

Greenology[®]

REPORT



axjo[®]



**A result of
our long-term
aspiration to be
a sustainable
global partner**

Words from the CEO



The past year has obviously been marked by pandemics and disruptions in the supply chains. Our companies have struggled with various challenges to solve the daily business problems. What we can state is that the interest in a fossil-free world has increased significantly. The Axjo Group is really at the forefront regarding the green transition. We are part of two dimensions. The first is that our products already now consist of 100% recycled material. The other one is that our product solutions, in our large scale, are being used for the green transition around the world.

Examples of this are products for E-mobility where we, among other things, supply cable systems for battery cable for electric and hybrid cars. Another example is different connected systems to make eg wind power possible. Our products are also used for data cable to build e.g. Clouds. The list goes on.. Our products are not only made from completely recycled materials but also largely in PCR (Post Consumer Recycling) polymers. These have up to 78% lower CO₂ footprint compared to competing materials. Beyond this we have the integrated sister company Drumster Group that runs its digital platform for returns of used cable drums.

It feels like we are on the right path from a linear way of thinking to a circular way in several dimensions. Our products can be used up to 20 times without any disruptions and when they break, they can be recycled into new products again through a low energy process.

”Axjo Academy is our new way of being able to retain and develop key competencies”


The Groups’ heart also beats for social sustainability. We sponsors all associations where our employees are active, but also a school in a locality in Nicaragua where we operate with sales.

We also have a close collaboration with the Swedish Public Employment Service to create tasks for people with extra needs. This has been the case for several years which has led to a a successful collaboration and today a number of people have permanent jobs within the group’s companies.

Axjo Academy is our new way of being able to retain and develop key competencies. At the academy, we recruit and train young talents for a year. The concept is based on a combination of tailor-made educations together with universities and various training companies. This is combined with three different projects to be implemented during the year. One of the projects is carried out at one of ours foreign entities. When the training is completed, our hope is that it shall lead to a permanent employment at one of the companies.

Our organization is very enthusiastic and committed to creating one yet better platform for the Axjo Group and with confidence, I look forward to our sustainability work in 2022.

Gislaved May 2022


JACOB NILSSON
CEO, Axjo Group

A result of our long-term aspiration to be a sustainable global partner

The world needs to change and we need to change with it. For more than 20 years, Axjo has been a leading developer of sustainable recycled polymer compounds for our products. Now we are taking the next step, making our progress clearer through the Axjo Greenology Concept. Here we convey our vision of how we can help, educate and improve our customers' sustainability work in both the short and long term. Three key areas – innovation, efficiency and sustainability – form the collective starting point for this work. We make the most of the knowledge we already have in each area and refine it to ensure an even smaller footprint. This can involve everything from techniques with weight reduction, mono material design and the use of 100% PCR (Post Consumer Recycling).

Innovation

With innovation as a common thread running through every aspect of our operations, we are able to offer solutions that provide benefits on all levels. We have over 800 individual products, optimised for all areas of use. A packaging solution developed by Axjo is designed to meet your needs both now and in the future. Using our own green

compounds, we are able to adapt material to achieve the best possible result, not only from a technical point of view but also in terms of what is best to ensure a sustainable future. We have also developed a whole new series of logistics-enhancing products.

Efficiency

We live in a world marked by a growing demand for efficiency, and time and materials management are key elements that need to be factored into the manufacturing process. Our challenge is to find smarter solutions that increase productivity. We have been able to develop products that have been specially adapted to achieve greater productivity and a more efficient logistics flow. This includes Sustainability

up to 60% lower weight and products that offer greater precision and performance. Global operations in over 50 countries have allowed us to build up extensive knowledge about the needs of our customers and provide them with products adapted specifically to their requirements. The flexibility we can offer generates added value for our customers without necessarily increasing costs.

Sustainability

What worked well yesterday will not necessarily be the best solution tomorrow. As a global operator, we realise the importance of assuming responsibility for the way we work. By using 100% recycled materials in our products and carefully monitoring our carbon footprint in our delivery chain, we can support our customers with products with exceptionally low environmental impact for a green future. We call this concept Greenology. This also includes engineering methods designed to find ways of removing scrap from customer sites and transforming it into a valuable resource that can be used in the end product.

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How to be open-minded to change

The world needs to evolve, and we need to keep pace with changes. The Axjo Greenology Concept permeates every part of our business operations.

Our values govern the way we work. Our production of customized packaging solutions is undertaken in the most cost-effective way possible. Environmental considerations, social responsibility, ethical business methods and competitive pricing all characterize our business.

When manufacturing and developing new products, the strategic link between our sustainability work and the business plan is very important. Plastic and injection moulding are a fantastic combination where you can manufacture highly functional products with extremely low energy consumption per kilo of processed material in a single cycle. Putting our energies towards making a material as light as possible is both environ-mentally beneficial and a success factor in terms of cost. We invest considerable resources in modern systems and a way of thinking that includes the impact of the entire logistics chain and thus the full consequences of our product development.

In our own compounding facilities, we take responsibility for every aspect of our actions. To reduce our footprint, we work in collaboration with leading local collectors of plastic raw materials to reduce our transport requirements. The basic idea with the Axjo compound is to take advantage of materials that have already exhausted their life cycle (PCR material) at consumer level and which would otherwise be taken to landfills, end up in nature or go to incineration. These materials are upgraded to create new compounds with improved properties. Together with RISE (Research Institutes of Sweden) and leading cable companies, we have also found methods to be able to use XLPE waste from cable production in our products.

We pack all this valuable knowledge for a sustainable society into our new concept Axjo Greenology – the material of the future.



RECYCLED MATERIALS



OVER 20% HIGHER OUTPUT WITH EXACT, UNIFORM PRODUCTS



78% CO₂ SAVING*

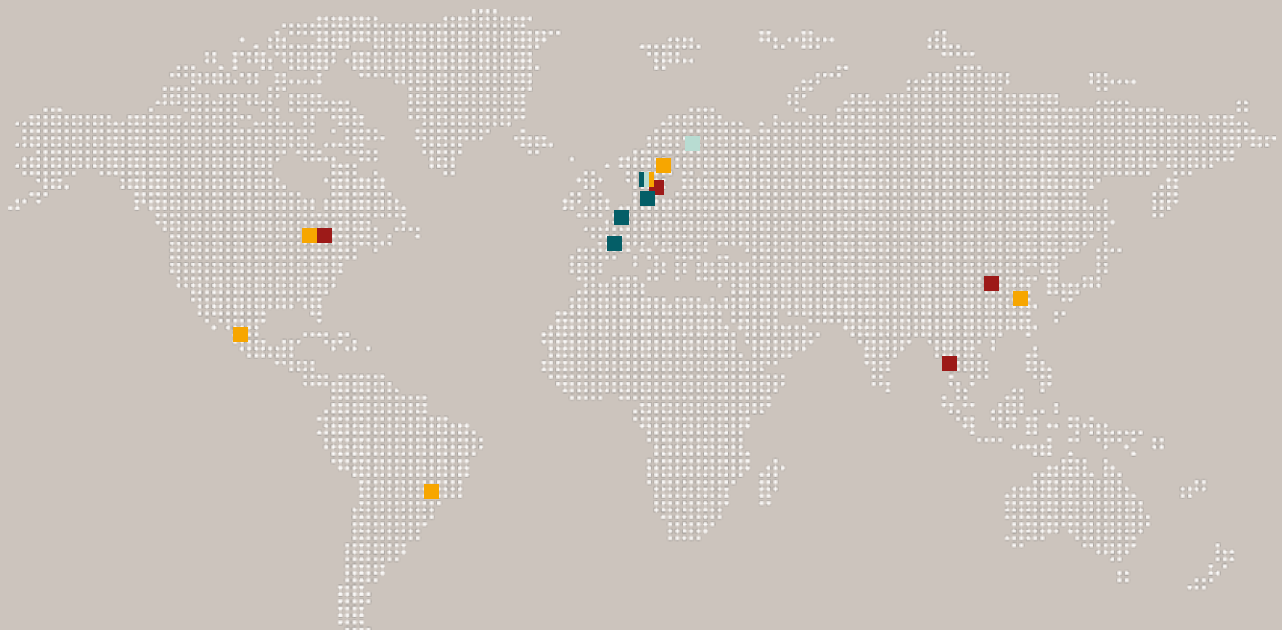
*Life Cycle Assessment of cable drums made from recycled plastics made by Sverea/IVF.

Global responsibility

With a market presence in 58 countries and production units in 6 different locations around the world, we strive to minimize our carbon footprint. This endeavour means that we are constantly looking for new opportunities to develop products, production methods and production facilities for a better circular society.

Axjo Group's customer focus forms the basis upon which we build our solutions, and one of the most important parts of being able to offer a global customer service is being close to the customer. This is achieved by means of globally located manufacturing plants, assembly units or warehousing solutions. This idea alone contributes to

less environmental impact from logistics flow. Transport routes become shorter, the degree of filling is greater, and intermodal transport can be utilised in large measure. Global presence also contributes to sustainability in the regions where we operate through the societal benefits that our business creates.



■ Sales office, Axjo
 Gislaved, Sweden
 Stockholm, Sweden
 Conover, North Carolina, USA
 Mexico City, Mexico
 São Paulo, Brazil
 Suzhou, China

■ Sales office, PPS
 Gislaved, Sweden
 Malmö, Sweden
 Lokeren, Belgium
 Pujaut, France

■ Sales office, Drumster
 Gislaved, Sweden
 Riihimäki, Finland

■ Production units
 Gislaved, Sweden
 Conover, North Carolina, USA
 Changzhou, China
 Shenzhen, China

Axjo

... develops, manufactures and markets high-quality products under the market-leading brands Axjo® and Greenology®. The companies' ambition is to deliver sustainable and environmentally smart products to the customers. The business is focused on spools, cable drums, filament spools and efficiency enhancing special products for cable, fiber, wire and filament for 3D printers. The company also develops, manufactures and markets small storage solutions. The company conducts business in Sweden, Finland and the USA. The head office is located in Gislaved, Sweden.



Drumster Group

.. is a tech company that operates and develops application solutions and systems for packaging returns. The company's focus area is returns of Axjo's cable packaging, but also wood and pallet products are returned in the system. The app today has over 5000 daily users, and together with Drumster drivers and Drumster partners the company created a complete logistics flow between users and manufacturers with the aim of creating environmental benefits. The company is also active in Finland with main operations in Riihimäki outside Helsinki and Oulu in northern Finland.

PPS - Perstorp Plastic Systems AB

.. has a very strong position in the Scandinavian market within development, sales and distribution of storage solutions. The products are sold mainly through leading distributors, but also directly to larger logistics and e-commerce projects. The company was acquired in April 2021 and the head office was moved from Malmö and integrated into Gislaved during summer -21. The company has conducted manufacturing in both China and Sweden, but everything is now gathered under Axjo's roof and the production in China is being discontinued.



The most ambitious agenda for sustainable development

If the world is to achieve the UN's Sustainable Development Goals (SDG:s) by 2030, we all need to contribute. We at Axjo have evaluated our operations against the 17 goals and identified the goals where we have the greatest opportunity, directly or indirectly, to impact.

HOW WE WORK TO ACHIEVE THE GOALS

With innovation, efficiency and sustainability as key words throughout our organisation, we have come a long way towards achieving our long-term sustainability goals. It is partly about moving our production from a linear process to a closed loop system but it also means making it easier for our customers by being part of their

circular process. Axjo makes continuous efforts to be even better. That is why we annually undertake a SWOT analysis, evaluating threats and risks which then become the basis for our improvement work.

This process involves both customers and employees as well as suppliers.

STAKEHOLDER ANALYSES

One of the measures we take to achieve our goals is regular stakeholder analyses. These are performed through customer interviews, supplier contacts, employee interviews and ongoing daily meetings throughout the group.

Our principal stakeholders are:

- Customers
- Employees
- Owners
- Suppliers
- Quality Organizer

PRIORITY ANALYSIS

On the basis of our stakeholder analysis, we are able to perform a priority analysis founded on the results from our stakeholders. This is reviewed annually. The analysis shows the areas where our stakeholders have the highest expectations and which are of the greatest importance to our strategy. It is these areas that we prioritise in our sustainability work and on which we report.

We have set out the most important issues below:

- Sustainable products/production
- Life-cycle analyses
- Health and safety
- Knowledge and education
- Purchasing strategy
- Communication and marketing
- Customer satisfaction
- Climate impact
- Anti-corruption

RISK ANALYSES

Risk management is integrated into management and group internal processes through guidelines and work routines. Continuity planning is carried out at group level and risks are otherwise identified and managed on an ongoing basis. Ongoing risk management is undertaken in the group's various units through routines and systematic risk assessments for the respective risk areas. Measures

are taken in each area to minimise the probability and consequences of an incident.

The following are included in our risk assessments:

- Impact on quality
- Climate impact from transport and production
- Key personnel
- Anti-corruption

GOALS

OUR RESPONSIBILITY

8 DECENT WORK AND ECONOMIC GROWTH



DECENT WORK AND ECONOMIC GROWTH

The Axjo Group ensures good working conditions and a sound working environment in both our own companies and in the global supply chain.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



INDUSTRY, INNOVATION AND INFRASTRUCTURE

The Axjo Group is constantly developing new innovative packaging solutions for the installation technicians of the future.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



RESPONSIBLE CONSUMPTION AND PRODUCTION

Sustainability and recycling are the Axjo Group's most important watchwords. Over 90% of our product portfolio is manufactured from recycled compounds. The compound also contains a significant percentage of Post Consumer Material (PCR).

14 LIFE BELOW WATER



LIFE BELOW WATER

The Axjo Group uses large amounts of recycled materials sourced through collections made by our subsidiary, Drumster. Drumster also supports Ocean Cleanup's sensitive approach in clearing the oceans of serviceable raw materials.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



PEACE, JUSTICE AND STRONG INSTITUTIONS

Our global presence means undertaking commercial transactions and agreements on a daily basis. A certain risk in relation to personal abuse of power and personal gain always exists in such dealings. The Axjo Group counteracts this risk by means of company policy, meticulous scrutiny and clear areas of responsibility.

Well-developed transport and logistics solutions

Today, efficient transport is alpha and omega. Everyone expects deliveries of what is needed for production and orders without tying up capital in stock. For Axjo, adopting the customer's perspective in order to fulfil specific wishes with Just-in-Time deliveries without burdening the environment has always been important.

Together with our logistics partners we always strive to reduce our environmental impacts from transports. One way is the use of intermodal transport. Intermodal means that trailer containers are loaded on trains near our production facilities and then unloaded near our distribution warehouses close to customers.

A further advantage is that we can deliver full trucks to a greater extent and distribute close to the customer. This provides greater flexibility, service and spares the environment with low CO₂ emissions.

At an early stage, we consider the possibility of designing and developing our products so that they can be transported using the full trailer capacity. One example is our FlatPac reel (see more on the next page!) where we can load approx 2,5 times more in a full truckload than with a standard reel. Pretty amazing, don't you think?



FlatPac 595 – innovative, trend-breaking and also a first-class equipment for cable packaging

In addition to the purely practical features in terms of smoother handling, ergonomic benefits and space savings both at Axjo and at our customers warehouse, this product is definitely a contribution to reducing the daily impact of our environment.



FlatPac 595

This reel is not only innovative and trend-breaking, but also a first-class equipment for cable packaging. In addition to the purely practical features in terms of smoother handling, ergonomic benefits and space savings both at Axjo and at our customers warehouse, this product is definitely a contribution to reducing the daily impact of our environment. The product is especially suitable for users who want to focus on returning the reel from the field and back to the cable factory for reuse. FlatPac 595 is delivered unassembled. The reel consists of two different components: one half of the tube and a flange. A complete reel consists of 2 tube halves and 2 flanges. During transport from Axjo to the customer, this concept gives a great saving since a significantly larger number of complete reels can be transported on the same surface as traditionally pre-assembled reels.

At the cable factory, it is assembled using an assembly fixture and then loaded with cable in the customer's production.

Here comes the next big advantage: The end customer has the opportunity to disassemble and return the reel in the same space-saving way as from the beginning. In normal wear and tear, the FlatPac 595 can be reused up to 5 times before sending it for recycling and, by extension, for the manufacture of new reels. Of course, the reel is made from a recycled material. It is either in 100% ABS or 100% PP.

FlatPac is initially available with Ø595 mm flange. In the next few years, we expect that this range will be offered in several different dimensions.

GREENOLOGY INDEX

– for a simpler, sustainable choice

Axjo Greenology Index is a tool that we use to help our customers choose a product that meets all their technical requirements. We make it even easier to ensure sustainability is a consistent feature throughout the whole chain. We achieve this by offering an index for our products that includes a six-stage assessment scale with several underlying indicators that each product must satisfy. The sustainability assessment is based on a low to high index of 1–10.

#1 ORIGIN OF THE RAW MATERIAL

We have full control over our production chain, from sourcing and collection of raw material to the production of a useful compound for making new drums.

#2 PRODUCTION METHOD

Our modern production facility and innovative production methods enable us to offer efficient packaging production. The design of the product, as well as the properties required, determine the manufacturing method.

#3 CLIMATE IMPACT & ENERGY CONSUMPTION

Injection moulding is one of the most energy efficient manufacturing methods. The material is heated for a very short time and a large part of the energy needed comes in the form of frictional heat.

#4 CLOSED LOOP

By means of circular processes, we are able to ensure that the life of our products is increased. This is done partly through systems where we collect used drums for reuse/recycling.

#5 RECYCLING POTENTIAL

By thinking about recycling in the product development phase, we seek to create products with greater potential for repair or reconditioning with a view to longer use.

#6 ERGONOMY

Our product development involves close consideration of both our customers' needs and of how drums can be manufactured to make them as ergonomic in use as possible, through weight reduction, for example.

8.9/10

Raw materials:

Production method:

Climate impact:

Closed loop:

Recycling potential:

Ergonomy:



Let us tell you how we are taking plastic recycling to a new level

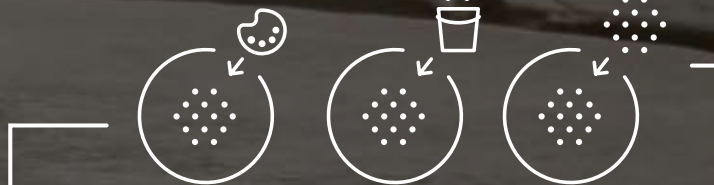
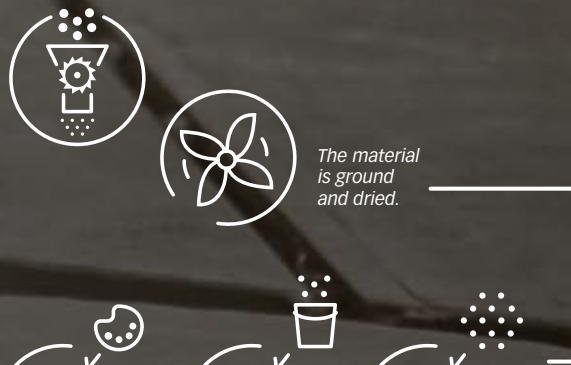
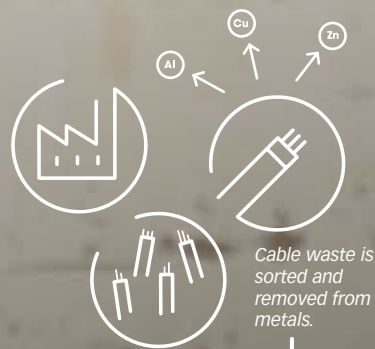
The Greenology Concept is made up of many different parts. One of the most important is helping our customers reduce their carbon footprint. A key initiative has been to work with leading manufacturers and research institutes to develop a method for utilising waste from power cable production using XLPE.

1 000 kg of XLPE provides a saving of 2 000 kg of CO₂

XLPE is PE (polyethylene) which is cross-linked with an additive to improve its properties. This results in scrap that is very difficult to use in a recycling stream. Together with NKT, Borealis, and Swerea IVF, Axjo has managed to succeed throughout the entire value chain. Effective recycling at NKT's recycling plant, together with use of a sophisticated method in Axjo's mixing and compounding process in Gislaved, have proved successful. Products are now being developed with a significant XLPE content

as an impact modifier. These innovative products have been on the market for over a year, and both cable manufacturers and end-users have been very satisfied with the outcome.

The reuse of 1,000 kg of XLPE provides a saving of 2,000 kg of CO₂, helping our customers become more sustainable and more profitable as the waste does not need to be sent to landfill or incinerated.



PPS is a part of Greenology Concept

By taking advantage of the entire process in a smart cycle, PPS is contributing towards society having a lower climate footprint.

In connection with PPS' integration with Axjo Group, PPS has changed production from a linear process to a circular system. This will contribute towards simplified handling of products that protect the environment and provide efficient and sustainable solutions for a greener future. As part of the Axjo Group, PPS will continue developing its products with Axjo's knowledge of product development using recycled materials and thereby push sustainable development forward.

Through innovation, sustainability, efficiency and closed-loop recycling, Greenology Concept is a step in the right direction for improved sustainability work and a reduced climate footprint, in both the long and short terms. PPS' production is now located in Axjo's new climate-efficient premises in Gislaved, Småland which, thanks to the expansion, provides opportunities for large production capacity and further growth. Ever higher requirements are being set for sustainable processes and flows, and product development with recycled materials is a given. Through the sustainability concept,

Greenology, PPS can reduce the climate footprint of its product development and create more sustainable, circular production.

A lot of customers today are demanding a cycle, a circular return system for more efficient and more sustainable handling of used products. Through reuse, PPS can achieve a climate-smart solution and protect the environment. Instead of disposing of broken crates and contributing to a complete waste of resources, the crates will be collected, recycled, and replaced with new ones in a closed-loop return system. Through Greenology, PPS can take plastic recycling to a new level and assist its customers in taking advantage of products that have already completed their life cycle and offer them innovative, sustainable products that respect the environment. A complete solution for a circular working method that improves the work environment and gives customers more time, while at the same time contributing to reduced environmental impact.



Highlights 2021



March

We moved into our new, fresh production halls during spring. What a feeling!

axjo[®]
ACADEMY

May

We started Axjo Academy, with the aim of hiring talents with diverse backgrounds and experiences.

Greenology[®]

January

Our concept "Greenology" is finally launched!

PPS[®]
PART OF AXJO GROUP

April

Perstorp Plastic Systems AB was acquired and is now 100% part of Axjo Group.



August

Jacob, CEO of Axjo Group, receives an award as "Entrepreneur of the year" in Gislaved municipality, having "focus on sustainability and recycling".



August

Finally our new headoffice in Gislaved is ready and we can now show off a completely new building which in a few years will become a CO₂-neutral facility.



November

Grand opening of our new premises with open house for the community and celebration together with all hard workers!

A CLOSED LOOP SYSTEM with Axjo Group

Being able to use packaging several times should be a matter of course, but this is unfortunately not the case in the installation industry. Drums from us at Axjo Group are currently designed and developed to be used up to ten times in different circular systems.

The products can be dismantled and any broken parts can easily be replaced during the product's lifetime. The group currently offers a widespread take-back system for cable drums in Scandinavia. Our subsidiary, Drumster Group, provides an app-based tool through which the pick-up of empty products may be ordered by means of the cell phone's geographical position.

Drumster Group also provides smart returns through several drop-points where the installer can return the drums. The drums are transported by full trucks to our return hubs.

After reaching our return hubs, the products are inspected and customers receive a deposit based on the condition of the products. This is not just a financially good deal for customers; the reduction in waste results in multiple environmental benefits. In accordance with a circular process, broken parts are ground down and reintroduced into Axjo's compound to create new products. Outside Scandinavia, similar systems are run with partners in, for example, Germany and Switzerland.



HUMAIRA BANERYD, Head of Sustainability, REXEL SWEDEN AB
One of Drumster Groups customers

WHY IS SUSTAINABILITY WORK IMPORTANT TO YOU?

In the long-term, sustainability work is absolutely crucial. We need to make a change so that we humans can continue to live off the earth's resources. If we deplete the resources, in the long run we will not be able to exist ourselves.

HOW DO YOU WORK WITH SUSTAINABILITY AT YOUR FACILITIES TODAY?

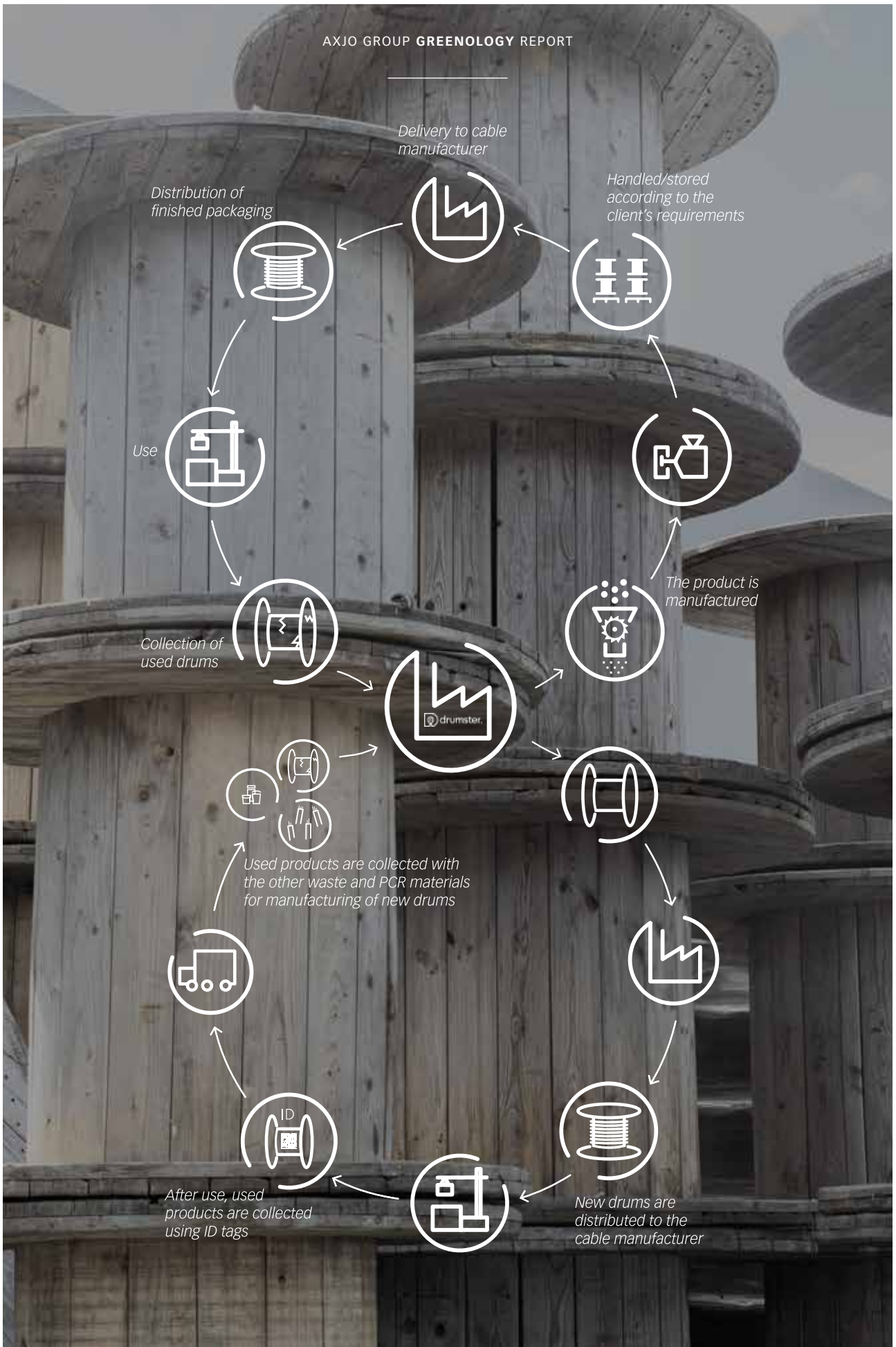
We have set clear goals for both the whole organisation and our employees. How can I contribute to sustainable business? This is a question we want all our employees to take on board and act accordingly. It is important that every employee feels that it is possible to make a difference even in their daily work.

WHAT IS YOUR FOCUS IN TERMS OF SUSTAINABILITY DURING 2022?

There are essentially two parts. Firstly, to reduce our own emissions from those parts of our business that are linked to our operations, and secondly, to help our customers make more environmentally sustainable product choices.

HOW IMPORTANT IS IT FOR YOU TO WORK WITH SUPPLIERS WHO HAVE SUSTAINABILITY AS THEIR MAIN FOCUS?

This is very important and we set high standards for our suppliers to actively work with sustainability. We can't sell products that come from suppliers who don't have their value chain under control. That is, suppliers who do not actively work to reduce their emissions and who do not have a sustainability aspect in the development of products. We want to help our customers choose the right products, so sustainability data from our suppliers is also important to us.



*Hello Igor Pastuhovic!
You are the Supply Chain &
Sustainability Manager of
Kjell & Company, the first
PPS-customer to transit from
virgin polymers to sustainable
Greenology Compounds!*



IGOR PASTUHOVIC

Supply Chain & Sustainability Manger, KJELL & COMPANY

WHY IS SUSTAINABILITY WORK IMPORTANT TO YOU?

We're in a really, really important people's movement right now. A movement that I hope will change the world. The conversation that needs to be held is uncomfortable, because the question is not whether we leave an imprint, but how often, how much, how hard and how deep.

So while we are afraid of saying the wrong thing, of being misunderstood or of our customers assuming, our convenience cannot be the focus of this discussion. The individuals who will be affected by our decisions are not responsible, or perhaps even old enough, to initiate these conversations or build the tables at which they can be held.

So we must, and will, choose courage over convenience and say, listen here; we don't know if we're going to solve this but we're going to try because what we really can't be is silent. So yes, we will make mistakes, it will be uncomfortable and will become aware of flaws we didn't even know we had. And we will be grateful. Because we will learn from it instead of holding others responsible for teaching it to us. And that's how we see ourselves moving forward.

HOW DO YOU WORK WITH SUSTAINABILITY AT YOUR FACILITIES TODAY?

Selling electronics with the future and the environment in mind is something we've been doing for a long time without really calling it anything special. For example, we have a wide range of accessories and spare parts that make things last longer by allowing them to be repaired, upgraded or combined with other products.

WHAT IS YOUR FOCUS IN TERMS OF SUSTAINABILITY DURING 2022?

We will focus on reducing carbon emissions by recycling a greater proportion of our waste and reducing the company's energy consumption, ensuring that we are a safe and equal employer by working to increase eNPS and the proportion of female managers, and establishing ourselves as a role model in terms of ethics and social responsibility through anti-corruption training and signing the Code of Conduct with all suppliers.

HOW IMPORTANT IS IT FOR YOU TO WORK WITH SUPPLIERS WHO HAVE SUSTAINABILITY AS THEIR MAIN FOCUS?

We are a profit-making company. But we are also a company that wants to do good, in the sense that we strive to make as small a negative impact as possible on the planet we all share. Indeed, we want to turn that around and create value-added production. We always choose to do what is right, never what benefits us at the expense of someone else.



Prysmian Group is Axjos first Group moving from standard, recycled material to Greenology compound! By doing so, they are setting standards for other companies and groups!

FACT

Let's talk with **GIAN LUCA AGLIARDI**,
Sustainability Manager, PRYSMIAN GROUP

WHY IS SUSTAINABILITY WORK IMPORTANT TO YOU?

The Prysmian group operates in a crucial industry for the energy transition and the digitalization of modern society. If we want to decarbonize our homes and activities, we need to electrify all that we can, and reach 100% green energy in our grid. Power cables are thus a crucial enabler of decarbonization, as we need more of them to reach the climate and social goals we aspire. A similar pattern occurs also in the telecom business, as digitalization is one of the levers which will enable more social justice and fair access to social and educational resources to everyone. This is the very first reason that Prysmian is keen and committed to sustainable operations and solutions.

HOW DO YOU WORK WITH SUSTAINABILITY AT YOUR FACILITIES TODAY?

Our sustainability journey started some years ago (our first sustainability report was in 2014) and we are by now fully integrating sustainability in our company strategy and way of doing business. This means we are active on several areas, so to have an holistic approach to Sustainability.

We have set Net Zero targets in collaboration with the SBT initiative, and we plan to fully decarbonize our operation by 2035 and the one of our supply chain by 2050, and we are investing €100m in order to achieve this target. We are keen on developing circular solutions, putting effort in reducing any waste and giving new life to it. We are also focusing on circularity, putting effort in reducing any waste and giving new life to it. We are engaging suppliers and customers in order to develop joint solutions for reducing emissions and waste and improve recyclability.

WHAT IS YOUR FOCUS IN TERMS OF SUSTAINABILITY DURING 2022?

Deeper analyze the upstream scope 3 emissions and engage actively our suppliers so to exactly assess the CO₂ content of the material we source. Once the analysis is done, we will outline an action plan to be able to decrease them.

- Focus on our waste production, the possibility to recycle them both internally and externally.
- Sourcing of raw material with low CO₂ footprint, meaning bio-based or with high recycled content.
- Impact on local communities. Launch projects of CSR to generate positive impact in the communities we operate.
- EU Taxonomy
- Foster STEM careers for women, in order to achieve our gender parity targets
- Build an internal sustainability training platform, so to spread sustainability culture across the organization and activate employees to generate new sustainability initiative

HOW IMPORTANT IS IT FOR YOU TO WORK WITH SUPPLIERS WHO HAVE SUSTAINABILITY AS THEIR MAIN FOCUS?

It is in the top of our agenda. We have set Net Zero targets on our scope 3 and we are committed to reach them. This means that we need to collaborate with both our suppliers and customer in order to develop joint solutions to decarbonize the whole value chain. Most of the emissions related to our products happens in the use of goods phase and in the purchased materials categories, so these must be our first priorities.

Greenology Tech Center

There are several parameters to consider during the manufacturing and processing of plastic products.

Our Greenology Tech Center has the equipment that allows us to perform different types of analysis to ensure the quality and content of a raw material upon delivery. The first step is to execute a general characterization of the polymers that may be contained in a material by using Differential Scanning Calorimetry (DSC) and a Thermogravimetric Analysis (TGA) that shows if the material contains any other components, for example

fillers. We can also measure Melt Flow Index (MFI) which is an indicator of the flowability of a thermoplastic and indicates how easy or hard it will be to process the material. We also have the possibility to measure density, mechanical properties and perform X-ray fluorescence analysis (XRF) by using an X-Ray Spectrometer to determine if a material contains any heavy metals.

The technology that our Greenology Tech Center has, allows the material team to have full control of our Greenology compounds.

In our Greenology Tech Center can we perform a wide range of polymers tests according to the following standards:

Test	Standard	Test	Standard
Tensile properties	ISO 527	External moisture content	ISO 585
Charpy impact properties	ISO 179	Density of non-cellular plastics	ISO 1183
Izod impact strength	ISO 180	Differential scanning calorimetry (DSC)	ISO 11357
Melt mass-flow Rate (MFR)	ISO 1133	Thermogravimetric analysis (TGA)	ISO 11358

Renewable energy

With an extensive energy focus, we support the transition to a renewable energy system. In our state-of-the-art production facility, which was completed in the spring of 2021, we are employing modern technology and architecture. Excess heat is collected to heat production buildings and offices combined with a solar energy system to generate additional green electricity. The solar panels generate about 368 000 kWh of electricity per year, corresponding to the annual consumption of 73 houses heated with district heating. For other equipment, eco-labelled electricity is sourced from water and wind power plants.

”Plastic and injection moulding is a fantastic combination where you can manufacture highly functional products with extremely low energy consumption per kilo of processed material in one single cycle.”

995

SOLAR PANELS

368 000
kWh

OF ELECTRICITY
PER YEAR



Welcome onboard



As the organisation grows, we need to hire more talented people who want to be a part of our journey towards even more sustainable products. We want everyone to feel welcome and included and we welcome new employees and board members into our organisation through our onboarding process.

A carefully designed onboarding programme gives us the opportunity to introduce our new employees and board members to our different departments and to the social environment and culture of our organisation.



CAROLINE ÅQVIST
Customer Coordinator, Axjo Group

HI CAROLINE, CUSTOMER COORDINATOR AT AXJO GROUP!

WHEN DID YOU START AT AXJO?

I started at Axjo in April 2021.

WHICH DEPARTMENT DO YOU WORK IN AND WHAT ARE YOUR MAIN TASKS?

My title is "Customer Coordinator" of Axjo and PPS. I work with various tasks in customer service, sales and marketing.

WHAT DID YOU LIKE BEST ABOUT THE ONBOARDING PROCESS AT AXJO?

Unboarding @ Axjo gave me a great start! I got the opportunity to meet all new colleagues, get to know them and see the company from different perspectives and functions. It was a great insight in how the company works in its entirety, for which I'm grateful for.



ÅSA NORDGREN RONDER
Member of the board, Axjo Group

*Quick questions to one
of our board members -
Åsa Nordgren Ronder!*

HI ÅSA! SINCE WHEN ARE YOU PART OF AXJO'S BOARD?

Since the end of 2021.

WHAT IS YOUR EXPERIENCE OF THE ONBOARDING PROCESS AT AXJO?

I think the onboarding process is a good way to get a quick introduction to the group. I was introduced during one day, meeting the management and walked through the different production areas, to get to know the way of working. I feel welcomed and I'm looking forward to be a part of the team.

Towards a more sustainable society



Axjo's continued progress is wholly dependent on healthy, committed workers. We want to contribute to an active local community by sponsoring sports and cultural activities.



We also support the work of employment agencies and we welcome diversity among our employees. All employees are given equal opportunities and treatment regardless of gender, age, religion, disability, ethnicity or social affiliation.



In cooperation with universities and institutions, we are always looking to offering internships or the opportunity to carry out projects together with us.



Whistleblowing



We at Axjo Group care about doing the right thing and to maintain our employees' confidence in us and our business. We want to do everything we can to detect and prevent any misconducts in our organization as early as possible. We have therefore introduced a whistleblowing service, where

employees can anonymously submit a report on suspicion of serious misconduct. The reports can be made either by phone or online. The whistleblowing service is operated by an independent third party to maintain an independent and unattached handling of the reports.

You can make a difference

Blow the whistle



We want to do everything we can to detect any misconducts in our workplace at an early stage. Your commitment is an important part of that work.

Have you discovered anything you want to report?
We have a whistleblowing function where you can anonymously provide information about misconduct. You can report through the digital reporting system or via phone.

Or leave a voicemail to
phone +4636-330 07 40

Our whistleblowing function is set up with a system from Qnister **QNISTER** Anonymous and cookie free reporting Encryption of information

We build for the future with Axjo Academy

With the aim of hiring talents with diverse backgrounds and experiences, who are eager to make our world a more sustainable place and ready to embrace new challenges in a high-tech production company, we launched the Axjo Academy Program in May 2021.

With Axjo Academy we want to take our social responsibility by educating talents and keeping the expertise in the local society and under the Axjo flag.

The Academy program extends over one year and is an individually designed program where theoretical courses together with universities and training centers are varied with practical assigned projects. At least one project is in

one of our international locations. With the support of a mentor, the Axjo Academy program gives the participant the opportunity to get to know various parts of Axjo Group and to explore their potential and grow as a person.

Isak Marelius was the first participant to attend the Axjo Academy program, doing his year at the IT department. After completing the Academy, he is ready for new projects together with Axjo America.

Linus Hammarstig is taking the next step in his career through the Axjo Academy at the R&D department.

*“Would you rather wait
for the future or build it?”*

**ISAK MARELIUS**

Axjo Academy at the IT department 2021-2022

HOW LONG HAVE YOU BEEN WORKING AT AXJO AND IN WHICH DEPARTMENT?

My career here at Axjo started with me being a temporary worker for Junic back in late 2019. I worked for a couple of months before I got the opportunity to get employed by Axjo as an Operator. After a year as an Operator I got the offer to step up as a Process Operator, a role I filled for half a year before I took the leap into Axjo Academy.

WHAT DOES IT MEAN TO YOU TO BE GIVEN THE OPPORTUNITY TO ATTEND AXJO ACADEMY?

To put it simply; a once in a lifetime experience. I've always wanted to study IT and work in that field, and to get the chance to deep dive into it without having any prior work experience is a once in a lifetime opportunity. When I got the question if I wanted to join I was overfilled with somewhat of a prideful feeling. It felt like all my prior work here had been acknowledged and that the company believed in me.

THREE THINGS THAT YOU WILL TAKE WITH YOU AFTER A YEAR AT AXJO ACADEMY?

The three standout things for me would be; The importance of taking on as many small tasks as possible, for me the best step into this organization and learning the ins and out of how everything works has been to be hands on when errors or changes have occurred. Not being afraid of asking questions, no one knows everything about everything. And to be able to grow into my role questions has had to be asked. Not being afraid of making mistakes. During this year I've made more mistakes than I'd like to publicly admit. Those mistakes have been all on my shoulders, I caused them therefore I've had to fix them. But in a cliché way that's probably the absolute best learning experience, a tad bit of pressure and a small bit of self esteem on the line.

**LINUS HAMMARSTIG**

Axjo Academy at the R&D department 2022-2023

HOW LONG HAVE YOU BEEN WORKING AT AXJO AND IN WHICH DEPARTMENT?

I started working at Axjo in 2017 in the summers while I still was in school and did so until 2020. Under these three years I worked as an operator and did extra work that needed to be done. After I finished school I continued working at Axjo but in the material department. I worked there for almost two years before joining Axjo Academy.

WHAT DOES IT MEAN TO YOU TO BE GIVEN THE OPPORTUNITY TO ATTEND AXJO ACADEMY?

It means a lot! It's a fantastic opportunity where I get to work and learn from very skilled people within the R&D department and at the same time get education externally.

WHAT ARE YOUR EXPECTATIONS OF AXJO ACADEMY?

My own expectations on Axjo Academy is to learn a great deal this year and to have some fun on the way!

A safe and secure working environment

Axjo's continued progress is wholly dependent on healthy, committed workers. For us, actively working for a safe and secure working environment goes without question. By means of continuous training and employee surveys, we work preventively for a safe working environment.

Worker satisfaction index

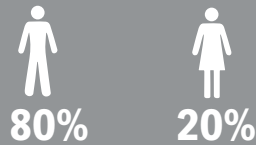
Axjo intends to conduct worker satisfaction surveys every year. A score between 60–100 on the 0–100 index reflects high job satisfaction, which means that workers are happy with their job. The response rate 2021 was 74%, which is a high score in itself. This indicates great commitment among employees and interest in their work and workplace.



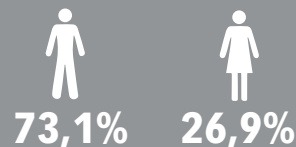
Equality and transparency

Axjo culture is characterised by transparency and a healthy mind-set regarding diversity. Conducting our business with respect, honesty and responsibility for our employees' actions is something that goes hand in hand with our values. The group exercises a zero tolerance policy towards all forms of corruption and unethical business practice. We undertake active gender equality work where men and women should have equal value regardless of background, opportunity to work and influence, and without hindrance to advancement.

Management Axjo Group



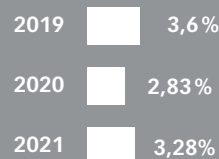
Overall Axjo Group



Sick leave

Axjo strives to provide a safe and healthy working environment where we continuously work to prevent injuries and ill health.

The sick leave rate in 2021 was 3,28 %. We have seen an increase in short-term sick leave over the past two years due to the pandemic and its restrictions.





Our future actions towards an even more sustainable world with Axjo

1

We are expanding our material department with a new recycling line that will be active at the end of 2022. The new line will give us a saving of about 15 000 tons of CO₂ per year.

2

We continue to work to reduce our climate impacts from transport by focusing on local material suppliers within a radius of less than 4 hours from our HQ in Sweden. Our goal is that at least 50% of the materials come from local suppliers.

3

More and new projects together with waste recyclers to find low-value fractions that, with modern technology, can be upgraded and used for our Greenology compounds instead of being sent for incineration. This saves resources and reduces the climate impact.

4

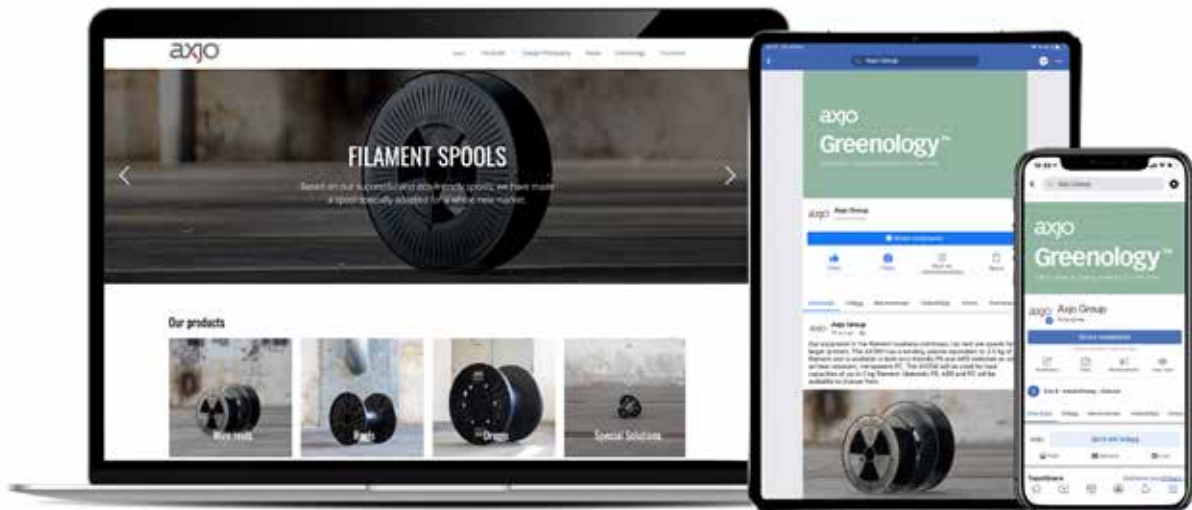
Products with new designs and lower climate impact. By using techniques where nitrogen gas is extracted from the air in the production room and dosed into the plastic to create a cell structure with reduced weight. Products with lower weight prevent work-related injuries.

*”The world is changing
and so are we.”*





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