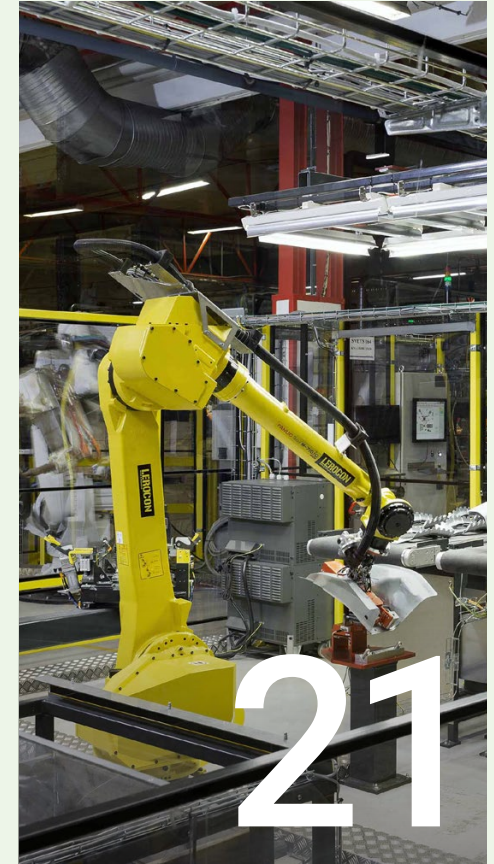
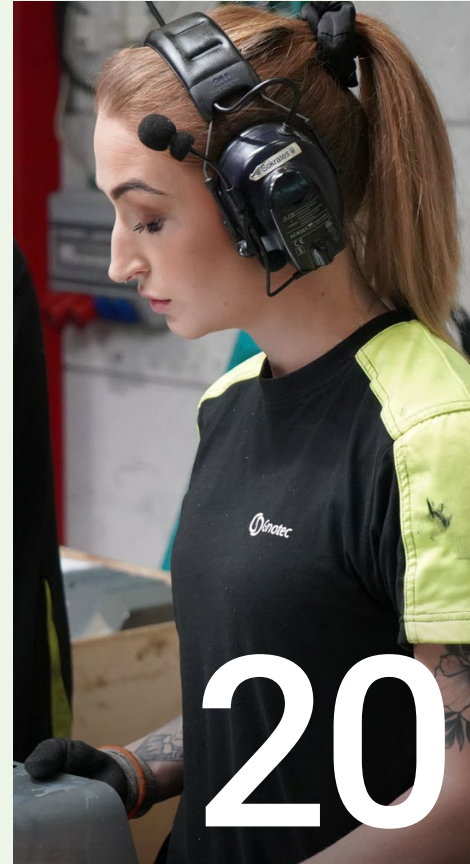
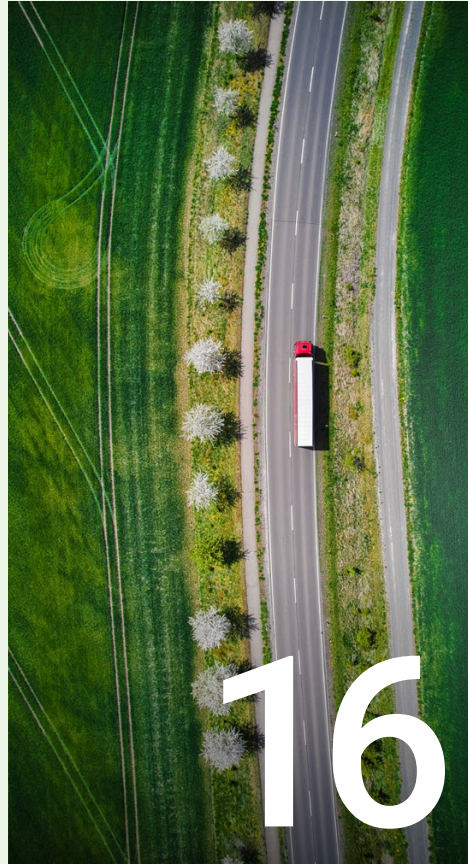




SUSTAINABILITY REPORT 2023



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About Frauenthal Automotive

Frauenthal Automotive is a leading company in the automotive industry, specializing in the development and production of sustainable metal components. Our global reach extends to commercial and passenger OEMs, as well as industrial customers.

Frauenthal Automotive Group

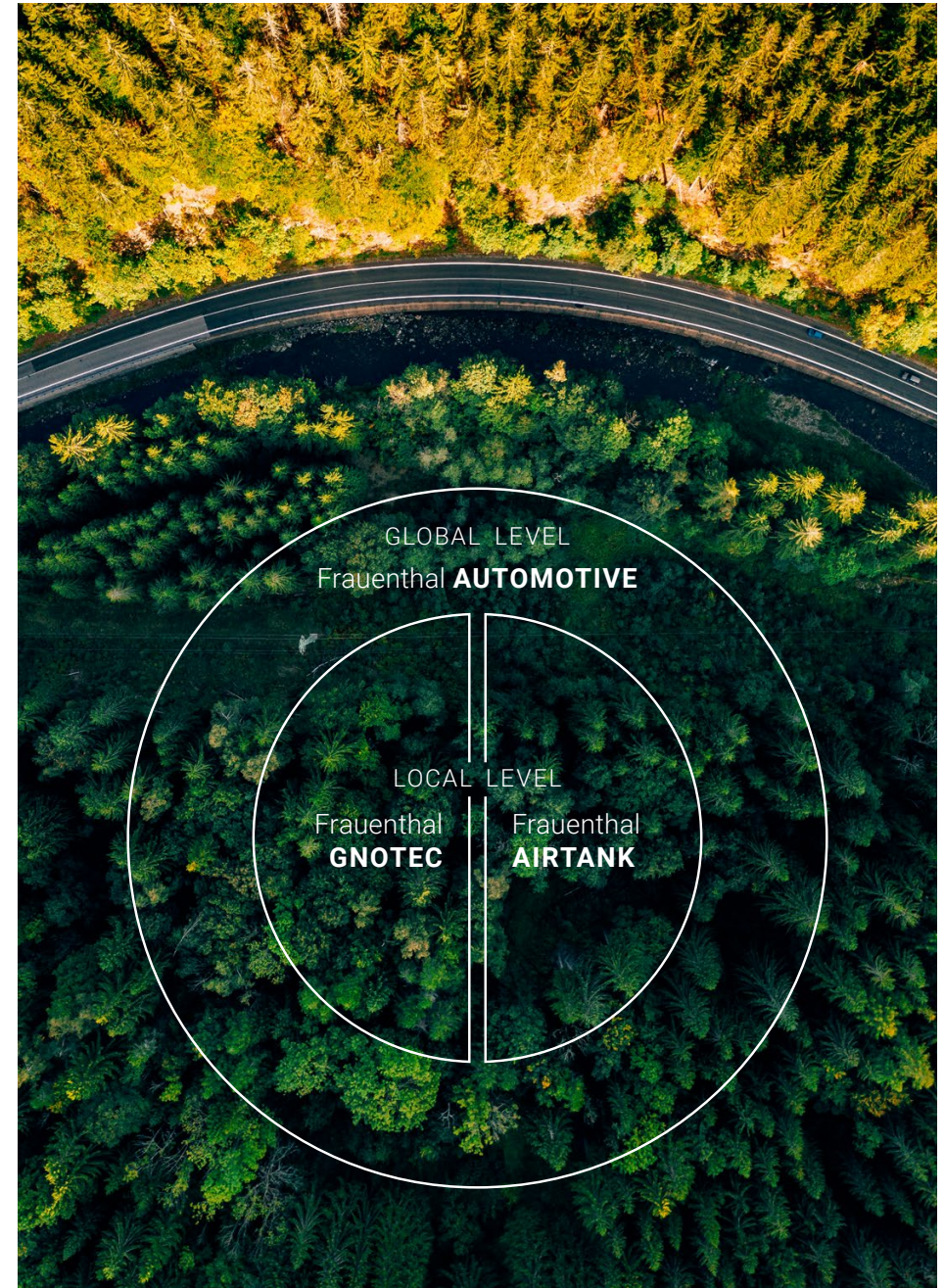
Frauenthal Automotive operates as a key player in the automotive sector, with manufacturing and research and development (R&D) facilities strategically located worldwide, including Asia, Europe, and the United States. Our headquarter is based in Gothenburg, Sweden. Our collective goal as a group is to facilitate safe individual mobility and enhance transportation by creating and producing environmentally friendly metal components for the automotive industry.

Frauenthal Automotive comprises two integral entities: Frauenthal Gnotec and Airtank. Originally independent companies, Gnotec and Airtank have seamlessly merged into the Frauenthal Automotive group. While they now operate under the common umbrella of Frauenthal Automotive, Gnotec and Airtank continue to serve distinct market areas. That is also why we have kept the separate company names. Further details about Gnotec and Airtank can be found on the next page.

Company structure

Our organizational structure encompasses a global level and two local levels. Those operating at the global level bear the title Frauenthal Automotive, while employees at the local levels hold either the title Frauenthal Gnotec or Airtank. It is crucial to emphasize that regardless of their specific title, all employees, whether operating at the global or local levels, remain integral members of the Frauenthal Automotive Group.

However, it is worth noting that the global level functions as the management overseeing the entire group, whereas the local levels operate independently as distinct entities.





A Global Group with a Strong Position

Frauenthal Gnotec

We have developed and produced metal components since 1947. The first Automotive components were locking details for Volvo Cars PVs and the Volvo Amazon. Today, Frauenthal Gnotec is a leading international manufacturer of metal components for the automotive vehicle industry. The company has a long history of Swedish entrepreneurship with innovative and hard-working people. Production plants are located in Sweden, Slovakia, China and USA.

Frauenthal Airtank

In 1950, the first steel compressed air tank was produced in Ahlen, Germany. Since then, Frauenthal Airtank has become the largest air tank manufacturer in Europe with its market share of over 50 percent. Production plants are located in Germany and Czech Republic.



6 countries

7 plants

1,176 employees



Let us Showcase a Glimpse of what we do

Frauenthal Automotive (FTA) components stands as a pioneering force in the automotive industry, renowned for its innovative solutions and top-tier components. With a rich history spanning decades, FTA has solidified its position as a trusted partner for leading automobile manufacturers worldwide.

Specializing in the production of high-quality automotive components, FTA excels in various areas including precision metal stamping, complex assembly systems, and advanced engineering solutions. Our diverse product range encompasses critical components such as chassis parts and safety systems, all meticulously designed to meet stringent industry standards for performance, durability, and safety.

The accompanying images offer a glimpse into some of the components we produce, showcasing our commitment to excellence and innovation in every aspect of our work.



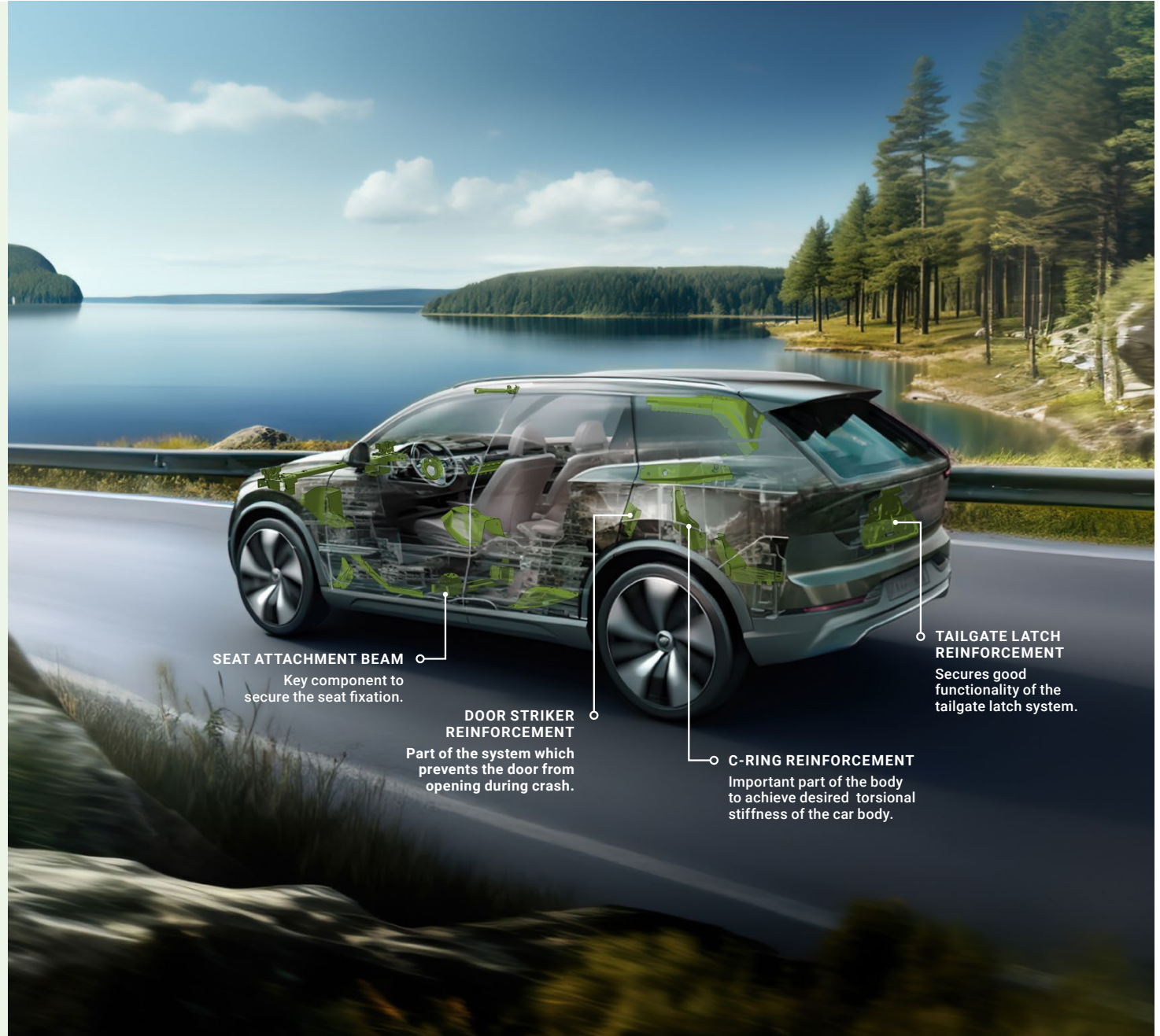
A deployable air tank to streamline production and boost efficiency by cutting assembly time on customer lines.



Economical air reservoirs, lightweight with up to 40% weight savings, come in various models.



Tailored air reservoirs with customized solutions engineered for rapid assembly.



SEAT ATTACHMENT BEAM

Key component to secure the seat fixation.

DOOR STRIKER REINFORCEMENT

Part of the system which prevents the door from opening during crash.

TAILGATE LATCH REINFORCEMENT

Secures good functionality of the tailgate latch system.

C-RING REINFORCEMENT

Important part of the body to achieve desired torsional stiffness of the car body.



Year in Review

In 2023, we experienced a dynamic year of growth and achievement, marked by several noteworthy milestones. Among these, we proudly celebrated the tenth anniversary of our China plant, a testament to our enduring presence and success in the region. Throughout the year, we remained dedicated to sustain-

ability, innovation, and excellence as well as to driving progress across our operations. From significant strides in reducing our environmental impact to fostering stronger connections with our communities, 2023 exemplified our commitment to creating lasting positive change.

Tenth Anniversary of Gnotec China

During 2023, we celebrated the tenth anniversary of Frauenthal Gnotec China!

In 2013, Gnotec Automotive Parts (Kunshan) Co., Ltd. established their first plant in Huaqiao. By the end of the same year, they had a total of twelve employees. It was also this year that the Gnotec Group became a part of the Frauenthal family.

In 2014, Frauenthal Gnotec China (FGC) commenced mass production, marking the beginning of an incredible journey.

“Although the path has not always been straight forward, we persevered and continued to grow until we achieved a significant milestone last year. After multiple expansions in the old plant, we realized the need for additional space. In May 2022, we successfully relocated to this stunning 10000-square-meter facility in Qiandeng.

JONAS PALMQVIST MANAGING DIRECTOR OF FGC



Statement from our Head of Sustainability



As the Head of Sustainability at Frauenthal Group and Frauenthal Automotive (a division of Frauenthal Group), I am pleased to reflect on our sustainability efforts throughout the reporting year of 2023.

It has been a year of significant progress and accomplishment for our organization.

In 2023, we continued to prioritize sustainability in all aspects of our operations. We implemented various initiatives aimed at reducing our environmental impact, enhancing our social responsibility, and ensuring good governance practices across the board. Frauenthal Automotive also remains committed to renewable energy. The PV system at Frauenthal Airtank Elterlein was expanded to include solar thermal collectors, and PV systems were installed for the first time at Frauenthal Gnotec Sweden.

One of our notable achievements in 2023 was the reduction in emissions by 642 tonnes of CO₂ (~11%) compared to the previous year, despite higher production volumes. This achievement underscores our commitment to environmental stewardship and demonstrates our ability to drive positive change within our industry. This also shows a significant improvement in CO₂ intensity (CO₂ emissions/produced volume) at Frauenthal Automotive, which has decreased compared to the previous year!

Some other notable milestones achieved in 2023 included the implementation of measures in the area of health and safety. One significant example is the establishment of a new safety organization at one of our Gnotec plants. This dedicated safety organization takes a proactive approach to addressing safety concerns in collaboration with management, empowering safety officers with both time and authority to tackle these issues effectively.

Furthermore, we continued to prioritize stakeholder engagement and transparency in our sustainability initiatives. Through workshops and dialogues with stakeholders, we gained valuable insights into their expectations and concerns, which informed our sustainability strategy and reporting process. Our commitment to accountability and transparency also prompted us to initiate a materiality analysis, ensuring that our sustainability reporting focuses on the most relevant issues to our stakeholders and the business.

Looking ahead, we recognize that there are still challenges to overcome and opportunities to seize in our sustainability journey. However, we are confident that with our dedicated team and continued focus on sustainability, we will build on the successes of 2023 and drive even greater positive impact in the years to come.

I am proud of the progress we have made in 2023 and am excited about the future of sustainability at Frauenthal Automotive.

ARMIN KLEINDL
HEAD OF SUSTAINABILITY



Generating Sustainable Value and Growth

Frauenthal Automotive and its people are proud of developing and supplying premium products to the global automotive and commercial vehicle industry and by that generating increasing value for all stakeholders and a successful sustainable business.

Our global sustainability targets

Care for the environment

We minimize waste and pollution, be it energy use, transportation or material handling. Our local presence shall be responsible and respectful also regarding the environment.

Sustainable business

We embrace and promote safety fair treatment of people, ethical business and protection of the environment.

Care for the individual

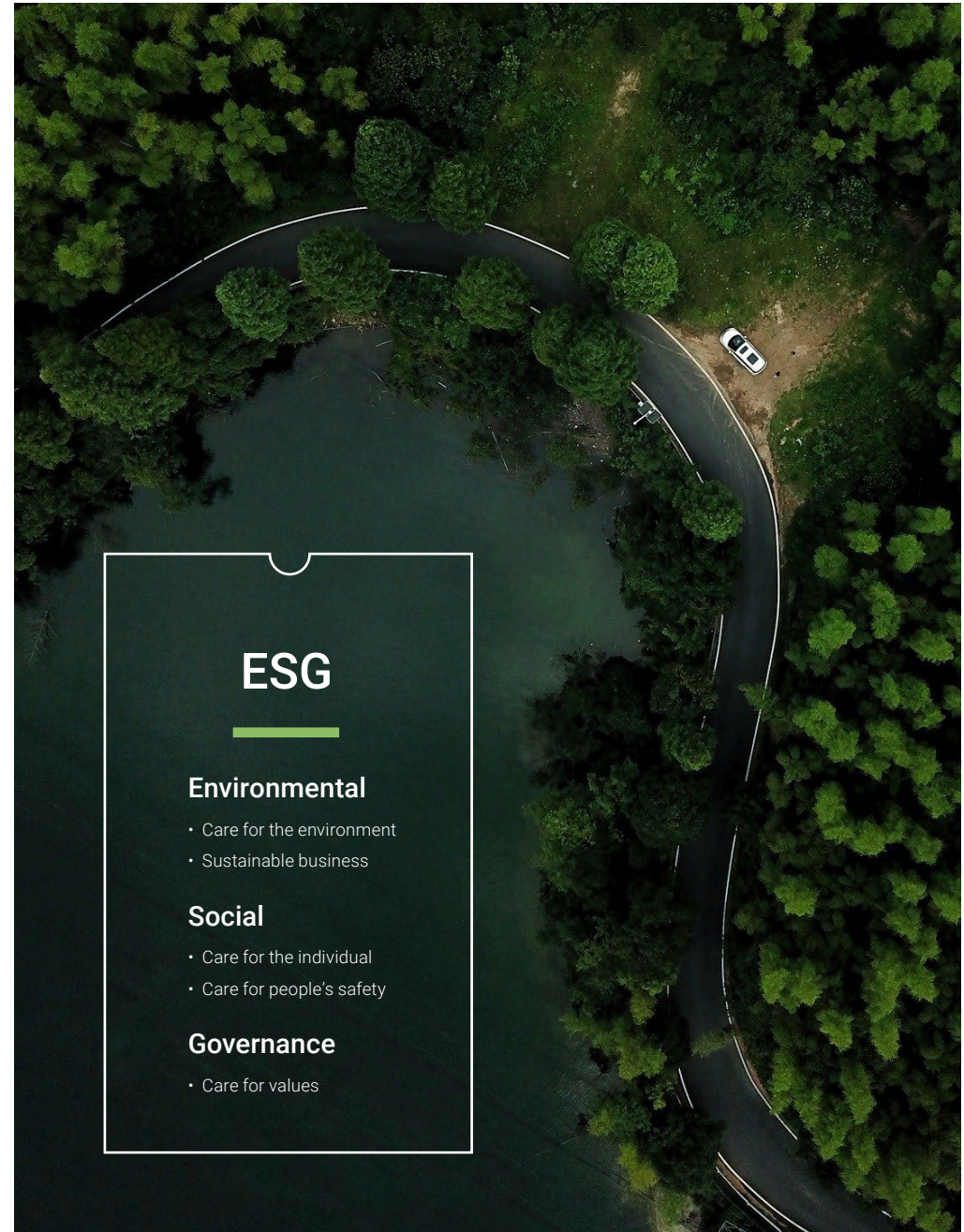
We have a human centric culture, an open friendly spirit where co-workers respect each other, and we promote diversity – it makes us better and the world as well.

Care for people's safety

Safety comes first. Instructions and equipment should always be up to date and used properly. Safety training is mandatory, part of the onboarding process and recurrent, for everyone's safety.

Care for values

We act ethically and according to applicable laws and regulations. We do business with partners that follow the same high standards as we do for a sustainable business and ethics.



ESG

Environmental

- Care for the environment
- Sustainable business

Social

- Care for the individual
- Care for people's safety

Governance

- Care for values



Value Chain

Our value chain stretches from incoming logistics to our customers, blending crucial stages of our operations. In this interconnected setup, we're firmly committed to driving our global sustainability goals, in line with our ESG (Environmental, Social, and Governance) principles.

Environmental

In the incoming Logistics phase, we prioritize environmental care by minimizing waste and pollution in our transportation processes. We focus on energy efficiency and responsible material handling. During the production phase, we extend this commitment by ensuring that our local presence aligns with responsible and respectful environmental practices. From minimizing energy use to adopting eco-friendly manufacturing processes, our sustainability goals underline our dedication to environmental stewardship throughout our value chain.

Social

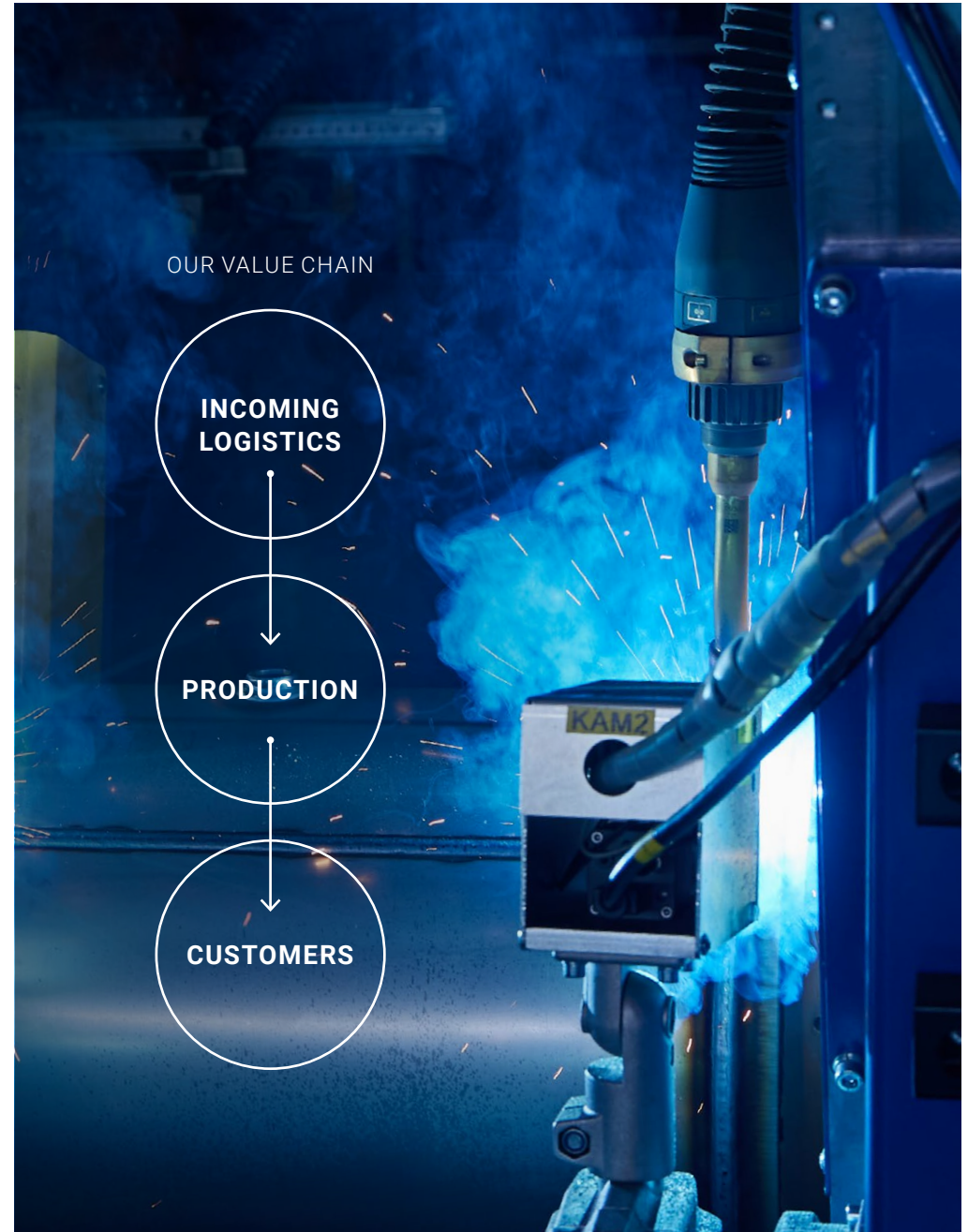
Throughout our value chain, the commitment to sustainable business practices is embedded in our operational ethos. In incoming logistics, we prioritize fair treatment of people and ethical business dealings. In production, we foster a human-centric culture, promoting an open, friendly spirit where coworkers respect each other. We actively promote diversity, recognizing

its value in enhancing both our organization and the world at large. As we reach the customers phase, our goal is to embrace safety as paramount, ensuring that our products are designed and delivered with the utmost regard for the well-being of individuals and communities.

Governance

Our commitment to governance is woven into the fabric of our value chain. From incoming logistics to production and reaching the customers, we adhere to ethical business practices and strict compliance with applicable laws and regulations. We extend this commitment to our partners, choosing to collaborate with entities that share our high standards for sound business practices and sustainable values. Our entire value chain reflects a governance structure that prioritizes accountability, transparency, and integrity.

By aligning our value chain with these ESG principles, we not only meet the demands of responsible business but actively contribute to a sustainable and ethical global community.





Stakeholder Dialogue and Materiality

Through internal dialogues and assessments of our operations, we have identified five stakeholders. We keep a continuous dialogue with these groups. That is how we stay up to date with their needs and expectations of us.

Stakeholders	Stakeholders need	How we address these issues
Employees	<ul style="list-style-type: none"> Fair payment Benefits Feedback and open communication Work-Life balance Training and development Work safety / work environment Healthcare 	<ul style="list-style-type: none"> Collective agreements Agreements Performance and development review Flexible working time Individual training programs Work safety committee Connected to business health organization
Customers	<ul style="list-style-type: none"> Top quality On-time delivery Competitive prices High service level Engineering support Sustainable business Global presence Financial strength Flawless launches (projects) 	<ul style="list-style-type: none"> Standardized way of working through the whole value chain. Thorough production planning. Request long-term schedules. Secure the right resources. State-of-the-art and optimized technology. Continuous improvements. Competent, well trained and motivated employees. Routines in place. Close communication. Dedicated engineering staff and software in place. Follow the customer. Global production/supply footprint Competitiveness enables us to earn money. Cost control. The right resources, competence and routines in place.
Suppliers	<ul style="list-style-type: none"> Collaboration Logistics Contract review 	<ul style="list-style-type: none"> Supplier manual Gnotec Purchasing terms and conditions Code of conduct for business partners Logistic guidelines Form for procedure
Universities (collaboration)	<ul style="list-style-type: none"> Halmstad University Chalmers University of Technology Potential workplace Project cooperation 	<ul style="list-style-type: none"> Supporting HU's solar team Supporting the university Internships, diploma thesis, cooperation with carrier service
Authorities	<ul style="list-style-type: none"> Obeying rules 	<ul style="list-style-type: none"> Always being on the right side of the law Support of local community



In 2023, significant progress was achieved in the sustainability area. We initiated the process of creating a materiality analysis, reinforcing our commitment to sustainability initiatives. A comprehensive examination of our supply chain, customer base, employees, local communities, and regulatory bodies was conducted to identify those with a vested interest in our operations. This is crucial to ensure a holistic understanding

of our impact and to address the concerns and expectations of those affected by our activities. The findings will play a crucial role in shaping next year's report and guiding our sustainability efforts throughout 2024.



Risk Management

The management has identified several risk areas and continually works to minimize risks. Keeping policies relevant and updated, such as the Code of Conduct, and ensuring all employees have read and understood the guidelines, are the best ways to reduce risk.

Examples of risks the company prevents are:

Risk	Specify Risk	Impact on Company	Impact – non financial figures
Environment	<ul style="list-style-type: none"> • Ground damage • Energy/Emission • Biodiversity 	<ul style="list-style-type: none"> • Penalties 	<ul style="list-style-type: none"> • Destroying potential agricultural land
Employees	<ul style="list-style-type: none"> • Key personnel • Training/introduction • Digitalization 	<ul style="list-style-type: none"> • Difficulties to find and keep qualified people • Risk to not keep up in digitalization 	<ul style="list-style-type: none"> • Strain current staff • More time for training and no loss of production • Stay with old processes
Corruption	<ul style="list-style-type: none"> • Compliance/Low risk 	<ul style="list-style-type: none"> • Penalties • Financial loss 	<ul style="list-style-type: none"> • Bad reputation/lack of trust
Human rights	<ul style="list-style-type: none"> • Respect Human Rights/Low risk 	<ul style="list-style-type: none"> • Penalties 	<ul style="list-style-type: none"> • Bad reputation/lack of trust
Suppliers	<ul style="list-style-type: none"> • Low risk • Suppliers work ethically 	<ul style="list-style-type: none"> • Poor quality 	<ul style="list-style-type: none"> • Extra work
IT security	<ul style="list-style-type: none"> • Unauthorized access • Fraud 	<ul style="list-style-type: none"> • Ransom 	<ul style="list-style-type: none"> • Loss of corporate secrets
Data protection	<ul style="list-style-type: none"> • Compliance 	<ul style="list-style-type: none"> • Penalties 	

Environment

Frauenthal Automotive takes a proactive approach to manage environmental risks, specifically addressing concerns related to ground damage, energy/emission, and biodiversity preservation. Our comprehensive risk management strategy aims to safeguard both our operations and the environment.

We acknowledge the potential risks associated with ground damage and have implemented preventive measures to mitigate any adverse impacts on the environment. Additionally, our commitment to sustainability involves addressing energy consumption and emission levels, with a focus on minimizing our ecological footprint. Preservation of biodiversity is also a key consideration in our risk management approach, where we actively work towards minimizing any potential negative impacts on natural ecosystems.

In terms of impact on the company, non-compliance with environmental regulations can result in penalties. To mitigate this risk, we strictly adhere to all applicable laws and regulations, ensuring our operations align with the highest environmental standards.



Recognizing the importance of arable land, we acknowledge the non-financial impact of potential harm to agricultural areas. Our risk management approach involves careful evaluation and mitigation strategies to prevent any adverse effects on vital agricultural resources.

Through diligent risk assessment, adherence to environmental regulations, and a commitment to sustainable practices, Frauenthal Automotive strives to minimize the environmental footprint of its operations, ensuring responsible and ethical business conduct.

Employees – Recruiting and retaining staff

Frauenthal Automotive relies on skilled plant operators, experts in precision manufacturing and assembly. Success comes from attracting, nurturing, and keeping talented employees, including key roles like senior executives. To manage this, we aim to be a standout employer. Our HR policies and focused employer branding initiatives play crucial roles in handling potential risks. Emphasizing skills development is also key to attracting and retaining our workforce.

Anti-corruption

Frauenthal Automotive requires all employees and business partners to comply with the current anti-corruption policy. One shall never be complicit in any form of bribery or corruption. Never hint at, offer or ask for bribes and not accept or pay bribes. Consult with the management if there is any doubt regarding the legitimacy of a proposal for payment or service to an individual manager/co-worker at a Business Partner's or a third party indicated by such a person. The policy is included in the company's code of conduct, which all employees are required to read.

Human Rights

Frauenthal Automotive upholds a steadfast commitment to respecting human rights and holds the expectation that all business partners align with this principle. Both our internal and partner Code of Conducts establish stringent standards, forming the foundation for risk management throughout our operations. We also conduct a supplier assessment to ensure ethical practices and alignment with our dedication to sustainable and responsible business conduct. We have assessed a low risk for human right violations.

Suppliers – work ethically

Frauenthal Automotive is dedicated to responsible business practices and aims to exemplify integrity, business responsibility, and trust throughout our value chain. All requirements and expectations for our suppliers are detailed in our business Code of Conduct. However, we have identified one specific risk concerning the ethical practices of our suppliers: the risk of poor material quality. If a supplier changes material specification to save money without notifying us, there is a high risk of impact on our product quality. We therefore have strong quality processes in place to prevent the risk of poor quality. The impact on our operations becomes increased workload.

IT-security

Frauenthal Automotive prioritizes safeguarding confidential data, especially in our internal IT infrastructure for production operations and collaborations. Recognizing the critical role of data security in manufacturing, we address potential cyber threats and unauthorized access. In the face of IT attacks, compromising sensitive data poses risks to confidentiality and service disruptions in both internal and external production systems. Mitigating these risks involves strict

adherence to the Frauenthal Automotive Security Guideline framework, ensuring robust IT security and collaboration with stakeholders. Our goal is to maintain production integrity and protect against disruptions.

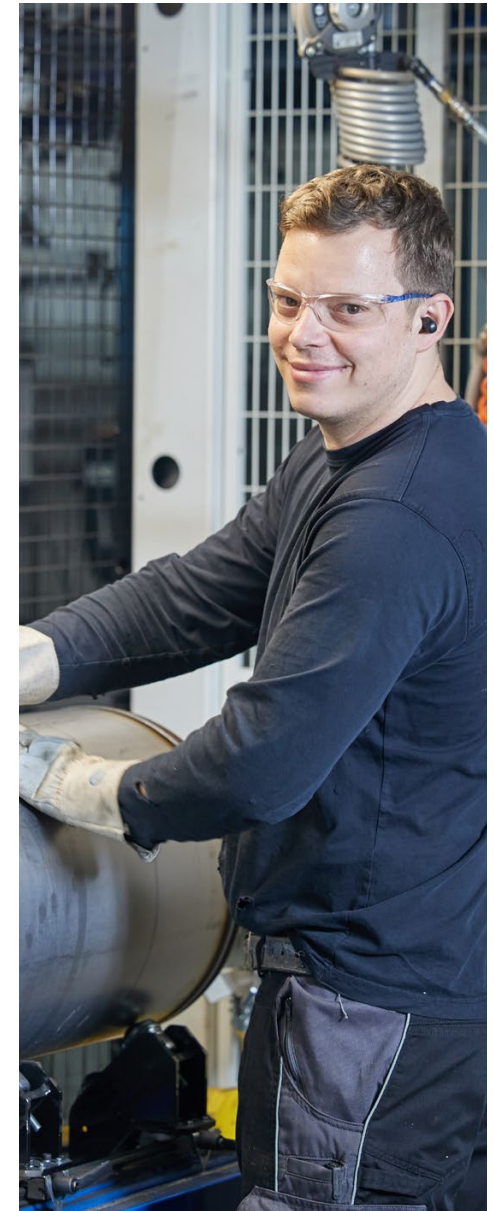
Data protection

Frauenthal Automotive collects and processes personal data from employees and is therefore required to comply with applicable data protection laws, such as the GDPR in the EU. Our commitment to data protection is integral to our code of conduct, and the HR departments play a pivotal role in ensuring compliance with the law and our internal policies.

When seeking the involvement of employees in pictures and interviews, we prioritize transparency and respect by obtaining their consent. This approach aligns with our commitment to safeguarding individual privacy.

Extending our commitment beyond internal operations, we set stringent requirements for our business partners. We expect them to comply with relevant laws and regulations, including privacy laws, in their dealings with personal data related to the Frauenthal Automotive Group.

These expectations are clearly articulated in our code of conduct, reflecting our dedication to ethical and legal standards in data processing practices.





Sustainability Management

The importance of sustainability continues to grow. This highlights the necessity for Frauenthal Automotive to adapt its strategies and processes to navigate emerging regulations effectively. Understanding the dynamic nature of sustainability, we recognize the importance of staying at the forefront of this constantly evolving landscape.

As the call for sustainability becomes stronger, there is an increasing focus on transparency, governance, and minimizing negative impacts on the economy, environment, and society. Navigating this landscape demands finding a delicate balance between legislative requirements and evolving consumer expectations.

In 2023, Frauenthal Automotive experienced advancements in our commitment to sustainability. We invested in enhancing our sustainability approach through workshops and formulating a materiality analysis for our forthcoming reports. The focus remained on the responsible use of resources, energy, personnel and environmental protection. Process optimizations and new acquisitions in 2023 reduced the consumption of resources (water, energy, materials, waste) and in some cases made the work process easier for employees.

Internally, we are actively addressing sustainability concerns, while externally, we are adapting to new regulations such as CSRD, reflecting the evolving landscape of sustainability reporting.

As we look ahead, we recognize both the challenges and opportunities in our sustainability management journey. Frauenthal Automotive stands prepared to embrace change, remaining steadfast in our dedication to responsible and sustainable practices.

Function	Name
Head of Sustainability	Armin Kleindl
Finance	Mikael Mårtensson
Finance	Cansu Tutkunkardas
Communication & Digitalization	Felicia Andersson Caroline Johansson

The sustainability management work is defined in different programs across the group and functions, and covers areas of:





The Levels of Sustainability Management within Frauenthal Automotive

Group level management

The table presented above illustrates Frauenthal Automotive’s sustainability management at the group level. This level serves as the setting for the organization’s sustainability framework and policies. The global sustainability team takes charge of monitoring emerging regulations, ensuring alignment between our vision, mission, and sustainability goals.

Within this structure, the finance team plays a pivotal role by collecting all quantitative figures for our sustainability reporting, collaborating closely with local finance departments.

The Communication/Digitalization department acts as a supporting function in sustainability matters and serves as the primary contact for plant-related queries. The global communications function also serves as the crucial link between local HR functions, guiding the group towards shared common goals and strategies, with necessary local adjustments. Responsibilities include developing training material and conducting employee surveys. Moreover, this department is tasked with producing the sustainability report, emphasizing its crucial role in communicating our sustainability initiatives.

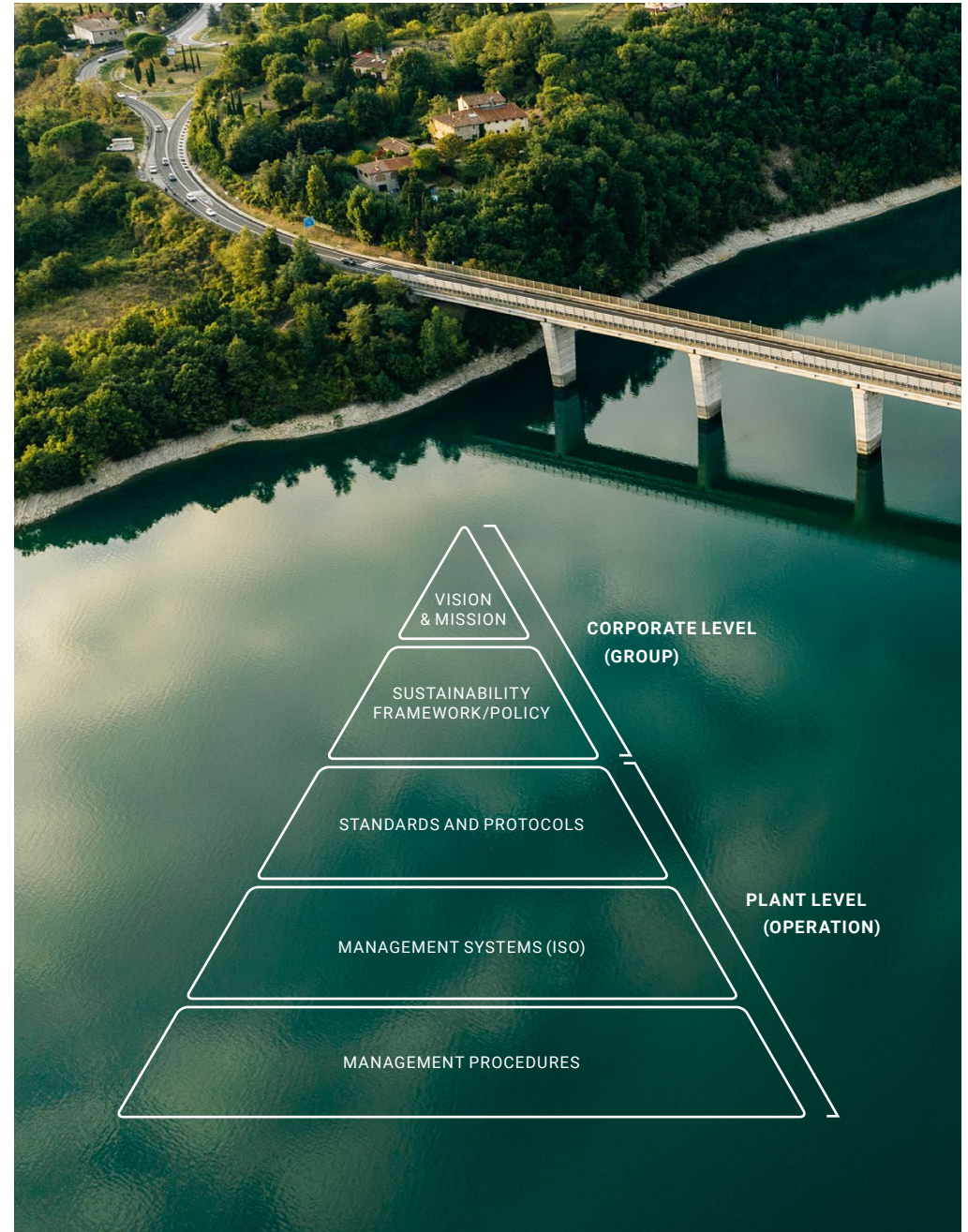
Plant level management

At the plant level, the presence of a dedicated sustainability champion underscores our commitment to driving impactful change within each facility. Working hand in hand with the local Finance, HR, and Environmental/Sustainability Manager, these champions form the backbone of our sustainability efforts on the ground.

This level serves as the frontline for implementing real change, where initiatives are translated into action. The sustainability champion and manager play instrumental roles in ensuring that day-to-day operations adhere to our established sustainability goals with precision and efficacy.

Their responsibilities extend beyond mere oversight; they actively engage with established standards, protocols, and management systems such as ISO, leveraging these frameworks to guide decision-making and drive continuous improvement. Additionally, they develop and implement management procedures tailored to the unique needs of their respective plants, ensuring that sustainability remains at the forefront of every aspect of operations.

Through their dedication and strategic approach, our plant-level sustainability leaders are instrumental in driving progress towards our sustainability objectives, making meaningful contributions to both our organization and the broader community.





Guidelines and Associations

At Frauenthal Automotive we have established a set of guidelines to facilitate our day-to-day work. Guidelines are available on our internal intranet and in our document management system.

Some of these documents can also be accessed through our website <https://www.gnotec.com/sustainability/>. Certain essential documents, such as the Code of Conduct, are integrated into

our onboarding program for new employees. These guidelines, together with our core values, constitute the foundation of how we intend to operate as a company and how we expect our employees to conduct themselves. Our HR department is primarily tasked with the ongoing development and maintenance of these documents.

Guidelines

- Code of Conduct
- Code of Conduct for business partners
- Environmental policy
- Work environmental policy
- Equality policy
- Wellness policy
- Purchasing policy
- Integrity policy
- Recruiting policy
- Guidelines to protect whistleblowers

Associations

Gnotec

- FKG
- West Sweden Chambers of Commerce
- Slovenská Obchodná a Priemyselná Komora

Airtank

- AMZ – Automobilzulieferer Sachsen
- VDA Association of the Automotive Industry
- Member IBU – Industrieverband Blechumformung
- DVS – German Association for Welding technology



Certificates within Frauenthal Automotive

Frauenthal Automotive's ISO certificates show that our company follows quality standards and ensures that the products and services offered are always within parameters.

Our certifications are crucial as they serve as objective verification of our

commitment to specific quality and sustainability standards. This validation is essential in building confidence among our business partners when collaborating with us. Equally important, we prioritize ensuring our employees feel confident and take pride in upholding these standards.

Gnotec

- ISO 14001:2015 Third-party certification relating to environmental management systems
- ISO 9001:2015 Third-party certification relating to quality management systems
- IATF 16949:2016 Third-party certification relating to quality management systems
- TISAX

Airtank

- ISO 45001 Third-party certification relating to occupational health and safety management system
- ISO 14001 Third-party certification relating to environmental management systems
- IATF 1694 Third-party certification relating to quality management systems
- ISO 50001
- QM-System Modul D
- QM-System according to guidelines 2014/68/EU
- TISAX in preparation



ESG Information

Environmental highlights of the year

Airtank

- We have completed the installation of a solar thermal system and heat exchangers. This concrete measure not only improves our CO₂ footprint but also enhances efficiency and promotes the use of green energy.

Gnotec

- We installed fast-moving gates to conserve energy during colder weather conditions.
- We have reduced power consumption by heating the material tent with the waste heat generated from press machines.
- The installation of a solar panel park has been completed.
- We have reduced waste transport by implementing a cutting device for plastic straps in production, thereby separating plastic strap waste into small bags.

Social highlights of the year

Airtank

- We have automated physically demanding activities by installing a hang-off robot, with the potential to handle up to 8,000 tonnes of finished goods.
- We have installed automation for steel and aluminum neck ring welding to streamline operations.
- Frauenthal Automotive's global communication app is now implemented in both Germany and the Czech Republic.

Gnotec

- We have established a new safety organization that proactively addresses safety issues in collaboration with managers. Our safety officers receive both time and a mandate to address these issues.
- We have started developing new work environment policies for the headquarters and appointed a work environment representative.

Governance highlights of the year

Group

- We have started implementing two-factor authentication for enhanced safety.
- We conducted several sustainability workshops as part of our ongoing commitment to environmental responsibility. Additionally, we have commenced the process of materiality analysis, a crucial step in identifying and prioritizing key sustainability factors for our organization.
- We've focused on integrating a new sustainability software, designed to enhance reporting methods and provide historical insights for tracking progress. Ongoing adoption minimizes the risk of reporting errors.





Environment

Our management approach and strategy prioritize innovative solutions aimed at reducing our environmental footprint. We strive to embed a sustainable mindset into all aspects of our daily operations. Some of our approaches include minimizing scrap through the implementation of a

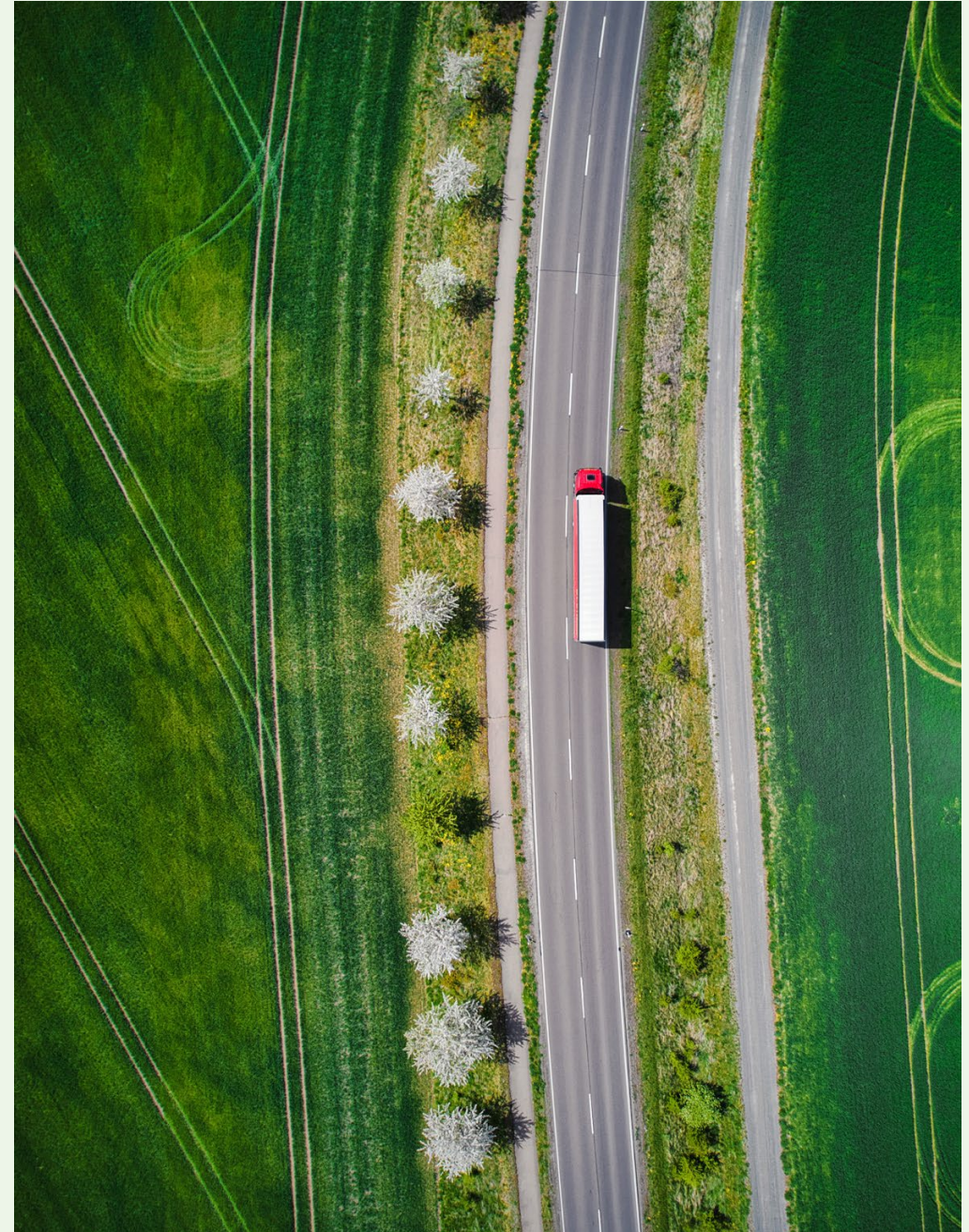
scrap sorting manual and scrap code system, reducing energy consumption by opting for environmentally friendly production methods, transitioning from non-electric to electric vehicles, and continuously seeking opportunities to enhance our operational efficiency.

Energy consumption/CO₂ consumption in tonnes

Fuel	Gnotec		Airtank	
	Units L	CO ₂ in T	Units L	CO ₂ in T
Benzine (for vehicles, cars, trucks)	40,149	124	4,880	13
Diesel (for vehicles, cars, trucks)	50,654	160	14,867	46
Total	90,803	284	19,747	59

Energy	Gnotec		Airtank	
	Units L	CO ₂ in T	Units L	CO ₂ in T
Water wind solar	5,995	2	2,381	597
Gas	189	41	479	115.91
Coal	1,241	639	2,934	1,164
Nuclear	1,152	14	2,094	358
Own produced energy (photovoltaic system)	44	0	119	0
Oil	-	-	63	17.35
Other	-	-	10	3.91
Total	8,621	696	8,080	2,256

Heating	Gnotec		Airtank	
	Units L	CO ₂ in T	Units L	CO ₂ in T
Gas	913	191	9,865	1,948
Fuel	-	-	-	-
District heating	11	1	-	-
Pellets	791	14	-	-
Renewable heating	-	-	101	0
Total	1,715	206	9,966	1,948





Environment

Programmes to reduce energy consumption

We are constantly working to reduce our energy consumption in several areas. The following actions have been taken during 2023:

- Continuing switching to LED lights.
- Continuing switching to electric forklifts.
- Continuing switching to electric cars.
- Continuing switching to 100% renewable energy in all plants.
- Isolation of painting oven.
- Retrofitting pumps with frequency controllers.
- Electricity peak management in process.
- Removal of leaks in the compressed air system – periodic checked.

Biodiversity

We conduct a risk assessment for any changes to our activities to evaluate their potential impacts on biodiversity and the environment. This year, no changes have been implemented that would have affected biodiversity.

Emissions

During 2023, we began preparing for the new CSRD legislation. In relation to this, we will redesign our sustainability approach and set new targets for our organization.

Total CO₂ emissions in tonnes

	CO ₂ Scope 1	CO ₂ Scope 2	CO ₂ Scope 1+2
Frauenthal Airtank	2,007	2,256	4,263
Frauenthal Gnotec	490	696	1,186
Total	2,497	2,952	5,449

However, we are proud to present a reduction in emissions of 642 thousand tonnes of CO₂ compared to the previous year, despite higher production volumes. This also indicates a significant improvement in CO₂ intensity (CO₂ emissions/produced volume), which has halved compared to the previous year.

Some of our reduction initiatives in 2023 (other than those previously mentioned):

- Process redesign: Heat recovery from paint shop to phosphating + installing fast-moving gates to save energy during cold weather
- Conversion and retrofitting of equipment: Laser welding instead of MIG/MAG welding
- Fuel switching: We have continued switching from diesel to electric forklifts
- Behavioral change: We continue to promote sustainability and strive to find innovative ways to improve our organization.

Supplier environmental assessment

To ensure our suppliers work with the same level of commitment as we do, we conduct assessments, audits and work with supplier certificates. Our Code of Conduct for business partners (mentioned earlier in the report) sets forth the business principles that Frauenthal Automotive requires all its Business Partners to abide by in the course of their relationship with Frauenthal Automotive.

Material

Total weight or volume of materials used to produce and package the organization's primary products and services during the reporting period.

Material in tonnes	Gnotec	Airtank
Non-renewable materials used	41,130	8,555
Renewable materials used	17,538	9,715

Materials by category in tonnes	Gnotec	Airtank
Steel	57,103	16,777
Copper	–	–
Aluminium	527	1,210
Stainless steel	1,034	0
Other materials – Oil for machinery	2,912	11
Surface treatment	–	281
Total	58,668	18,269

Challenges/topics	Specific targets	Actions	Time target	Responsibility	Progress
Reduced use of materials	Reducing the material use to have an optimised setup in stamping process	Continuous improvement	2024-12-31	Engineering	Yearly

Waste

Waste in tonnes	Gnotec	Airtank	Total
Waste during 2023	25,643	2,566	28,210
of which recycled	25,525	1,942	27,467

Water

Water consumption in m ³	Gnotec	Airtank	Total
Water consumption during 2023	5,901	20,132	26,033
of which recycled	2,355	12,063	14,418



Solar Panel Park in Gnotec Sweden

In 2023, we initiated the installation of our solar panel park in Sweden, completing the first phase by week 16 and the second phase by week 40. The initial installation boasts a capacity of 30,000 KWh per year, while the second, a substantial 245,000 KWh per year.

This energy production journey began in 2023, generating 44,000 KWh, all of which was utilized in our own production processes. Looking ahead, with continuous production throughout the entire year, we anticipate a significant increase, targeting around 250,000 KWh per year in the upcoming year. This sustainable initiative underscores our commitment to renewable energy and a greener future.





Social

The management approach and strategy aim towards minimizing potential negative impacts on society. This entails the implementation of more efficient and environmentally friendly processes, as elaborated in other sections of this report. Additionally, we prioritize creating a good working environment for our employees. It is our aim that our employees feel a sense of pride, safety, and confidence within the company.

Benefits within Frauenthal Automotive

We offer a range of benefits to our employees, including both common benefits and some specific to local variations. Below are some standard benefits provided to employees within the organization:

- Life insurance
- Healthcare
- Disability and invalidity coverage
- Parental leave
- Retirement provision
- Supporting training activities
- Bonuses

Occupational health and safety Worker representation and worker health and safety committees

The employees' (unions) nominees participate in the safety work committee. Worker council members also participate in the committee on occupational safety, contributing to the assessment of accident statistics and the development of an action plan.

Accidents, absenteeism, and work-related fatalities

All accidents are documented in our production data acquisition system. In the case of any reportable workplace accidents, an accident report and analysis are conducted.

Workers with high incidence or high risk of diseases linked to their occupation

At Frauenthal Automotive Group, there is no notable incidence or elevated risk of diseases associated with occupational activities. We prioritize continuous information and education to mitigate

all forms of accidents. Our commitment extends to regular updates for employees and committees responsible for monitoring working conditions. Daily follow-ups are conducted in the event of incidents or accidents, with meticulous documentation and the implementation of action plans. This diligence extends to leased personnel as well, ensuring compliance with legal requirements.

Furthermore, we proactively implement preventive measures to optimize the working conditions for our employees. This includes providing essential protective gear such as noise protection, safety shoes, dust protection suits, and glasses.

Health and safety topics covered in formal agreements with trade unions and offers

Health and safety topics are according to the law, union agreements and safety work committees. The company offers all personnel health control, massage and supporting training activities.

Training and education

In 2023, a new digital training program for operational excellence was crafted to enhance our overall efficiency. Simultaneously, our sustainability management underwent digital training focused on CSRD. This sustainability training was conducted in collaboration with a diverse group of companies, fostering a collective approach toward addressing and navigating the challenges posed by evolving sustainability standards.

Upgrade employee skills

We provide opportunities for employees to transition into new positions that require additional skills. Individual training programs are available to enhance and upgrade skills. While we don't have a mutual program for early retirement, occasional individual agreements can be arranged.

Accidents, absenteeism and work-related fatalities

Types	Female		Male		Total
	Gnotec	Airtank	Gnotec	Airtank	
No. of employees (end of year)	251	55	482	338	1,126
No. of accidents	0	10	27	18	55
Total absentee days due to work related accidents	0	4	685	369	1,058
Work related fatalities	0	0	0	0	0

The average number of employees during 2023 was 1,176.

Training and education

Category	Programs
Desk worker	Individual training schedule.
Management	Individual training schedule.
Non-desk worker	All employees receive relevant training tailored to their specific areas of expertise, incorporating both practical and digital training sessions.
Apprentices	We have been collaborating with university students.



Social

Human rights

Frauenthal Automotive expects, and requires, its business partners to meet all of the following requirements in the course of their business relationship with Frauenthal Automotive. We also expect them to be managed professionally and systematically. Frauenthal Automotive is committed to responsible business and intends to demonstrate this commitment to integrity, business responsibility and trust through its value chain.

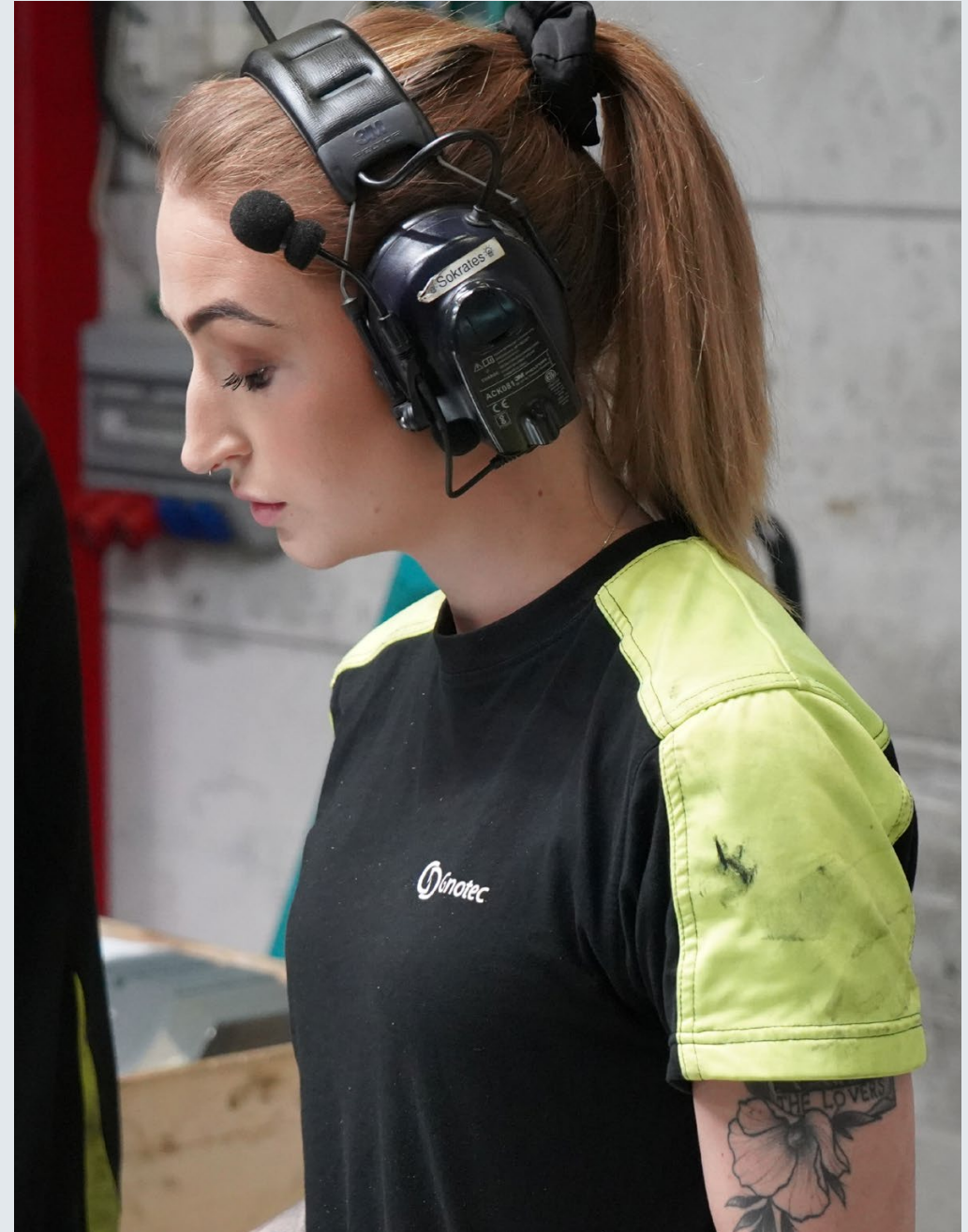
Therefore, Frauenthal Automotive expects the same level of commitment from its business partners. By entering into a business relationship with Frauenthal Automotive, business partners are required to:

- Conduct their business in compliance with all applicable laws and regulations (which requires business partners to maintain awareness regarding these laws and regulations) and with the principles stated in our code; and
- Ensure that their employees and subcontractors are made aware of and comply with applicable laws and regulations and with the principles set forth in our code of conduct.

Business partners are expected to choose the suppliers they retain in relation with Frauenthal Automotive business with appropriate due diligence, communicate the principles set out in this code (or equivalent principles) to their suppliers and ensure compliance with these principles. This code includes requirements that are based on internationally recognized principles that Frauenthal Automotive strongly support such as: The 10 principles laid in the UN Global Compact, which covers human rights, labor, the environment, and anticorruption.

Customer health and safety

Our product safety and sustainable product innovation; safe and efficient products are performed by: ISO certifications, customer audits, regular check inspections by measuring the products during production.





Governance

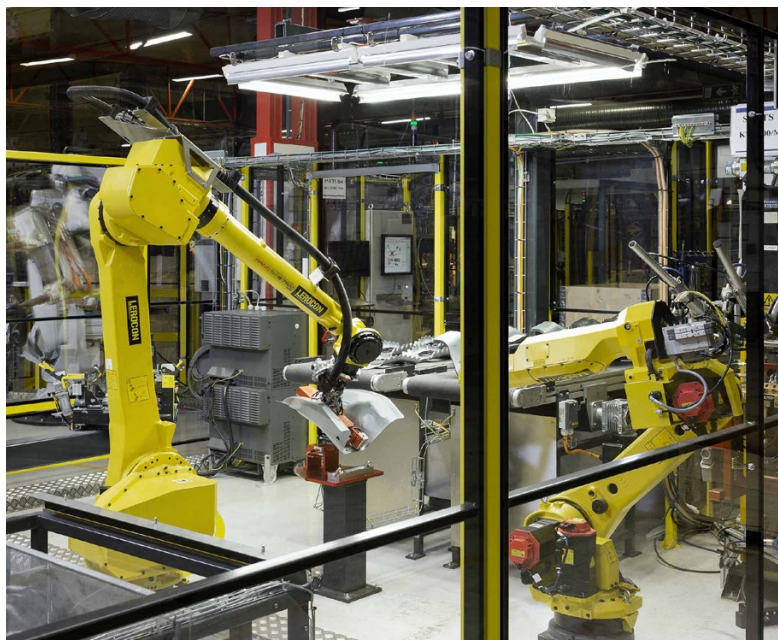
Socioeconomic compliance

Non-compliance with laws and regulations in the social and economic area: Reported cases: 0.

The management is continuously following up internal routines in order to avoid all kinds of corruption and fraud.

Non-compliance with laws and regulations in the social and economic area

Zero cases (fines) during 2023. Our compliance systems include internal audits and risk management.



Anti-corruption

Challenges/topics	Specific targets	Actions	Time target	Responsibility	Progress
New digital code of conduct training	To be compliant. All employees to complete training once a year.	Yearly digital training	2023-12-31	HR	100% (training is ready)

Our approach and work philosophy

Trust is a fundamental core value at Frauenthal Automotive. We actively emphasize and reinforce this value through consistent communication within our organization. Our Code of Conduct serves as a guiding principle, and we regularly discuss the importance of Trust in our team meetings. This continual dialogue is integral to our way of working, fostering an environment built on transparency, reliability, and collaboration.

Whistle blower function

At Frauenthal Automotive, we place high value on being informed about any observed or suspected violations of our policies. We treat such information with the seriousness it deserves, ensuring an appropriate level of integrity to safeguard against any form of retaliation towards individuals who genuinely raise concerns or cooperate in a company investigation.

Our whistleblower function is easily accessible at www.gnotec.com/tellus, providing a secure platform for reporting concerns confidentially. We are committed to fostering a culture of transparency and accountability, where every individual's input is essential for maintaining the highest standards of integrity within our organization.

Operations assessed for risks related to corruption

The management's approach to minimize corruption risks involves implementing the four-eyes principle, especially in all payments within the group. Annually, the Delegation of Authority (DoA) is updated, and the

CEO of Frauenthal Automotive holds the responsibility for anti-corruption measures.

In tandem with these measures, our commitment to anti-corruption continued in 2023 with the development of a Code of Conduct training program. This initiative is designed to educate all employees about corruption, providing guidance on navigating situations where corruption might pose a risk. By instilling a comprehensive understanding of our ethical standards, we empower our workforce to actively contribute to a corruption-free workplace.

Confirmed incidents of corruption and actions taken

Total number and nature of confirmed:

0

Incidents of corruption

—

0

Political donations



info.gnotec-ab@fta-group.com



www.gnotec.com



+46 (0)10 498 1100