed to its long-term goal of achieving zero injuries. All employees undergo regular



medical examinations, and further safety training initiatives are planned during 2025. In parallel, preparations for ISO 45001 certification continue, reinforcing our ambition to embed world-class occupational health and safety standards throughout the organization.

3.3.3. Summary of focus area 2

To provide a clear overview of Focus Area 2, we have summarized the key topics in the table below. This summary outlines the main actions, current status, and targets that support our overarching objective of achieving zero accidents.

Focus area 2: Zero accidents

ACTIONS FOR 2024	STATUS	SUB GOAL	FRAMEWORK	GOAL 2028
Initiating work with mapping + GAP Steelwrist to ISO 45001 (Steelwrist)	25%	Implement ISO 45000 by 2025 & SDG 8.8		
Improve maintenance plans (Terratech, SVAB & Steelwrist)	75%	No accidents caused by faulty or insufficient equipment by 2028 & SDG 8.8		
Test and improve contingency plan (Sjørring)	100%			
Improve and increase the quality of rubberfloor at workstations in production (Sjørring)	0%	No long term sick leave due to work strain injuries caused in Terratechs production by 2028 & SDG 8.8	SDG 8: Decent work and economic growth	Zero accidents by 2028
Training employees how and when to use safety equipment (Steelwrist, Sjørring)	100%	No long term sick leave due to accidents caused in Terratechs production by 2028 & SDG8.8		
Repaint / Implement safety strips on the floor (Sjørring, Steelwrist, SVAB)	100%			
Update format and standardize chemical list for all companies in Terratech	100%	Remove all chemicals with negative health impact orimplement precautions where these chemicals can't be removed to get to zero incidents caused by chemicals by 2025 & SDG 12.4	SDG 12: Responsible consumption and production	
Introduce chemical protection sheets for all	100%			

3.4. Focus area 3: Terratech as a Responsible Business

At Terratech, we are committed to running a responsible business. This means reducing our emissions, ensuring product safety throughout manufacturing and use, and fostering a company culture that our employees can be proud of. We aim to offer equal opportunities, support innovation and personal development, uphold human rights, and conduct our business with fairness and integrity.

Being a responsible business starts with our people. We believe that every employee plays a crucial role—not only in how the company treats them but also in how they treat colleagues, customers, and partners. We promote diversity, equal opportunity, and a company culture grounded in openness, collaboration, and well-being.

To succeed and deliver value to our customers, we also recognize the importance of continuous improvement. We actively invest in raising awareness of our solutions and driving operational development across the entire organization—internally and externally.

Finally, a responsible business requires a strong foundation of governance. We uphold a clear Code of Conduct, evaluate suppliers based on their respect for human rights and environmental responsibility, and take a structured approach to risk management. A recognition of our efforts is that in 2024, Steelwrist was named a "Best Managed Company" by Deloitte for the fifth consecutive year, a distinction awarded exclusively to privately held companies. With this milestone, Steelwrist maintains its Gold Level status in a program that now spans 38 countries and has evaluated companies globally since its inception in Canada in 1993."



3.4.1. Employees, diversity, and equal opportunities

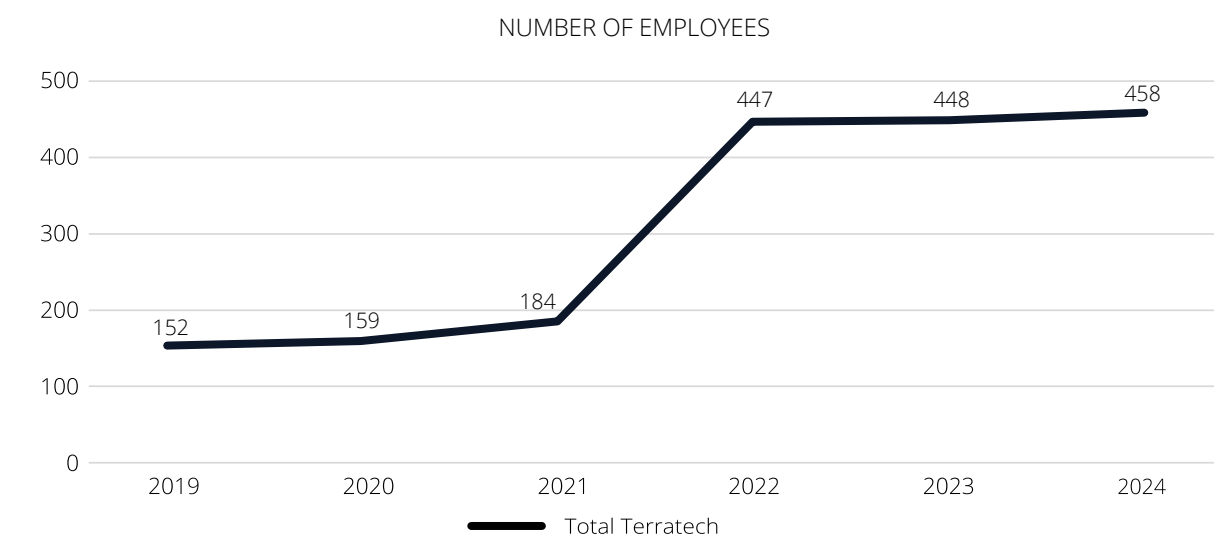
We strive to provide an inclusive, safe, and motivating work environment where all employees feel welcome and valued. To support this, we maintain a clearly defined company culture that is introduced to all new employees and regularly reinforced through follow-ups and internal communication.

Throughout 2022 and 2023, we strengthened our commitment to a safe and respectful workplace by further developing and implementing anti-discrimination and anti-harassment policies, along with launching a whistleblower policy across all three companies in the Terratech Group. These efforts have contributed to improved employee satisfaction and retention. In 2023, our total personnel turnover rate decreased to 18.6%, and in 2024 it declined further to 12.0%, driven by reductions in turnover at SVAB and Sjørring, while remaining stable at Steelwrist."

COMPANY CULTURE

We believe that a strong company culture motivates employees to invest their time, energy, and ideas into making the company even better. Our culture is built on a mix of hard and soft factors that together shape how we work and collaborate. The hard factors include systems and structures, competence development, performance appraisals, and structured processes for operational improvement. Just as important—if not more—are the soft factors: how we communicate, the values we share, our decision-making approach, collaboration, leadership styles, and the level of strategic alignment across the organization.

Although each of the three Terratech companies has its own set of core values, they are all closely aligned. Across the group, we foster a culture of high



involvement and teamwork, with short decision paths and open communication. We emphasize constructive dialogue—focusing on what is right rather than who is right—and encourage learning from mistakes rather than placing blame. Discussion comes before decision, and once a decision is made, we work together toward a common goal. Communication across the group follows the principle: “Be HOT” – Honest, Open, and Transparent. Don’t guess, and always remember there’s another perspective.

Each company defines its core values with more depth in dedicated culture presentations:

STEELWRIST: Responsiveness, Simplicity, and Speed

SVAB: Trust, Innovation, and Action

SJØRRING: Flexibility, Quality, and Reliability, with the slogan “IN FRONT”, reflecting their innovative mindset.

Policies, instructions, and routines provide a strong foundation for how we operate, but it's the shared mindset and behaviors that truly shape our culture.

OUR CO-WORKERS, DIVERSITY, AND EQUAL OPPORTUNITIES

Employee involvement and the ability to influence are central to Terratech's culture. We believe that the individual drive and engagement of our co-workers have been key contributors to Terratech becoming one of Sweden's fastest-growing industrial companies in recent years.

At the end of 2024, the total number of employees in the group reached 458, reflecting stable growth. The increase over previous years stems from the full incorporation of Sjørring into Terratech, as well as continued expansion at Steelwrist and SVAB.

Terratech is proud to be an international organization with employees from a wide range of nationalities and backgrounds. We strive to foster a workplace where diversity is encouraged and valued—regardless of gender, age, sexual orientation, social background, or ethnicity.

While the gender distribution remains skewed toward men, we continue our efforts to attract more women to various roles across the group. The nature of our industry—earthmoving equipment and heavy machinery—traditionally draws a male-dominated workforce, from excavator operators to welders. Although a fully equal gender split may not be realistic in the near future, we remain committed to progressing toward a more balanced distribution.

In 2024, the overall percentage of women decreased slightly, primarily due to a lower ratio at Steelwrist. At the same time, Sjørring saw a modest increase in the share of female employees, helping to maintain stability at the group level.

We also emphasize the importance of a broad age distribution, which contributes to a more dynamic and attractive work environment. With the inclusion of Sjørring and Steelwrist subsidiaries over the past two years, we now have a well-balanced age mix across the group.

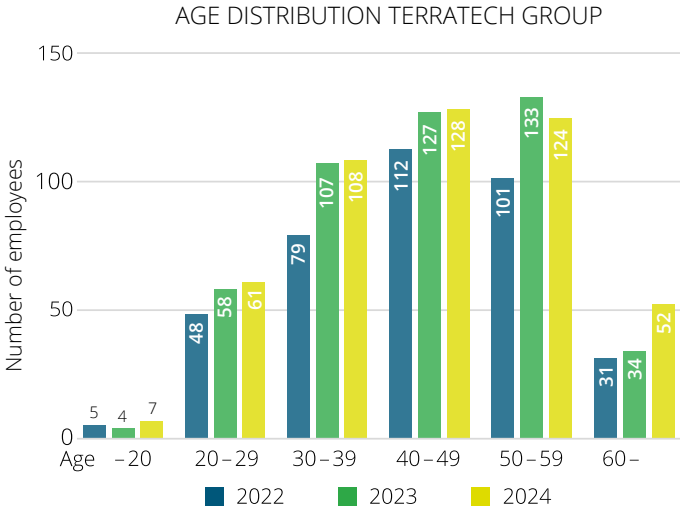
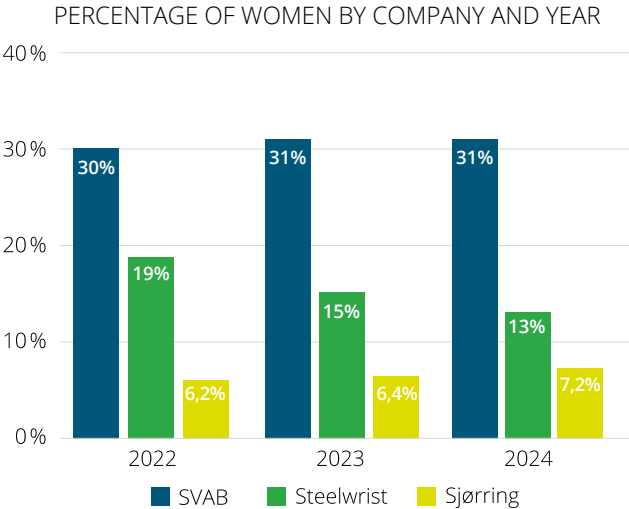
Our goal is to be an employer where people feel safe, supported, and able to grow—both professionally and personally.

Every second year, we conduct a comprehensive employee survey that evaluates key areas, such as goal orientation culture and values, workplace climate, collaboration, development opportunities, leadership, and organizational pride. The survey uses a 1–5 scale (1 = low, 5 = high), and employees can also submit open-ended suggestions for improvements.

In late 2023 and early 2024, the latest round of the survey was conducted across all three companies. The results showed consistently high ratings across the board. Each company analyzes its results and initiates discussions to identify areas for further improvement.



CO-WORKER SURVEY	2022		2023/2024		
	Steelwrist	SVAB	Steelwrist	SVAB	Sjørring
Objectives & results	4,3	4,0	4,2	4,1	4,0
Culture & values	4,4	4,6	4,4	4,8	3,8
Work situation & personal impact	4,1	4,0	4,2	4,1	3,9
Work organization	4,2	–	4,2	4,1	4,1
Discussion climate & initiatives	4,3	4,2	4,3	4,4	4,1
Competence & development	4,2	4,1	4,2	4,0	4,0
Performance appraisal	4,0	3,3	4,0	4,2	4,0
Cooperation	4,3	4,0	4,3	4,2	4,0
Information	4,3	4,3	4,3	4,3	4,0
Pride & loyalty	4,3	4,3	4,4	4,5	4,3
Leadership	4,4	4,2	4,4	4,4	–



HEALTH AND WELLBEING AT WORK

Throughout 2023 and into 2024, we continued to promote health and wellbeing across the Terratech Group by supporting a range of activities that encourage both physical and mental wellness.

At SVAB, initiatives like “60-minute Exercise Thursdays” remain a valued tradition, giving all employees time during the workday to focus on their health. Additional activities such as yoga sessions and wellbeing weeks help create a balanced and supportive workplace culture. Participation in events like the Stafettvasan—in both summer and winter editions—has also brought teams together in a fun and active way.

At Steelwrist, all employees receive annual wellness benefits, which can be used to subsidize gym memberships or other health-related expenses. A recurring wellness week has also been introduced, offering a variety of on-site activities focused on wellbeing. In addition, Steelwrist has launched a bike lease program, allowing employees to purchase exercise bikes or commuter bikes through a financing scheme organized by the company—making it easier to stay active both at work and at home.

Together, these efforts reflect our commitment to fostering a healthy, motivated, and resilient workforce.

COOPERATION WITH TRAINEES, SCHOOLS, AND EXTERNAL PARTIES

At Sjørring, we actively collaborate with schools and universities to strengthen vocational education and attract new talent to the industry. As part of this commitment, Sjørring offers a variety of trainee positions in production—and continually works to increase the number of placements available. In 2024, Sjørring was honored to receive the Interforce



Shield from InterForce Denmark, in recognition of its support to the Danish Armed Forces and Emergency Services. Interforce Denmark is an organisation attached to the Danish Ministry of Defence which works with the civil society.

Both SVAB and Steelwrist have, for several years, partnered with Samhall, a Swedish organization that employs individuals with functional disabilities who have the ability and desire to work. Eligible

participants are selected by the Swedish Public Employment Service, and the goal is to create meaningful employment opportunities while promoting inclusion in the workplace.

This partnership aligns closely with our values and our commitment to social responsibility. Beyond that, we are genuinely pleased with the contribution of our Samhall colleagues, who consistently bring dedication and quality to their work.

3.4.2. Operational Development

Both Steelwrist and SVAB maintain structured operational development programs aimed at encouraging productivity, creativity, innovation, and a spirit of entrepreneurship among employees.

Grounded in our company strategy and informed by feedback from customers and co-workers, the Terratech operational development process is our primary vehicle for turning strategic initiatives into action. This proven framework has been used for over a decade, resulting in the successful execution of 91 major projects at Steelwrist and 56 projects at SVAB.

Sjørring has also established a similar program and is in the process of integrating the most valuable components from the Terratech approach into its own operational development efforts.

The process follows the seasonal rhythm of our industry. Projects are typically defined between summer and late September, with cross-functional teams carrying out implementation from early October through March. This structure creates opportunities for employees to step outside their regular roles, showcase new skills, and contribute to improvements across the business.

Employees are encouraged to propose ideas for operational enhancements, which not only drives continuous improvement but also supports a culture of innovation and entrepreneurship throughout the organization.



3.4.3. Governance, Code of Conduct, risk management, and data ethics

Within the Terratech Group, each company maintains its own overarching policies, tailored to the specific needs and context of the individual businesses. To strengthen alignment and mutual benefit across the group, these policies are shared and adapted collaboratively, ensuring that best practices are utilized while maintaining relevance for each company.

Key policy areas include quality and environmental management, human resources and personnel matters, health and safety, systematic fire

protection, crisis management, non-discrimination, whistleblowing, cyber security, and policies related to alcohol and drug use, as well as the group's Code of Conduct.

All policies are reviewed and updated as needed, either in response to legislative changes or when internal evaluations identify areas for improvement. In line with these policies, each company also defines and follows up on annual improvement goals that guide progress in critical operational and sustainability-related areas.

At the operational level, the companies have detailed instructions and work procedures for various key functions. One example is supply chain management, where clear requirements are set for suppliers, including the expectation of annual evaluations. These evaluations assess both environmental performance and social responsibility, helping to ensure that partners throughout the value chain align with Terratech's values and sustainability ambitions.

In addition to laws and regulations, which are continuously monitored with the support of external

specialists, operations within Terratech are also governed by evolving customer demands—particularly those related to sustainability performance and transparency.

The group's sustainability work is supported by a clearly defined governance structure. At the strategic level, oversight rests with the Board of Directors of Terratech Group AB and the Terratech management team, which includes the group CEO, the CEOs of Steelwrist, SVAB and Sjörring, the CFO, and the Quality and Sustainability Manager. Day-to-day coordination of sustainability efforts is led by the Head of Sustainability, who works closely with an ESG Ambassador Group made up of representatives from all three production companies. The management teams of SVAB, Steelwrist and Sjörring follow up regularly on progress and performance within their respective operations.

As part of its continued commitment to responsible business conduct and aligned with growing stakeholder expectations and regulatory developments, Terratech will develop and implement an updated Code of Conduct during 2025. This revision will further strengthen the foundation for ethical behavior, human rights, and sustainability throughout the organization and its value chain.

SAFEGUARDING HUMAN RIGHTS AND FAIR BUSINESS

Terratech's approach to human rights and anti-corruption is firmly anchored in our Code of Conduct, which sets clear standards for acceptable behavior within our own operations as well as among our suppliers.

The Code is based on internationally recognized frameworks, including the core conventions of the International Labour Organization (ILO), and addresses key areas such as the prohibition of forced labor and protection of freedom of movement, elimination of child labor, prevention of discrimination, health and safety,

fair remuneration, employment contracts, freedom of association, working hours, leave entitlements, and anti-corruption.

Internally, Terratech also enforces specific policies that promote equal treatment regardless of gender, age, sexual orientation, social background, or ethnicity. These are complemented by policies on occupational health and safety, as well as guidelines regulating the use of alcohol and drugs, all aimed at ensuring a safe and inclusive working environment.

For the broader value chain—from direct suppliers to subcontractors and customers—the Code of Conduct remains the key guiding document. It defines the principles that govern how we interact with other organizations and ensures that all partners align with our values and expectations for responsible business conduct.

Since Terratech operates primarily with Original Equipment Manufacturers (OEMs) and Original Equipment Distributors (OEDs), and not directly with end customers, we do not handle any form of cash payments. This business model inherently limits the risk of money laundering and supports our commitment to ethical and transparent financial practices.

SUPPLIERS: CODE OF CONDUCT AND ISO STANDARDS

All three of Terratech's daughter companies are certified according to ISO 9001 (quality management) and ISO 14001 (environmental management). While formal ISO 45001 certification has not yet been initiated, health and safety matters are addressed through each company's respective quality management systems.

To ensure our suppliers align with our values on human rights, environmental responsibility, and ethical business conduct, we have set a long-term goal: all of Terratech's production suppliers should commit to our Code of

IN SHORT, FROM OUR CODE OF CONDUCT, WE EXPECT THE FOLLOWING FROM OUR SUPPLIERS

- Forced labor and freedom of movement: Suppliers ensure that workers always have free access to their documentation, including passports, identity papers and travel documents.
- Child labor: Not acceptable in any form for our suppliers
- Discrimination: Discrimination on the basis of race, color, creed, religion, sex, marital status, sexual orientation, public assistance status, disability, age, or national origin is not acceptable.
- Health and safety: Suppliers should provide a safe working place for their employees.
- Payment: Suppliers should comply with legal minimum standards or industry benchmark standards concerning wages and benefits, whichever is higher.
- Labour contracts Suppliers should provide all workers with a written, understandable, and legally binding labor contract.
- Social responsibility: Suppliers are expected to invest in the skills of employees as well as to respect the right of freedom of association and the right to collective bargaining.
- Leave and work hours: Suppliers are expected to grant employees paid holiday and sick leave, as well as parental leave to employees.
- Environment: Suppliers are expected to conduct their operations in a sustainable way and in compliance with the environmental laws and regulations, furthermore we expect that environmental protection is a priority for our suppliers in all significant aspects of its activities.
- Corruption: Suppliers are expected to promote integrity and ethics in all aspects of their activities as well as to comply with all applicable laws and regulations on corruption and bribery.
- Criminal activity: Suppliers are expected to conduct their operations in compliance to local and international law and to report suspicions of criminal activity, such as fraud, money laundering, tax evasion, and or other illegal business activities.

Conduct and adhere to ISO 9001 and ISO 14001 (or equivalent standards).

While we did not reach full compliance across all suppliers by the end of 2024, we remain firmly committed to this goal. We are actively working to strengthen supplier engagement by increasing expectations, verification efforts, and follow-ups. This includes requiring commitment to our Code of Conduct, Equal Treatment Policy (ETP), and the relevant ISO standards.

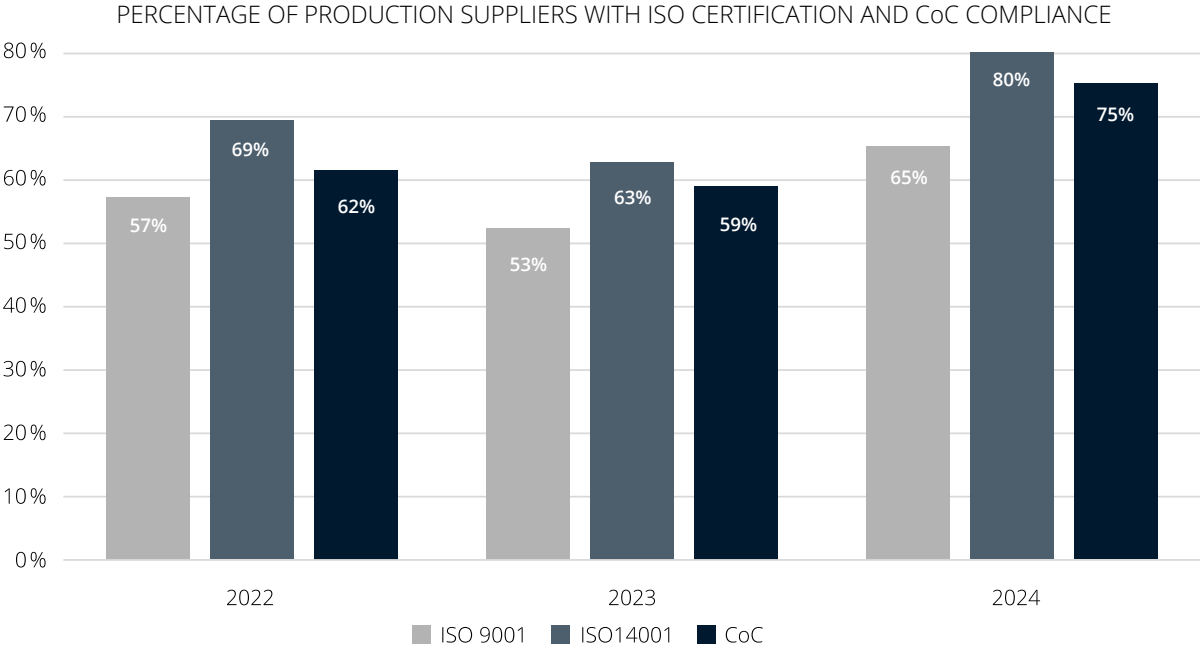
Continued progress in this area is critical to our broader sustainability ambitions, and we will maintain our focus on responsible sourcing across the entire supply chain.

RISK MANAGEMENT

Terratech’s risk management process follows an annual cycle, with a comprehensive company-level risk analysis conducted during the final quarter of each year. The assessment covers a wide range of risk areas, including business operations both upstream and downstream, as well as product safety, personnel, financial stability, cybersecurity, infrastructure, and regulatory compliance.

Product design is carried out in accordance with the EU Machinery Directive and other relevant standards. All applicable products are CE-marked, ensuring compliance with safety and quality requirements across markets.

Risk assessment is an integral part of our product and process development activities and is further supported through routine safety rounds in daily operations. This structured approach ensures that we proactively identify, evaluate, and mitigate risks at all levels of the organization.



DATA ETHICS

Terratech maintains a clear IT policy and employee guidelines to ensure responsible use of IT systems. These guidelines aim to protect employee privacy in accordance with GDPR (General Data Protection Regulation) and safeguard all business-critical systems. We comply with applicable legislation, including GDPR, the Swedish Personal Data Act, the Act on Electronic Message Boards, and the Copyright Act.

Throughout 2023 and into 2024, we placed strong emphasis on strengthening cybersecurity across the group. A second NIST review was conducted at the end of 2023 and beginning of 2024 for all three companies. The NIST framework—developed by the U.S. National Institute of Standards and Technology—

focuses on five core pillars: Identify, Protect, Detect, Respond, and Recover.

In 2024, we continued to build on this foundation by investing in employee training to increase awareness and resilience against cybercrime. These efforts are a key part of ensuring both operational stability and compliance with our data ethics principles.

3.4.4. Summary of focus area 3

To visualize the full picture of our focus area 3, we have summarized most of what we do in regard to this on the next page. The summary includes actions, status and goals required to reach our overall focus to be a responsible business.

Focus area 3: Terratech as a Responsible Business

ACTIONS FOR 2024	STATUS	SUB GOAL	FRAMEWORK	GOAL
Structure for beeing compliant with CSRD	5%	Mapping of all daughter companies' complete status	SDG 12: Responsible	Terratech as a responsible business
Create employee branding campaign	100%	Increase the share of women in Terratech on a yearly basis	CSR 5: Gender equality	
Continue to promote Terratech on social media and fairs	100%	Increase international revenue and growth on a yearly basis & SDG 8.2	CSR 8: Decent work and economic growth	
Business development project deliveries (Terratech)	80%	Completion and introduction of results from more than 90% of started business development projects per year & SDG 8.3		
Two internships per year in the Administration (Sjørring)	50%	A decent work environment and equality for all employees with an employee turnover rate between 8%-12% & SDG 8.5		
Improve work climate for administration with renovation facities, (Sjørring, Steelwrist)	0%			
Continues to be on same level or increase the number of trainees in production (Sjørring)	100%			
Continue the cooperation with schools and universities (Sjørring)	100%			
Hire trainees to office and warehouse	100%			
Better conditions on health insurance at the administration (Sjørring)	100%			
Upskilling potential employees to skilled	100%			
Policy for offering health benefits at each company	66%			
Increased control, verification and expectation	0%	100% of Terratechs production suppliers should sign off on		
Installation of dust filter in production	100%	SDG 8.8		
Implementation of a finance manual (SVAB)	0%	ESG governance structure, cyber security and financial policy implemented in all of Terratech by 2023 & SDG 12.6	SDG 12: Responsible consumption and production	

*Where the infrastructure allows this

4

APPENDIX 4.1. Terratech ESG data summary 2024

Environmental	Energy	Total energy consumption	-	-
		Electricity consumption	3 142	MWh
		District heating consumption	291	MWh
	Water	Total consumption of water	2 409	m3
		Waste	Waste from own operations	2 287
	- of which collected for reuse		92,2	%
	- of which is collected for incineration		6,1	%
	- of which is collected for landfill		1,5	%
	- of which is hazardous		0,2	%
	GHG	Total of direct CO ₂ e emissions (Scope 1)	516	T CO ₂ e
Total of indirect CO ₂ e (Scope 2)		351	T CO ₂ e	
Total Scope 2 location-based		92	T CO ₂ e	
Total Scope 2 market-based		248	T CO ₂ e	
Social	Employees	Number of employees (FTEs)	458	pc
		Female	12	%
		Male	88	%
		Number of employees in leadership positions	44	pc
		Female	6	pc
		Male	38	pc
		Percentage of employees by age	-	-
		Younger than 20	1	%
		20-29	13	%
		30-39	22	%
		40-49	27	%
		50-59	26	%
		60 or older	11	%
	Employee turn-over percentage	12	%	
	Safety	Total number of recordable injuries	32	ppm
		Total number of recordable incidents	69	ppm
Percentage of sick leave		4,5	%	
Governance	Policies	Number of policies	18	pc
	Suppliers	Number of production suppliers	242	pc
		Number of suppliers compliant with our CoC	193	pc
		Number of ISO 9001-certified suppliers	193	pc
		Number of ISO 14001-certified suppliers	158	pc

4

4.2. Indicator definition

Indicator & Abbreviation	Definition
ISO	International Organization for Standardization
OED	Original Equipment Distributors
OEM	Original Equipment Manufacturers
SBTI	Science Based Targets Initiative
ROP	Re-Order Points
SCIP	Substances of Concern In articles as such or in complex objects (Products)
CDX	Compliance Data Exchange
SDG	Sustainable Development Goals
ESG	Environmental, Social and Governance
ESRS	European Sustainability Reporting Standards
GHG protocol	Green House Gas Protocol
UNGC	United Nations Global Compact
LED	Light-emitting diode
HOT	Honest, Open, and Transparent
ERP	Enterprise resource planning
R&D	Research and Development
MES	Manufacturing Execution System
S&OP	Sales and operations planning
CoC	Code of Conduct
ILO	International Labour Organizations
ETP	Equal Treatment Policy
GDPR	General Data Protection Regulation



Terratech Group AB

Titangatan 9, SE-195 72 Rosersberg, Sweden

+46 (0) 8 121 544 00

The logo for SVAB, consisting of the letters "SVAB" in a bold, blue, sans-serif font.

SVAB Hydraulik AB

Maskinvägen 6 B, SE-694 60 Åsbro, Sweden

+46 (0) 582 152 30



Steelwrist AB

Titangatan 9, SE-195 72 Rosersberg, Sweden

+46 (0) 8 626 07 00



Sjørring Maskinfabrik A/S

Sjørringvigvej 4, DK-7700 Thisted, Denmark

+45 (0) 9797 11 00