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Valid for: Group			Position Issuer: VP Group Sustainability
Title: Environmental and Climate Policy			Position Approver: Board

ENVIRONMENTAL AND CLIMATE POLICY

Purpose and Scope

At Höganäs, we are committed to being a leading provider of environmentally responsible ceramic and metal powder solutions. This Environmental and Climate Policy defines our overarching principles and commitments to environmental protection, climate action, energy use, energy efficiency, and sustainable development. It applies to all our operations globally and guides our environmental and energy management systems, as well as strategic decision-making related to environmental protection and climate impact mitigation. As a signatory to the United Nations Global Compact, we are fully committed to its principles on human rights, labour, environment, and anti-corruption, and we integrate these principles into our strategies and operations.

Our Commitments

1. *Environmental Protection and Climate Responsibility*

We are committed to protecting the environment by minimizing our environmental and climate impact across the value chain. This includes reducing emissions, conserving resources, and promoting biodiversity and circularity in all aspects of our operations.¹

We set and review environmental and climate objectives through a structured process aligned with our strategy. Targets are based on materiality, risk, and stakeholder input, and progress is tracked through defined KPIs and integrated into business planning.

2. *Science-Based Climate Action*

We have adopted validated science-based targets to achieve net-zero greenhouse gas emissions². To remain at the forefront of the transition, we are pursuing accelerated ambitions:

- Scope 1 and 2: Achieve net-zero by 2030
- Scope 1, 2, and 3 (upstream): Achieve net-zero by 2037

We use renewable and/or fossil-free electricity in all our production facilities and design our processes for high energy efficiency.

3. *Energy Management and Performance*

We are committed to continuously improving energy performance by identifying key energy uses, setting measurable targets, and integrating energy efficiency into our operations. We monitor consumption, apply efficient technologies, and promote best practices to reduce energy use and emissions.

¹ Depending on the nature of our activities and the activities in the value chain, relevant environmental impacts may include water use and discharges, emissions to air, soil quality, land use and deforestation, noise emissions, waste generation and management, and animal welfare considerations.

² "Overall Net-Zero Target Höganäs AB commits to reach net-zero GHG emissions across the value chain by 2040 from a 2018 base year. Near-Term Targets Höganäs AB commits to reduce absolute scope 1 and 2 GHG emissions 51% by 2030 from a 2018 base year. Höganäs AB also commits to reduce absolute scope 3 GHG emissions from purchased goods and services, upstream transportation and distribution, and business travel 30% within the same timeframe." <https://sciencebasedtargets.org/target-dashboard>



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4. Circularity and Resource Efficiency

We aim to reduce the need for virgin materials by recycling, reusing, and repurposing side streams such as slag and filter dust. We promote circular economy principles in product development and manufacturing.

5. Chemicals and Substances of Concern

We are committed to reducing the use of hazardous substances and phasing out substances of very high or high concern³. We apply strict criteria for chemical selection and continuously evaluate safer alternatives to protect human health and the environment.

6. Value Chain Engagement

We collaborate with suppliers to ensure responsible sourcing and transportation of raw materials with lower environmental and climate footprints. We also support our customers in reducing their environmental impact through efficient, durable, and low-impact solutions.

7. Legal Compliance and Beyond

We comply with all applicable environmental laws and regulations wherever we operate. We apply the precautionary principle and are committed to continual improvement by regularly reviewing and enhancing our environmental objectives, practices, and performance through innovation and stakeholder feedback.

8. Climate Risk and Biodiversity

We assess and address climate-related risks and opportunities to ensure the resilience of our operations. We are committed to protecting biodiversity and minimizing our ecological footprint through responsible land and water use, sustainable sourcing, and habitat conservation. We assess the biodiversity impact of our operations and collaborate with stakeholders to support local biodiversity initiatives.

9. Stakeholder Engagement

We shape this policy based on the expectations of our stakeholders, including owners, customers, employees, suppliers, communities, and other relevant groups. We actively engage with them to ensure our environmental efforts remain transparent, relevant, and impactful.

10. Competence and Awareness

We ensure that employees and partners have the necessary knowledge and training to meet environmental responsibilities. Ongoing education supports sound decision-making, energy efficiency, and sustainable practices across the organisation.

11. Governance and Review

The Board of Directors approves this policy. The CEO, through Group Management, integrates it into our overall business strategy. We implement the policy through the 'Group Directive –

³ "Substances of very high concern" (SVHCs) refer to chemicals identified under the EU REACH Regulation (Registration, Evaluation, Authorisation and Restriction of Chemicals) as having serious effects on human health or the environment. These include substances that are carcinogenic, mutagenic, toxic to reproduction, persistent, bio-accumulative, or endocrine-disrupting. "High concern" substances may also include those flagged by other regulatory frameworks or scientific assessments for similar risks.



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Environmental management' and the 'Group Directive – Climate and Energy management' and we review it regularly to ensure its continued relevance, effectiveness, and alignment with our environmental and climate objectives.