



SUSTAINABILITY ANNUAL REPORT 2022

TABLE OF CONTENT

TABLE OF CONTENT	2
INTRODUCTION	3
OUR SUSTAINABLE JOURNEY	4
OUR AMBITIONS AND TARGETS	5
THE SUSTAINABLE GOALS AND MATERIALITY	7
THE SDGS AND THE PRODUCT LIFE CYCLE	8
RESPONSIBLE BUSINESS	9
PEOPLE	11
ENVIRONMENT AND CLIMATE	14
CORPORATE GOVERNANCE	18
MANAGEMENT	19
ESG DATA TABLE	23

INTRODUCTION

ABOUT THE SUSTAINABILITY REPORT

The sustainability report covers the parent, Couplers Holdco AB (corporate identity no. 559193-0739), and all entities consolidated in Couplers Holdco's consolidated financial statements for the same period as disclosed in note 26 to the consolidated financial statements, referred to as "Dellner" in this report. The sustainability report is prepared in accordance with the provisions in Chapters 6 and 7 of the Swedish Annual Accounts Act. There have been no significant changes in application of the reporting principles or the scope of reporting.

DELLNER'S BUSINESS

Dellner is an international company based in Sweden with more than 80 years of experience in the railway industry. The company offers durable, safe, reliable and innovative products and services to leading train builders and operators around the world. Dellner supplies complete train connection systems, including train connections, gangways, hatches, dampers and crash management systems, complemented by aftermarket service. Dellner has more than 1100 employees working in our factories and sales offices in 15 countries. The head office is located in Vika, Falun (Sweden), where group-wide functions also are located. Dellner has a global network of subsidiaries, branches and agents around the world. In addition to the wide range of new products, Dellner also offers aftermarket services such

as upgrades, renovations, repairs, spare parts, technical support and training as well as maintenance services. In this area, Dellner works in all train segments with almost all existing train types regardless of manufacturer, and in the aftermarket, many large train operators have chosen Dellner as a supplier. Dellner is engaged in high-tech development, which provides a technical competitive advantage. The manufacturing process in the company's production facilities is efficient and under constant development.

Dellner has several hundred suppliers, primarily in Europe, Asia, and North America. Strategic supplier contracts are negotiated and drawn up by head office, with the support of local purchasing organizations, to achieve economies of scale and to ensure that Dellner purchasing guidelines are followed. The local subsidiaries manage local supplier relationships while the central function carries out category-based purchasing to ensure various synergies for Dellner in the product categories deemed particularly critical to operations. All contracts are approved and signed by the central function to ensure compliance with business ethics. Each local site manages the purchase of construction products and services, such as electricity, building services and maintenance of non-current assets.









OUR SUSTAINABLE JOURNEY

Dellner has long focused on sustainability, and from 2020 we put in place a new sustainability strategy to make it a systematic focus of our business. We intensified our efforts to integrate sustainability throughout the value chain, from how we design to sourcing materials to production, through the use phase of our products to the end of their life. To track progress, we also scaled up reporting on our sustainability ambitions and performance. For Dellner, sustainability is a leadership agenda, with ownership anchored with the executive management team, and ultimately the Board of Directors. This is important for us because sustainability is an overarching and important guiding lens for business development and risk management. We are working to systematically integrate it into the way we manage the organization going forward. It is also clear that environmental threats, such as climate change, and social issues, such as safety and diversity, are moving to the top of the agenda for our clients, investors and society at large. We see it as our responsibility, as well as our opportunity, to anticipate and respond to the changing demands of our customers, legislators and society. As one of the largest coupler suppliers globally, in an industry where most investment comes from governments around the world, we are well placed to contribute to the sustainability of our industry and our value chain.

We can do so by engaging with our suppliers, increase our awareness and focus on sustainability throughout the lifecycle of our products. In addition, our products contributes to the UN Sustainable Development Goal (SDG), no. 11 - Sustainable cities and communities. Sustainability is high on the agenda for our owners, executive board as well as for the executive management team. Our lean structure and culture also lend itself to efficient decisions, actions, and results. Nonetheless, we recognize that sustainability must be anchored throughout the organization, with strong governance in place. A start in this work has been to update and launch our company's mission and vision as well as updating the strategy to include ESG targets. In 2023, Dellner will continue to communicate, reinforce awareness, and anchor ownership of sustainability initiatives with employees, business partners, and customers. To ensure engagement the bonus scheme has from 2022 included targets related to ESG for selected members of the executive management team, which will continue in 2023.



OUR AMBITIONS AND TARGETS

	AMBITION	BASE LINE 2019	ACTUAL 2022	TARGET 2023	RELATED SDGs
RESPONSIBLE BUSINESS	RESPONSIBLE BUSINESS	<ul style="list-style-type: none"> Dellner Code of Conduct 	<ul style="list-style-type: none"> Dellner Code of Conduct Ethics & compliance trainings: 85% of all employees Whistleblowing system 	<ul style="list-style-type: none"> Trainings in ethics and compliance: >95% of all employees to Increase awareness of Codes of Conduct and Whistleblowing system. 	
	SUSTAINABLE SOURCING	<ul style="list-style-type: none"> Supplier Code of Conduct 	<ul style="list-style-type: none"> Supplier CoC signed by suppliers covering 86% of total spend Whistleblowing system 	<ul style="list-style-type: none"> Supplier CoC signed by suppliers covering 90% of total spend Sustainability audits on high-risk suppliers 	
	HUMAN RIGHTS & LABOR LAW	<ul style="list-style-type: none"> Dellner Code of Conduct 	<ul style="list-style-type: none"> Global employee handbook Whistleblowing system Ethics & compliance trainings: 85% of all employees 	<ul style="list-style-type: none"> Trainings in ethics and compliance: >95% of all employees, Increase awareness of Codes of Conduct and Whistleblowing system. 	 
PEOPLE	EMPLOYEE WELL BEING	<ul style="list-style-type: none"> Sick leave¹ 2.58% Employee satisfaction and motivation index: 69 	<ul style="list-style-type: none"> Sick leave¹ 2,15% Employee satisfaction and motivation index: 71 Employee turnover rate: 15,5% 	<ul style="list-style-type: none"> Reduce sick leave to 2,0% Increase employee and satisfaction index to 72 Reduce employee turnover rate to 10% 	
	HEALTH & SAFETY	<ul style="list-style-type: none"> NA 	<ul style="list-style-type: none"> Ltif: 10,2 for blue and white collar 	<ul style="list-style-type: none"> Conduct internal audits to ensure implementation of updated routines, Ltif 3,9 by Year end. 	
	DIVERSITY	<ul style="list-style-type: none"> 18% women in total³ 	<ul style="list-style-type: none"> 24% women at manager and senior positions³ 19% women in total³ 	<ul style="list-style-type: none"> 26% women at manager and senior positions³ 22% women in total³ 	 








1) Includes only Sweden

2) Energy used at company facilities

3) Includes the group's six biggest sites

4) During 2022 energy attribute certificates were purchased to reach 100% renewable electricity. Before purchase of certificates, 87% of Dellner electricity were renewable.

OUR AMBITIONS AND TARGETS

	AMBITION	BASE LINE 2019	ACTUAL 2022	TARGET 2023	RELATED SDGs
ENVIRONMENT / CLIMATE	RENEWABLE ENERGY	<ul style="list-style-type: none"> Renewable electricity: 38% Renewable gas: 0% Renewable energy: 13% 	<ul style="list-style-type: none"> Renewable electricity¹: 100% Renewable gas: 5% Renewable energy: 73% 	<ul style="list-style-type: none"> 100% renewable electricity and 5% renewable gas Increase self produced electricity by installing solar panels 	 
	ENERGY CONSUMPTION	<ul style="list-style-type: none"> Electricity: 5 375 MWh Energy consumption / workhour² 7 KWh 	<ul style="list-style-type: none"> Electricity: 5 505 MWh Energy consumption / workhour² 4,9 kWh 	<ul style="list-style-type: none"> Identifying energy efficiency activities Target Energy consumption / workhour²: 4,7 KWh 	
	AIR FREIGHT	<ul style="list-style-type: none"> 14% air freight kg / (air-, boat-, train freight kg) 	<ul style="list-style-type: none"> 14% air freight kg / (air-, boat-, train freight kg) 	<ul style="list-style-type: none"> < 8% air freight kg / (air-, boat-, train freight kg) 	
	ENVIRONMENT TRAINING	<ul style="list-style-type: none"> Employees trained / total number of employees: 0% 	<ul style="list-style-type: none"> 18%, all employees at HQ has been trained 	<ul style="list-style-type: none"> Training of all employees globally 	 
	END OF LIFE MANUALS	<ul style="list-style-type: none"> 7% (2020), End of life manuals in projects / projects with manuals 	<ul style="list-style-type: none"> 23% End of life manuals in projects / projects with manuals 	<ul style="list-style-type: none"> 60% End of life manuals in projects/ projects with manuals 	

1) Includes only Sweden

2) Energy used at company facilities

3) Includes the group's six biggest sites

4) During 2022 energy attribute certificates were purchased to reach 100% renewable electricity. Before purchase of certificates, 87% of Dellner electricity were renewable.

THE SUSTAINABLE GOALS AND MATERIALITY

RISK MANAGEMENT

There are internal as well as external factors that could affect our ability to generate revenue. To identify these factors/risks and prepare the organization to handle them Dellner has, with internal and external expertise, identified our Risk universe, these risks are then evaluated, and mitigation actions are taken for at least the top ten risks. The risk assessment is reviewed and updated yearly.

Our risk universe include, leadership capabilities, succession planning, cyber security, employment rate, material prices, interest rate changes and GDP growth, environmental and compliance risks to name a few.

FOCUS AREAS AND GOALS

The risk universe and risk assessment together with the UN Sustainable Development Goals (SDGs) are the starting point to identify the prioritization of our material sustainability topics. The result from Ecovadis business rating, the most common sustainability business rating provider within our industry, and a requirement from many of our customers, is another feed into our focus areas and goals on sustainability.

Using this framework, we focus on areas where we can have positive impact on the SDGs. At the same time, we acknowledge that the nature of our and other commercial activities is that there is a risk of negative impact, which we have a responsibility to mitigate and minimize.

In our ambitions and targets on page 5, we have mapped our eleven focus areas, highlighting the connection of each to the SDGs at the target level.

Working against corruption, and in support of human rights and labor rights, is part of Dellner and any company's license to operate. As a service provider for couplers and gangways we need to be close to customers, therefore Dellner has several subsidiaries at different locations worldwide. For our new sales business local content requirements drives an increased number of suppliers around the globe. Particularly with this global footprint it becomes even more obvious that this needs to be one of the key focus areas. These are material issues where we during 2022 implemented a process for risk assessment of the supply base and ESG audits for high risk suppliers in cooperation with an external partner. Agents are to be included in the same process but with slightly different approach due to the nature of it's businesses, our external partner is also the party executing these ESG audits.

Climate change is an urgent global threat, and how we respond now will determine the trajectory of warming for generations. For this reason, climate change is one of our material topics, which we address across the lifecycle of our products. During 2022 Dellner has committed to the Science Based Targets initiative, SBTi and will during 2023 set our Decarbonization roadmap in line with this initiative.

Material social topics for Dellner include employee well-being, diversity, inclusion, and health and safety. These elements are core to the long-term success of our business and our values as a company.

THE SDGS AND THE PRODUCT LIFE CYCLE



DURING THE SUPPLY CHAIN ACTIVITIES DELLNER HAS THE HIGHEST IMPACT ON SUSTAINABILITY. THIS STEPS INCLUDES RAW MATERIAL SUPPLIES, MANUFACTURING OF COMPONENT AND TRANSPORT OF COMPONENTS.

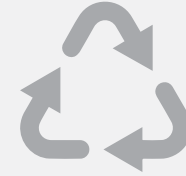
THESE STEPS INCLUDE THE USE OF FUEL, ELECTRICITY, GAS AND RAW MATERIALS, WHICH IMPACT THE CLIMATE AND THE ENVIRONMENT. ALSO, OTHER KINDS OF POLLUTIONS IS RELEASED DURING THE MANUFACTURING. WE CAN INFLUENCE THIS PHASE BY WORKING TOGETHER WITH OUR SUPPLIERS TO TRY TO REDUCE THE IMPACT ON THE ENVIRONMENT AND GIVE WORKERS DECENT WORKING CONDITIONS AND JUSTICE.



THE PRODUCTION PHASE INCLUDES ASSEMBLY OF COUPLERS AND GANGWAYS AND TRANSPORTS BETWEEN DELLNER SITES. THIS PHASE IMPACTS THE ENVIRONMENT THROUGH USAGE OF ELECTRICITY, FUEL AND GAS WHICH HAS AN IMPACT ON THE CLIMATE. WE HAVE THE MOST DIRECT INFLUENCE OVER OUR OWN OPERATION AND THIS PHASE.



THE COUPLERS ARE USED FOR AT LEAST 30 YEARS AND WITH GOOD MAINTENANCE THEY CAN LAST LONGER. IN SERVICE SOME PARTS ARE REPLACED, AND CHEMICALS ARE USED. DELLNER SERVICE WORKSHOPS ARE LOCATED NEAR CUSTOMERS TO SHORTEN TRANSPORTS AND DECREASE EMISSION. DURING THIS PHASE THE ENVIRONMENT IS IMPACTED LEAST. DELLNER CAN INFLUENCE THIS STEP BY CAREFUL SELECTION OF RECOMMENDED CHEMICALS TO USE FOR MAINTENANCE, DESIGN FOR LONGER MAINTENANCE INTERVALS AND MINIMIZE THE NUMBER OF SPARE PARTS NEEDED TO BE REPLACED.



THE END OF LIFE FOR A COUPLER INCLUDES TRANSPORT, DISASSEMBLY, SORTING AND RECYCLING. UP TO 99% OF THE COUPLER CAN BE RECYCLED. GANGWAYS ARE RECYCLABLE TO 75%. THE ENVIRONMENT IS IMPACTED THROUGH INCREASED AMOUNT OF LANDFILL WASTE FOR ALL THE COMPONENTS THAT CANNOT BE RECYCLED. WE CAN INFLUENCE THIS STEP BY PROVIDING END-OF-LIFE MANUALS TO THE CUSTOMER AND DESIGN THE PRODUCTS SO THEY EASILY CAN BE DEMOUNTED AND RECYCLED.



RESPONSIBLE BUSINESS



TARGET 8.7 TARGET 8.8



TARGET 10.3



TARGET 12.6



TARGET 16.5

While railway industry contributes to build sustainable infrastructure solutions financed by governments, it is common that the business requires a certain amount of localized production throughout the value chain. Localized production comes with challenges in securing our values of anti-corruptions, ethics, human rights protection and environment.

HUMAN RIGHTS & LABOR LAWS

We firmly prohibit all child labor, forced labor and discrimination due to age, gender, race, color, religion, political opinion, social origin. We comply with all applicable labor laws and regulations in the markets where we operate. Our Code of Conduct defines these expectations and outlines guidelines for employees in all transactions, interactions and business opportunities. All employees including temporary employees are required to adhere to the Code of Conduct. If local laws and regulations are more stringent than our Code of Conduct, the local ones are to be followed. To ensure our values are kept Dellner works to continuously enhance employee awareness of the Dellner coupler group's attitudes towards ethical conduct. All our employees are obliged to participate in trainings in our Code of Conduct, persons who interact with external partners attend an extended training which is provided by our Legal department.

IT SECURITY

Dellner's IT security work is a high priority to secure the integrity of our customers, partners, employees and suppliers and to protect our intellectual property and our contracts. In a world of constant change and cyberattacks being performed on actors in infrastructure we know that we must be prepared.

In 2022 our IT infrastructure was temporarily crippled by a malicious actor aiming to block our own access to IT systems and our intellectual property and by doing so disrupting or halting our business. With great effort we did manage to get our systems up and all our data retrieved within a very short period of time.

However, we can always do better and have since upgraded several of our internal routines and IT-systems to prevent similar attacks from being possible to perform in the future by having top tier security measures in place to detect and stop malicious actors and if needed restore any data being encrypted.

RESPONSIBLE BUSINESS

ANTI-CORRUPTION

Dellner's work with business ethics is guided by our Code of Conduct. We have a zero-tolerance policy to corruption of any form, and specific provisions on conflicts of interest. We are aware, however, that business ethics risks generally occur where there is close collaboration with third parties, such as in procurement.

At Dellner, we have a whistleblowing system, providing our employees and business partners with an anonymous channel to report incidents without fear of reprisal. We keep up continued awareness of the whistleblowing system to our employees and partners through our training program for Ethics and Compliance.

We are working to strengthen awareness of business ethics and anti-corruption throughout our organization and in our dealings with suppliers and subcontractors.

RESPONSIBLE SOURCING

When working with suppliers and subcontractors, we require compliance with all current legislation, and our Dellner Code of Conduct and Supplier Code of Conduct, which include elements of human and labor rights, anti-corruption, and environmental sustainability. In addition to this Dellner has during 2021 implemented a list of banned and restricted materials to ensure that the suppliers and Dellner comply with REACH, other relevant regulations and customers requirements.

Dellner negotiates the purchase of key material categories directly with manufacturers, centralizing a large portion of our procurement and enabling long-term relations with key material suppliers. However, local content requirement increase the number of suppliers and makes the supply chain more complex. There is global routines in place to approve and re-audit supplier, these apply at all locations. With centralized processes and global procurement team, the risk of business ethics breaches is somewhat mitigated. Additionally, substantial purchasing decisions are made at the relevant authority level, and approval processes have been put in place. All Supplier agreements are approved and signed by the central function.

Our Supplier Code of Conduct is aligned with our Dellner Code of Conduct. All purchasing agreements with suppliers and subcontractors includes a requirement to comply with the Code, and we ask our suppliers to promote it within their own organizations and supply chain. Non-compliance, where a supplier or agent demonstrates inadequate commitment or lack of improvement, may result in termination of the business relationship. During 2022 we have further increased our audit-capabilities on sustainability and compliance. For the execution of the ESG audits on suppliers we cooperate with an external partner with proven experience performing such audits as well as good knowledge in the different regions where we are operating.

DELLNER'S WHISTLEBLOWING SYSTEM

In 2020, we established a Whistleblowing system, providing our employees, suppliers and subcontractors with a voluntary alternative for the reporting of serious offences without fear of reprisal. Offenses that may be reported through the system include financial crime, corruption and bribery, fraud, forgery, theft, violation of industrial safety rules, environmental pollution, sexual harassment, and violation of applicable legislation and internal rules. The whistleblowing system is outlined in our Code of Conduct and Supplier Code of Conduct.

All reports filed are screened by an appointed third party who ensures that they fall within the scope of the system before forwarding to key internal stakeholders for further assessment. Reports can be filed online and it is possible to remain anonymous. 4 matters were filed through our whistleblowing system in 2022.

From 2020, we are committed to raising awareness of the whistleblowing system among our employees, suppliers and subcontractors to ensure that any experienced wrongdoings are reported and addressed properly.

PEOPLE



TARGET 3.c



TARGET 5.5



TARGET 8.3 TARGET 8.5



TARGET 10.3

People are at the core of our business because our capabilities as a company depends on the performance of our people. We rely on the capabilities of our employees to achieve high standards of quality. At Dellner, we work as a dedicated team to realize each project, from sales to delivery. After delivery, our Service organization continue to serve the customer with maintenance and other aftersales related activities.

The knowledge and insights of our people are among our strongest assets as a company. We support and engage our employees, through focusing on safety, well-being and diversity. We have a lean structure and a flat hierarchy, and work closely cross our business units. This operating model gives us a high degree of agility and efficiency. Over the years, we have built long-term, recurring working relationships with our suppliers and customers, which has led to an efficient, standardized operating model across projects. Not only does this increase quality and lower cost, it also forms the basis for us to improve performance on issues such as health and safety.

PEOPLE

OCCUPATIONAL HEALTH & SAFETY

In 2020 we launched our Incident & Accident-system (IA) where all accidents, near misses and risk observations are reported and corrective actions identified, we differentiate lost time accidents and minor accidents in our reporting. The system is available and used at all our 21 locations, the last smaller locations has been implemented during 2022. This has increased the awareness within the organization that reporting safety incidents is of high importance which increases our ability to correct and mitigate future safety incidents.

In 2021 we launched our Occupational Health & Safety policy that describes our current standards for health & safety, this policy is also mandatory for our consultants and similar personnel.

During 2022 we have updated and implemented our routines for Occupational health & safety where the biggest improvements are:

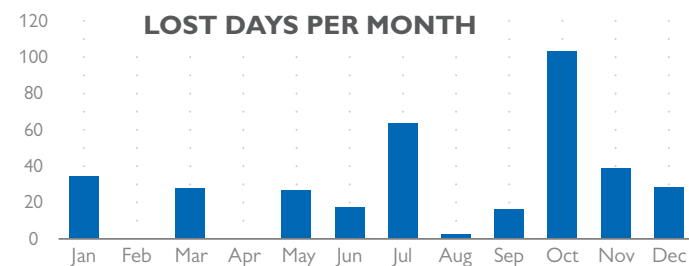
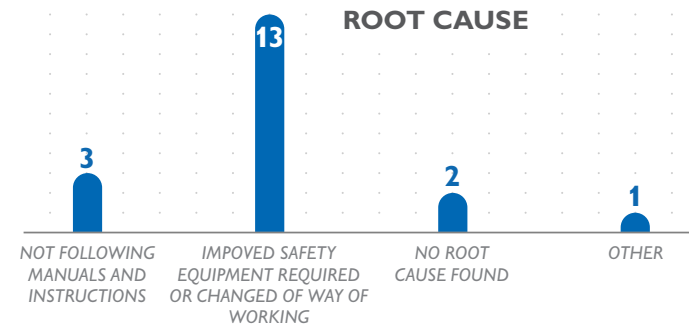
- Safety committees including members from different departments as well as employee representatives has been set up at all our subsidiaries with more than 20 employees. The site-MD is the chairman of the safety committee. Smaller sites are followed up on safety regularly during monthly meetings.
- Regular safety inspections in production areas every quarter and in offices at least once per year.
- Increased requirements for risk assessments for any changes in the operation of the business
- Clarified requirements for health and safety trainings

It is important to us that our employees are safe at work. We observe all requirements of national laws and regulations related to health and safety.

Safety is one of our core values and is at the heart of everything we do. However, we want to strengthen our approach and build stronger processes and a more robust culture around health and safety.

Objectives regarding health and safety are monitored by KPIs, mandatory KPIs is Lost Time Injury Frequency (Ltif) and Health & Safety related accidents and near misses in relation to Risk observations. The last KPI has the purpose to push the reporting of risk observations in order to early catch issues and implement mitigation actions.

Our safety outcome for both 2021 and 2022 shows that we must follow-up, learn from the incidents, and continue to work to improve our safety performance. More than half of our LTIs 2021 was due to that processes and instructions were not followed, this has improved during 2022. But the outcome for 2022 instead shows that a majority of LTIs is due to safety equipment and/or instructions not being sufficient enough.



PEOPLE

We take this very seriously and the safety committees that now exists on each site with >20 employees have the obligation to secure routines and safety equipment, trainings as well as to secure investigations and corrective actions. Smaller sites with few employees follow the same requirements on safety equipment and routines. This is monitored during monthly follow up meetings instead of having an appointed safety committee.

This work will be followed up with internal audits, we will also continue with activities such as:

- Cross-site meetings to share best-practice and return of experience focusing on occurred events.
- Put safety at the top of the agenda both for management meetings, board reporting and information material distributed to employees

During 2022 we have started to measure and follow up accident severity rate as Lost days per 100 employees, the outcome for the full year 2022 is 31 lost days/100 employees.

WELL-BEING OF OUR EMPLOYEES

The well-being of our people is important to us. Employee well-being also ultimately links to increased productivity and firm-level financial performance. Meeting our customers' expectations every day requires us to bring together a broad range of different people and skillsets. To attract the right people and ensure good work environment, efficient and engaged employees it is of high importance to have a good and uniform leadership at all levels.

To strengthen the leadership and equipping our managers to better communicate with their teams, Dellner formed and planned a tailor-made leadership training together with an external training provider. The leadership training goes over 4 modules where each module is 2 days. The first 2 modules has been finalized during 2022 and the remaining 2 modules will be finalized during 2023. All leaders at all levels and locations, including the executive management team are participating in this program, in total 150 persons. All trainings are face to face and are held in Sweden. We believe that this

will give our employees better possibilities for development and to grow within our company.

To improve employee engagement and well-being, we introduced a new employee survey in 2021 and increased the frequency of the survey to every year from every second year. The response rate in 2022 was 90% and 83% in 2021, which we interpret to mean that there is a strong desire among our employees to become involved and exert influence.

The employee satisfaction index has increased to 71 in 2022 compared to 69 in 2021.

The detailed result has been analyzed and shared with the employees and we have begun development and engagement initiatives that improve team dynamics, internal, and external communication. Work-based learning and other forms of competence development are an important part for all employees to be able to develop within their respective roles. As stated in our policy for occupational health and safety, performance reviews are an important component of Dellner's systematic working environment activities. The employee appraisal is a one-to-one session between manager and employee, the process is global and covers all employees. The appraisal is done at least once every year and a follow up of the plan is done at least every six month. The performance appraisal process is well established since several years back and takes into account our values Respect, Action, Joy and Team.

During 2022 we introduced a global employee handbook setting minimum requirements for all locations within the group regarding:

- Ethics and work practices
- Compensation and benefits
- Travel & expenses
- Talent Development trainings
- Recruitment and selection process
- Lay-offs and terminations

We believe that this will uniform the global way of working with people and secure that all our employees have a clear understanding of these processes.

ENVIRONMENT AND CLIMATE



TARGET 4.7



TARGET 6.3 TARGET 6.4



TARGET 7.2



TARGET 12.2 TARGET 12.4 TARGET 12.5



TARGET 13.3

Since the industrialization the human impact on the environment has increased rapidly. The climate is changing and events such as flooding, extreme weather and water and heat stress are increasing. Environment and climate is important for Dellner. Our environmental policy is set by executive management and form the basis and guidance of all environment activities within the organization.

Couplers and gangways connect trains. Trains has lower impact on the environment compared to other modes of transport when in use. Dellner products largest impact on the environment comes from the supplier base. Therefore, we need to focus on both setting requirements on our suppliers, but also to design our products so that they during its lifecycle has as low impact as possible on the environment. However, our sites also have an impact on the environment and activities must also be in place here.

REQUIREMENTS AND REGULATIONS

The landscape on the requirements on environment is changing fast. Dellner aims to comply or exceed applicable laws and demands from relevant authorities, customers and other stakeholders. To fulfil this Dellner has established routines to make sure that new or updated requirements are captured and implemented in our routines and work procedures.

TRAINING

We have implemented measures to reduce our environment impact, requirements, regulations and customer expectations in our procedures and routines. In order for all employees to know what is expected from them, we have decided to train all employees regularly in environment. We started this in 2022 when training all employees working at Dellner's head office including the executive management team. During 2023 all Dellner employees will be trained.

ENVIRONMENT AND CLIMATE

GREEN HOUSE GASES

One of the big challenges for the environment of our time is the climate change. Dellner have started the journey to decrease our environmental impact on the climate. We have measured greenhouse gases emissions since 2019. During 2022 we committed to the Science Based Targets initiative and sent in our target for validation (Market based). Science Based Targets help companies to know how much and how quick the GHG emissions need to be reduced in order to prevent the worst effect of climate change. During 2023 we will develop a Decarbonization Roadmap, aligned with our target. To reduce our emissions, we will focus on company fleet, electrification, energy efficiency, clean energy, upstream transportation, purchased goods and services, employee commuting and business travels.

Starting 2020 we have switched to renewable supply of electricity at all locations wherever it is possible. Our portion of renewable electricity has increased from 28% (2019), 54% (2020), 56 % (2021) to 87% (2022). Of the total energy consumption, electricity accounts for 68%. Where we cannot buy renewable energy directly

from the provider, we compensate with Energy Attribute Certificates (EAC) to reach 100%.

For all Dellner locations where possible, we have switched to biogas. In addition to this we already have solar panels in place at our sites in India and Australia. We have started the process to set up solar panels in Poland and have plans for this in US. We are planning to install additional solar panels at our site in India.

TARGET TO REDUCE GHG EMISSIONS

Dellner Couplers Group commits to reduce absolute Scope 1 & 2 GHG emissions 75.3% by 2030 from a 2019 base year* and to reduce absolute Scope 3 GHG emissions 27,5% by 2030 from a 2019 base year.

* The target boundary includes biogenic land-related emissions and removals from bioenergy feedstocks.

GHG EMISSIONS	2019	2020	2021	2022	REDUCTION 2022 VS 2019	% REDUCTION 2022 VS 2019	UNIT
Scope 1 ¹	1,613	1,418	1,150	0,718	-0,895	-55,5%	M kg CO _{2eq} /year
Scope 2 ² (market ³)	2,377	1,802	0,062	0,065	-2,312	-97,3%	M kg CO _{2eq} /year
Scope 2 (location ⁴)	2,085	1,989	2,385	2,265	0,18	8,6%	M kg CO _{2eq} /year
TOTAL (Scope 1+2, market)	3,99	3,22	1,211	0,782	-3,208	-80,4%	M kg CO _{2eq} /year
TOTAL (Scope 1+2, location)	3,698	3,407	3,535	2,982	-0,716	-19,4%	M kg CO _{2eq} /year
TOTAL CO ₂ EMISSIONS (Scope 3 ⁵)	96,98	101,6	101,6	108,3	11,32	11,7%	M kg CO _{2eq} /year

1) Scope 1 includes direct emissions from e.g., natural gas, company fleet and company facilities. 2) Scope 2 includes indirect emissions from e.g., purchased electricity, heating and cooling.

3) Market-based CO2 emissions reflect the emission from electricity purchased through agreements with providers.

4) Location-based CO2 emissions reflect the average emissions intensity of the grid where energy consumption occurs using grid-average emission factor data.

5) Scope 3 emissions includes indirect emissions from e.g., purchased goods and services, capital goods and business travel.

ENVIRONMENT AND CLIMATE

To make sure airfreight is used only when necessary, we implemented an approval process for air freights in the authorization matrix, where all approval levels are at global level. With this process in place, we have reduced the airfreight from 34% (2018), 8 % (2021) and 14% (2022). The increase in 2022 is mainly caused by the closed railway between China and Europe (caused by the war in Ukraine). Another root cause is the Covid close downs in China first half year 2022.

During 2021 our company car policy for head quarter in Sweden was updated with the requirement that all new cars shall be either hybrid or electric cars. 2022 our policy was included in our staff handbook which is valid for all Dellner sites.

Digital meetings have been standard at Dellner for many years, and last year's pandemic naturally increased their use and made them more of an alternative to travel than before. This 'new' way of working will remain in many ways, minimizing the need to travel and thus significantly reducing our emissions. To minimize air travel, we have implemented a global approval process whereby air travel requires approval not only by the direct manager but also by the responsible member of the executive management team.

ENERGY EFFICIENCY

Our sites work with energy efficiency measures, and we have an energy consumption target in place in order to facilitate the work.

During 2022 our polish site installed a system for heat recovery from compressed air. The heat from the compressed air system is used to heat water, which then is inserted into the heating system. During the first month 12 500 kWh was saved.

During 2022 our site in UK did energy efficiency savings from process and steam pipe configuration. The site in UK also insulated high pressure and return pipes.

CLEAN WATER

On several sites we use closed systems for cleaning the couplers and have installed oil separators. We do so to prevent contamination of the wastewater and to reduce the freshwater consumption. The water is used several times and the waste is separated and sent away for processing. At our India facility a wastewater treatment plant is in place in order to reduce the pollutants in the wastewater.

RECYCLING

The global material footprint continue to increase. Therefore, we did during 2021 introduce a mandatory KPI for waste recycling and measurement at the 6 biggest Dellner sites. For 2023 we have set targets in order to increase recycling. During 2022 our Polish site introduced the possibility to sort out bio waste, removed waste bins from offices and instead put sorting stations in our corridors.

ENVIRONMENT AND CLIMATE

DESIGN FOR ENVIRONMENT

Our design procedures is established to take environmental impact into consideration, we choose material that has the lowest possible impact on the environment.

We have a list of banned and restricted chemicals. This list is valid both for our sites and for our suppliers. Chemicals that are restricted shall actively be replaced by substitution. This list is also valid for chemicals in materials. During 2022 we substituted one chemical that is used on our products to a chemical that is less hazardous.

We design our products to minimize the waste created during manufacturing. For example, we try to minimize the amount of machining needed.

Other important parameters to consider is weight and to design the products so they can be easily dismantled which optimize the number of materials that can be recycled. Weight is important both with respect to the amount of energy needed during train operations and the amount of material needed during production. For this reason, we have during 2021 started a project to reduce weight on a smaller number of parts included in our couplers, the outcome looks promising, and we plan to proceed with more parts during 2023.

Product lifetime is another parameter that is taken into consideration. With the correct maintenance normal lifetime for a coupler is 30 years and for a gangway 30 years. Manuals for maintenance is always included in the deliveries for our products.

Starting 2022 we have started to supply customers with end-of-life manuals for all projects, not only on demand. The end-of-life manual explains how to disassemble and recycle the material in our products.

DAMAGES, RISKS AND NEAR MISSES

Until 2021 environment damages, near-misses and risk observations have been investigated and reported individually per site. During 2021 and 2022 we report and document all incidents and connected corrective actions in our IA-system. During 2022 we also started to measure environmental risk observations to put focus on this area and be able to work with preventive actions.

CORPORATE GOVERNANCE

BOARD OF DIRECTORS & EXECUTIVE MANAGEMENT

Dellner is owned by the EQT VIII fund, which is indirectly advised by the investment company EQT. Dellner is committed to good corporate governance. The Board of Directors oversees the work of the executive management team and is responsible for approving the strategic objectives, direction and proper organization of the company's activities.

During 2022 the Board has consisted of seven members where one is appointed as sustainability champion to support the company's sustainability work. Six Board members are considered to be independent. The Board represents a broad range of international experience and expertise deemed relevant to Dellner.

CEO and the executive management team is responsible for the implementation of strategy and the day-to-day management of the business. The organization is structured in four business units, Couplers, Gangways, Dampers and Service, which share the services of the production chain and support functions.

STRATEGY GOVERNANCE

The strategy is developed under the guidance of the CEO and the executive management team and approved by the Board.

To ensure the governance of the strategy and the strategic objectives, Dellner has created a "Strategic Cockpit" led by the Strategy Program Manager. The team also includes a representative from the Finance Department and Project Support. To monitor the progress of the strategy, we have defined high-level KPIs that are broken down into the different parts of the organization. Initiatives have also been identified to achieve the objectives. Monitoring takes place monthly. Data is mainly collected directly from our support systems such as the ERP and IA (health & safety) systems.

Five members of the executive management team have been appointed to form a sustainability committee to oversee and monitor sustainability initiatives in collaboration with the Board's sustainability champion.

MANAGEMENT

GROUP EXECUTIVE MANAGEMENT



ANDERS LINDBERG
CHIEF EXECUTIVE OFFICER (CEO)

Anders Lindberg was appointed CEO and President of the Dellner Group in March 2021.

During his professional career, he has held numerous senior positions in the railway industry and sustainable energy.

Prior to joining Dellner, Anders spent more than five years as Executive Vice President at Ørsted, the Danish global market leader in offshore wind power generation. At Ørsted, Anders was responsible for EPC (Engineering, Procurement, Construction) and QHSE (Quality, Health, Safety, Environment). Before that, he served for more than twelve years in leading positions at Bombardier Transportation, most recently as President Rolling Stock Central & Northern Europe and Asia. Anders started his career in 1990 as a railway technology engineer at ABB Traction and later worked for the successor organisation Adtranz, where he held numerous management positions until joining Bombardier in 2001.

Anders holds a Master of Science in Electrical Engineering from the KTH Royal Institute of Technology in Stockholm, Sweden, and an Executive Master of Business Administration from Stockholm School of Economics in Sweden.



THOMAS LEANDER
CHIEF FINANCIAL OFFICER (CFO)

Thomas Leander was appointed Chief Financial Officer (CFO) of Dellner in June 2022. He is a financial expert with many years of leadership experience and a particular focus on driving growth strategies, innovation and transformation in the areas of production, sales, service and project business.

Thomas has been active in the multinational environment for many years. Most recently, he was Senior Vice President Finance and Strategic Business Unit CFO at Kalmar Mobile Solutions, a strategic business unit within Cargotec Corporation and part of the Cargotec Group. Prior to that, Thomas filled numerous finance leadership roles at ABB, the energy and technology group, including in Saudi Arabia, Turkey and Egypt. From 2009 to 2020, Thomas was CFO of ABB Robotics at its headquarters in Zurich.

Thomas holds an engineering degree and a Master of Business Administration from Örebro University School of Business.

MANAGEMENT

BOARD OF DIRECTORS



BO RISBERG

CHAIRMAN OF THE BOARD OF DELLNER COUPLERS GROUP AB

Bo Risberg has chaired the board of Dellner Couplers AB since 2019. He has been a Senior Advisor to EQT since 2013 and has held many positions of responsibility. He started his career in 1981 and held several senior positions at ABB in Canada and Sweden and continued as Manager and Principal for A.T. Kearney in Stockholm. In 1999, Bo Risberg joined the Hilti Corporation, where he served from 2001 to 2006 as COO and for seven years as CEO from 2007. In addition to his current position at Dellner, Bo Risberg is also Chairman of the Board of Ellab A/S and Member of the Board of the Stäubli Holding AG and Mycronic AB.

Mr. Risberg holds a Bachelor of Science in Mechanical Engineering from Queen's University, Kingston, Canada, and a Master of Business Administration from the International Institute for Management Development, Lausanne, Switzerland.



VIVEKA EKBERG

BOARD MEMBER OF DELLNER COUPLERS GROUP AB

Viveka Ekberg has been a member of the board of Dellner Couplers AB since 2019. She has long-standing experience in the financial sector, serving as CEO at PP Pension, Executive Director at Morgan Stanley, and Associate Partner at Brummer & Partners, among others.

Ms Ekberg serves on various boards of directors and positions of trust in public and private companies, such as the boards of AutoStore Holdings Ltd, Lindab International AB, Apolea holding AB and Cubera Private Equity AS.

Viveka Ekberg holds a Master of Science in Accounting & Finance and International Business from the Stockholm School of Economics, Sweden, and has completed various advanced management training programs.

MANAGEMENT

BOARD OF DIRECTORS



ANDREAS KNITTER
BOARD MEMBER AND SUSTAINABILITY CHAMPION
OF DELLNER COUPLERS GROUP AB

Andreas Knitter has been a member of the Dellner Board since 2017. Until June 2017, he was Senior Vice President responsible for the European business of Alstom Transport S.A. in Paris. Between 2008 and 2009, he worked as Head of EMEA at Foseco plc, a leading global supplier of foundry consumables and solutions. Today, Mr. Knitter is a board member in different industrial companies as well as in start-ups across Europe.

Andreas Knitter holds an Engineering Degree from RWTH Aachen, Germany, and a Master of Business Administration from Vrije Universiteit Brussel (VUB), Belgium.



PETER NILSSON
BOARD MEMBER OF DELLNER COUPLERS GROUP AB

Peter Nilsson is President and CEO of the Trelleborg Group, a global leader in engineered polymer solutions for sealing, damping, and protecting critical applications.

Prior to joining the Trelleborg Group in 1995, Nilsson worked as a Management Consultant at BSI & Partners. Nilsson is also currently Chairman of the Board at Cibes Lift Group AB and board member of Trelleborg AB, the Chamber of Commerce and Industry of Southern Sweden and the Advisory Board of the School of Economics and Management in Lund.

Peter Nilsson holds a Master of Science in Industrial Economics from the University of Linköping, Sweden, and a Dr (Econ.) h.c. from the School of Economics and Management at Lund University, Sweden.

MANAGEMENT

BOARD OF DIRECTORS



JEANNINE PILLOUD
BOARD MEMBER OF DELLNER
COUPLERS GROUP AB

From 2019 to 2022, Ms Pilloud served as CEO of the Ascom Group. Prior to that, she held senior positions at Swiss Federal Railways (SBB AG), T-Systems International GmbH and IBM Switzerland, among others. Ms Pilloud is also a member of the Board of Directors of the consulting company FehrAdvice & Partners AG and the telecommunications provider Salt Mobile.

Jeannine Pilloud holds a master's degree in architecture from the ETH Zurich, Switzerland. In 2018, she completed the International Board Directors Program at INSEAD Graduate Business School in Fontainebleau, France.



MATS SVENSSON
BOARD MEMBER OF DELLNER
COUPLERS GROUP AB

Board member Mats Svensson has been involved in the success of Dellner Couplers AB since 2008. Alongside his commitment to Dellner, Mr. Svensson is the chairman of the board of the braking system specialist Dellner Bubenzer Group and the residential construction company Fiskarhedenvillan AB. Since 2018, Mats Svensson has been a member of the board of the start-up Watersprint AB, which develops sustainable solutions for the use of drinking water. Previously, he was a member of the board of Knorr-Bremse AG and Axtone Group, among others.

Mats Svensson holds a Bachelor of Business and Administration from Lund University, Sweden.



NILS KETTER
BOARD MEMBER OF DELLNER
COUPLERS AB

Nils Ketter has been a member of the board of Dellner Couplers AB since 2023. Mr. Ketter has been with EQT Partners since 2012. Previously, he worked for McKinsey & Company, where he served as an expert in operational and strategic projects for industrial clients and principal investors.

Mr. Ketter holds Master of Science degrees in Electrical Engineering and Systems Engineering from ETH Zurich and Ecole Centrale Paris. He earned his Master of Business Administration from London Business School.

ESG DATA TABLE

ENVIRONMENT						DESCRIPTION/COMMENT
RENEWABLE ENERGY	2019	2020	2021	2022	UNIT	
Electricity	28	54	100	100	%	2021 and 2022 we purchased EACs ¹ to reach 100% renewable energy
Gas ²	0	0	16	5	%	The portion renewable gas is lower 2022, due to that the consumption of gas has decreased significantly on our site in UK that uses biogas.
Total	13	24	57	73	%	Total energy include energy from district heating, gas, electricity, diesel (not company fleet diesel), fuel oil and heating oil.
ENERGY CONSUMPTION	2019	2020	2021	2022	UNIT	
Electricity	5 375	5 117	6 037	5 344	MWh	
Gas	6 323	6 469	5 892	2 101	MWh	
Diesel	84	59	123	68	MWh	Diesel is used for producing electricity due to power shortages at our India site.
Heating oil	132	25	27	11	MWh	
Fuel Oil	0	0	0	57	MWh	
District heating	357	173	250	318	MWh	
Total Energy consumption	12 271	11 843	12 329	7 898	MWh	
Energy consumption/ worked hour	7	7.1	7.2	4.9	kWh/h	

1) EAC, Energy Attribute Certificate, a proof for that a specific quantity has been produced with renewable electricity.

2) Gas consumption for 2019 is not available for US site. 2019 Gas consumption for US is estimated from usage for 2021.

ESG DATA TABLE

ENVIRONMENT					DESCRIPTION/COMMENT	
FUEL (COMPANY FLEET)	2019	2020	2021	2022	UNIT	
Gasoline ¹	69.0	19.7	35.2	37.6	k liter	
Diesel ¹	32.5	43.2	38.0	35.3	k liter	
CNG	0	0	0	29	liter	
HVO	0	0	192	298	liter	Hydrogenated vegetable oil
GHG EMISSIONS	2019	2020	2021	2022	UNIT	
Scope 1 ²	1.613	1.418	1.150	0.718	M kg CO _{2eq} /year	
Scope 2 ³ (market ⁴)	2.377	1.802	0.062	0.065	M kg CO _{2eq} /year	
Scope 2 (location ⁵)	2.085	1.989	2.385	2.265	M kg CO _{2eq} /year	
Total Scope 1+2 (market)	3.99	3.22	1.211	0.782	M kg CO _{2eq} /year	
Total Scope 1+2 (location)	3.698	3.407	3.535	2.982	M kg CO _{2eq} /year	
Total Scope 3 ⁶	96.98	101.6	101.6	108.3	M kg CO _{2eq} /year	

1) Data is not available for US (2019), UK (2021) and DE (2022). Consumption for these years are estimated on previous alternatively later values.

2) Scope 1 includes direct emissions from e.g., natural gas, company fleet and company facilities.

3) Scope 2 includes indirect emissions from e.g., purchased electricity, heating and cooling.

4) Market-based CO₂ emissions reflect the emission from electricity purchased through agreements with providers.

5) Location-based CO₂ emissions reflect the average emissions intensity of the grid where energy consumption occurs using grid-average emission factor data.

6) Scope 3 emissions includes indirect emissions from e.g., purchased goods and services, capital goods and business travel.

ESG DATA TABLE

ENVIRONMENT						DESCRIPTION/COMMENT
GHG EMISSIONS INTENSITY	2019	2020	2021	2022	UNIT	
Total GHG emissions ¹ /kg product shipped	26.5	31.3	31.7	26.4	kg CO _{2eq} /kg	The weight of product does not include the packaging material.
Total GHG emissions ¹ /Revenue kSEK	91.5	62.8	64,6	56.1	kg CO _{2eq} /kSEK	
AIR FREIGHT	2019	2020	2021	2022	UNIT	
Air Freight	14	5	7	14	%	Air freight kg / total freights in kg done by boat, air and train.
WASTE	2019	2020	2021	2022	UNIT	
Recycling rate	N/A	N/A	N/A	67.7	%	Sorted waste per total waste.
Hazardous waste	N/A	N/A	N/A	11.5	%	Portion of waste that are hazardous.
GLOBAL ENVIRONMENT TRAINING	0	0	0	18	%	% of total no. of employees
END OF LIFE MANUALS	N/A	7	11	23	%	End of life manuals in projects/ projects with manuals
ENVIRONMENT RISK OBSERVATIONS	-	-	-	5	#	

1) Including Scope 1, 2 and 3 emissions where Scope 2 emissions are market based.

ESG DATA TABLE

SOCIAL	2019	2020	2021	2022	UNIT	DESCRIPTION/COMMENT
FTE	1023	1031	1028	1148	#	
Employee turnover rate ²	N/A	11.2	12.9	15.5	%	
EMPLOYEE WELL BEEING						
Sick leave ¹	2.58	2.43	1.82	2.15	%	
Employee satisfaction and motivation index	69	N/A	69	71	Index	
HEALTH & SAFETY						
LTif	N/A	N/A	11.5	10.2	Ratio	Lost Time Injury Frequency
Accident severity rate	N/A	N/A	N/A	31	Lost Days/100 emp.	
Health & Safety related accidents in relation to no. of Accidents, near misses and Risk Observations ²	28	15	20	12	%	This KPI is set up to push the reporting of near misses and risk observations in order to mitigate accidents.
DIVERSITY						
% of employees above 55 years ²	N/A	N/A	N/A	13	%	
% of employees below 25 years ²	N/A	N/A	N/A	6	%	
% Woman in Company ²	18	19	19	19	%	The figure reflects the % of Women end of year
% Woman in manager and senior positions ²	N/A	N/A	22	24	%	The figure reflects the % of Women end of year
% Woman in Executive Board	17	17	29	29	%	The figure reflects the % of Women end of year
COMPLIANCE						
Ethic & compliance trainings all employees	N/A	N/A	50	85	%	Portion of the supplier covered by a signed supplier with code of conduct or the supplier has their own CoC with equivalent requirements
Supplier Code of conduct signed	N/A	5	75	86	%	
No. of whistle blowing reports	N/A	0	3	4	#	The whistleblowing system was set up in Sept 2020
Number of IT security incidents	1	0	0	1	#	

1) Includes only Sweden 2) Includes the group's six biggest sites