



SUSTAINABILITY REPORT

2024





About the report

Vilokan AB (556641-7324) with subsidiaries in Sweden, Norway, Finland, Germany and the United States presents its Sustainability Report for 2024. The report reflects the development of the Group's sustainability work during the period 1 January 2024 until 31 December 2024. The report is Vilokan's third sustainability report and has been prepared in accordance with the Annual Accounts Act and the GRI Foundation 2021.

The sustainability report has been approved by the Board of Directors and has been reviewed by the company's auditor (Öhrlings PricewaterhouseCoopers AB) for compliance with the Annual Accounts Act (1995:1554).

Welcome to contact Maria Hernroth, Head of Sustainability, if you have any questions about the report at info@vilokan.se.

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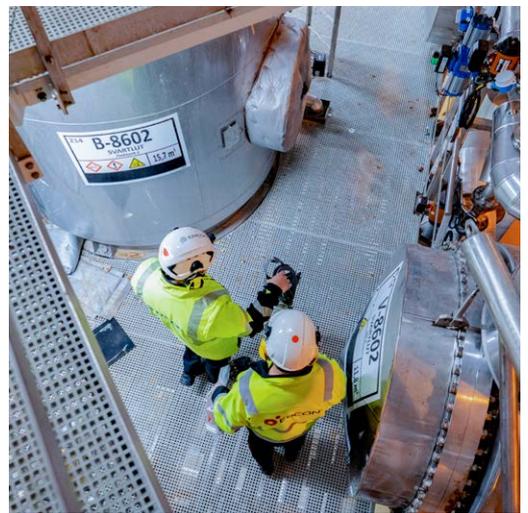
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OUR VISIONS - A CLEAN FUTURE



At Vilokan Group, we are passionate about our vision for a clean future, where we constantly strive to create innovative and sustainable solutions. Our business concept is based on creating circular concepts where valuable and important resources such as water and chemicals are taken care of in a sustainable way to both save resources, costs and reduce environmental impact. This forms the basis of our sustainability policy.

We are convinced that sustainable development requires commercial development, and we know that profitability goes hand in hand with sustainability. That's why I'm so happy as CEO to conclude that the year saw significant business progress, based on the sustainable solutions, both in Sweden and globally. Despite the geopolitical challenges that continued to characterise the world in 2024, we have continued to strengthen our market position in many areas.

The Fluids business area established a new factory in Norway to be able to reduce its transports, and the recycling plant that we co-own with Ragn-Sells is getting closer and closer to completion. During the year, the Technology business area acquired its main ownership in the subsidiary EPCON to further strengthen our IP (intellectual property) in key areas for the group's concept breadth.

Another important achievement was that the monopropylene glycol that we extract, for example at our ADF Solutions facility at Arlanda, received the excellent ISCC+ certification. This is proof that our product meets international requirements for sustainability and traceability.

AN EXPANDED MANAGEMENT TEAM WITH A FOCUS ON SUSTAINABILITY

During the year, we expanded our Group Management Team to gain the necessary breadth we need for our business development, with a strengthened link between sustainability and business. Among other things, a sustainability manager was recruited; A role that has not existed in the Group before, to ensure the required sustainability expertise in our management. At the same time, we added new expertise to work with strategic skills development and communication. With sustainability work firmly anchored in both the Board of Directors and Group Management, we have been able to take major steps forward during the year, which I see as crucial for Vilokan's future development and profitability. The extensive stakeholder dialogue that we conducted during the autumn confirms that we are on the right track.

It is crucial for sustainable business to also have sustainable, quality-assured working methods, and this year we have established the conditions for this.

THE IMPORTANCE OF SUSTAINABLE CORPORATE GOVERNANCE

For me as CEO, it is important that we manage our group in a sustainable and ethical way; quite simply, that we have good governance. It is also a high priority for our board. Therefore, one of the most important measures of the year has been to put a new structure in place for our sustainable corporate governance. In 2024, we set a solid model for governance, covering everything from annual cycles, approval order and data management to new policy documents. It is crucial for sustainable business to also have sustainable, quality-assured working methods, and this year we have established the conditions for this.

FANTASTIC EMPLOYEES WHO ARE GIVEN THE OPPORTUNITY TO DEVELOP

We operate in a changing time, in a changing market, and our expertise is our main competitive advantage. Therefore, it is absolutely crucial that we enable relevant skills development for our employees. Therefore, during the year, we further developed the Group-wide competence platform Vilokan Academy, which now reaches all employees in all countries of operation. We guarantee high quality to our customers and place high demands on our employees; therefore, it is important to have continuous skills development, regardless of role.

Despite challenging economic conditions during the past year, our development has continued to be strong in our business areas. This is a result of our competent and committed employees who contribute every day to our common goal of contributing to building a sustainable future. I am extremely proud of our team, and their dedication and innovation inspire me daily.

THE WAY FORWARD - A SUSTAINABLE FUTURE

For us at Vilokan Group, innovation is at the core of our work. We continue to put sustainability in focus by proactively driving change and minimizing our impact on both nature and society. One of our key focus areas is to work closely with our suppliers, customers and partners to jointly promote and create sustainable and scalable concepts and solutions. As CEO of Vilokan Group, I am convinced that we are on the right track and we will continue to invest in development and innovation within the framework of our vision and business concept.



Johan Brandberg, CEO

The Year of Sustainability



STRICTER GOVERNANCE FOR SUSTAINABLE GOVERNANCE

During the year, a completely new structure for governance was established throughout the Group and new policy documents were adopted. An important purpose of this, in addition to quality-assured governance, is to promote more sustainable working methods. Examples include the increasingly clear transition to electric and hybrid vehicles, ensuring the right skills in the work environment area, and the new policy against discrimination and victimisation and associated procedures. More guidelines will be developed in 2025.

VILOKAN ACADEMY WAS ESTABLISHED

To ensure compliance with the Group's governing documents, the Vilokan Academy training platform was established. In 2025, the implementation of the governing documents, but also other competence-developing initiatives, will continue through Vilokan Academy, which will be available to all employees, in several languages.

SYSTEM SUPPORT FOR DATA AND SUPPLIER FOLLOW-UP

In line with increasing sustainability requirements and increased governance, the need for system support for data management and supplier follow-up has increased. In 2024, Stratsys was therefore procured for sustainability data management and Worldfavor for supplier follow-up and risk assessment. The implementation began in the autumn and will follow throughout 2025.

A SUSTAINABILITY MANAGER WAS RECRUITED

At the beginning of the year, a Head of Sustainability was recruited to the Vilokan Group. Maria Hernroth, with extensive experience from large Nordic companies, joined Group Management in August as Head of Sustainability, Communications and competence issues

SUSTAINABILITY-CERTIFIED GLYCOL

An important step forward during the year was that the monopropylene glycol that Vilokan extracts at Stockholm Arlanda was certified according to ISCC+. This means that the product meets the requirements for sustainability and traceability according to the International Sustainability & Carbon Certification Plus (ISCC+) system. ISCC+ focuses on ensuring that raw materials are produced and distributed with minimal impact on the environment, and that they come from sustainable and responsible sources. The certification is an important step in our journey towards circular, traceable products, produced through innovative technology.

AROM-DEKOR BUILT NEW FACTORY IN NORWAY

During the autumn, Arom-Dekor Kemi AS completed a new plant for AdBlue production, which strengthened the company's capacity and presence in the Norwegian market. AdBlue is an important part of the work for cleaner transport, as it reduces nitrogen oxide (NOx) emissions from diesel engines – a significant cause of air pollution and deteriorating air quality. The new facility also contributes to increased security of supply for Sweden. This reduces the need for transport, but is also important in a time of uncertainty in regards to raw materials.



Our work for a clean future

Vilokan's business concept has always been simple. Our goal is to enable the reuse of raw materials and give them as long a life as possible. In this way, we save the earth's resources while our concepts are economically sustainable. Ideally, we want to create these sustainable solutions together with others who, like us, are determined to enable a clean future.

A simple business idea for sustainable development

Vilokan Group was founded almost 40 years ago when we decided on our vision; to contribute to a clean future. Our three main drivers are to combat climate change, combat the lack of fresh water and increase the circular use of the earth's resources. Today, these driving forces are stronger than ever and we see how it is becoming increasingly important to be able to extend the lifespan, or preferably enable eternal life, for finite raw materials, where usable fresh water is perhaps the most important.

If we can achieve closed loops, we can both reduce industrial water use and increase the availability of clean fresh water. It is sustainable for people, the environment and the economy, which we believe all sustainable business models must be.

Vilokan Group: pioneers in sustainability

As early as the 1980s, Vilokan launched its first purification and recycling solutions for the Scandinavian automotive industry. It was a time when awareness of the industry's impact on water, soil and air was low, but Vilokan was convinced that innovative methods for purifying and recycling industrial wastewater, but also other raw materials, were the future. Today, it is clear that this conviction was well-founded, as Vilokan's technical solutions have gradually been adopted across an increasing number of countries and industries.

As awareness of the value of clean water grows and more stakeholders recognize the importance of shorter supply chains and circular systems, the demand for Vilokan's purification, recycling, and closed-loop solutions continues to rise.

Vision, mission and values



VISION

A clean future



MISSION

Through our combined expertise, we create sustainable solutions that minimize negative impact and generate value for people and the environment.

VALUES



Flexible



Personal



Developing



Respect



Diversity

Vilokan's Operations

Today, Vilokan Group has operations and employees in five countries. The core of the business is environmental technology, water treatment and recycling; always with the goal of creating as long a lifespan as possible for each product and, where possible, establishing fully circular flows, so-called "closed loops". In addition to water recycling, our technology also enables the recycling and purification of other materials found in industrial wastewater, such as solvents, fertilizers, metals or proteins. Our technology is useful in many different types of industries because the need to treat industrial wastewater is extensive, as is the need to achieve a higher proportion of recycled raw materials. Regardless of the industry in which we operate, Vilokan's solutions are always based on the customer's needs and unique conditions.

Vilokan's operations are divided into three business areas; Technology, Solutions and Fluids. Where Technology develops cost-effective waste management and solutions for recycling raw materials, Solutions can use both systems and recycling solutions to return purified water and recycled raw materials to the customer's operations. In addition, leftover recycled raw material can be returned to Fluids, where it is turned into new products and thus has a longer life on the market.



EMPLOYEES



Turnover in 2024:
989 miljoner

Where are we?

SVERIGE

-  Strömstad (HQ)
-  Sexdrega
-  Lund
-  Arlanda
-  Luleå

NORGE

-  Trondheim
-  Førde
-  Kongsvinger

FINLAND

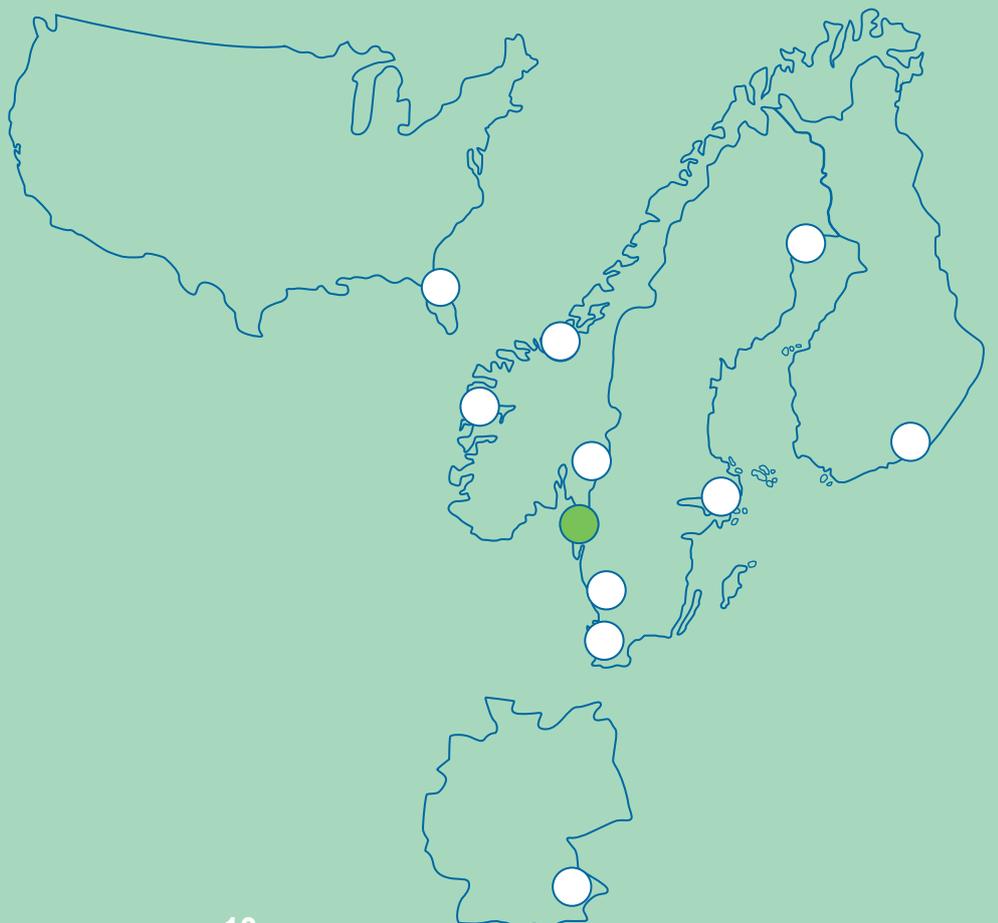
-  Kouvola

TYSKLAND

-  München, MUC

USA

-  Orlando, FL



Our value chain



Purchase of materials

Long-term collaboration with suppliers drives efficiency, quality and responsible behaviour throughout the value chain. We rely on suppliers around the world for materials and raw materials.

Our Code of Conduct outlines our expectations of suppliers regarding ethics, governance, human rights and the environment.



Research & Development

Meeting our customers' needs and improving their profitability and environmental performance forms the basis of our product and service development.

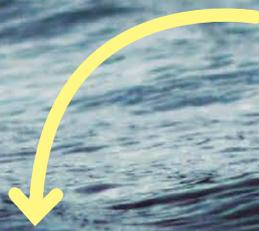
New technologies, new laws and changes in consumer behaviour also have an impact. The connection to research and development is a central part of Vilokan's business concept.



Production & logistics

In order to always be at the forefront of customer needs and at the same time ensure long-term sustainability, we need to create cost-effective processes, routines and system support, as well as to optimize how we use raw materials and materials.

Our internal Code of Conduct, policies and management systems form the foundation of our business.



Customers

By purifying and recycling industrial wastewater, reusing raw materials in closed loops and recycling products, we help customers reduce their impact on nature and the environment.



Waste and recycling

We strive to purify and reuse, and in the next step, recycle as much of our waste as possible.

We also work to optimize and extend the life of products in order to increase resource efficiency.





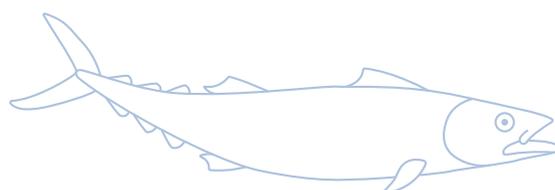
Our stakeholders

To succeed in contributing to sustainable development, we must collaborate with our stakeholders, throughout the value chain. This requires understanding who our stakeholders are, what is important to them, what challenges they face and what expectations they have of us. Therefore, in the autumn of 2024, Vilokan conducted an extensive stakeholder dialogue.

It was important for us to build knowledge and to understand the stakeholders' perspectives, as part of our work to meet the requirements of the legislation, but also to make our new business plan as sharp as possible. Therefore, this time we chose to work only with qualitative dialogues. During the autumn, about 200 representatives of customers, suppliers, carriers, banks, industry associations, authorities, municipalities, sustainability experts, researchers and students from several different universities participated, as well as owners, boards and employees. Both Swedish and international players were represented, which gave us a nice mix of local and global perspectives. Since Vilokan's processes and products are used in several different industries, customers and suppliers represented a breadth; from international process industries and major airport players to local small businesses. The dialogues were conducted partly as workshops, where different actors met on common issues, and partly as individual meetings. The results are summarized in a report that can be found on Vilokan's website, and briefly illustrated below.

Stakeholder Dialog

Stakeholder	Definition	Form of dialog	Stakeholder areas
Customer	Direct customers , wholesalers, retailers	Structured stakeholder dialog, daily dialog, fairs, customer meetings, CSI surveys	Competence, quality, flexibility, cost efficiency, reduced emissions to water, soil and air, available and reliable sustainability data, certifications and ecolables, transparent communication
Employees	Existing and potential (excl. students, see below)	Structured stakeholder dialog, employee dialog, employee talks, union collaboration, pulse surveys, recruitment fairs, interviews	Health, safety, well-being, inclusion, diversity & equality, equal treatment, skills development, transparent communication
Owner	Gullspång Invest AB	Structured stakeholder dialog, board meetings, strategy days	Maintaining long-term, sustainable and profitable operations, transparent communication and good governance
Suppliers	Direct suppliers	Structured stakeholder dialog, daily dialog	Clear expectations from Vilokan regarding sustainability work/ performance and expected data delivery
The local community	The communities where we operate	Ongoing dialog with municipalities and other local actors, involvement in local associations	Jobs, skills development, legal compliance, positive contribution to the local community



Stakeholder Dialog cont.

Stakeholder	Definition	Form of dialog	Stakeholder areas
Public authorities	The authorities that manage our types of activities	Structured stakeholder dialog, visits, inspections, dialogs, reports	Preventing emissions to land, air and water, legal compliance, relevant permits, active and systematic work on health and safety, available and reliable sustainability data
Students	Students at college, university, vocational school (occasional High School students)	Structured stakeholder dialog, internship, participation in interviews	Job opportunities, involvement in training, provision of traineeships, involvement in theses and dissertations, social responsibility, transparent communication, accessibility, equality & diversity, good working environment, skills development
Banks	The banks we work with	Structured stakeholder dialog, development meetings, sustainability meetings, review meetings	Compliance, due process, profitability, solvency, transparent sustainability, communication & reporting, accessible and reliable sustainability data, clear sustainability targets and KPIs.
The Planet	The environmental perspective	Collaborative research	Preventing emissions and harm to climate and environment, minimizing waste, contributing to circular flows, biodiversity and healthy ecosystems, engaging in innovation for sustainable solutions.



Our Essential Sustainability issues

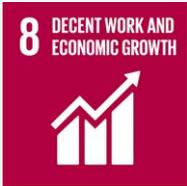
In 2024, Vilokan Group continued to work on the significant sustainability areas identified in 2022 and revised in 2023. At the same time, extensive preparatory work was underway for the transition to the stricter EU legislation, which includes a double materiality analysis. In the report for 2025, the essential areas will thus have been developed, we can already establish this today. The materiality analysis conducted in 2022 included business intelligence, value chain analysis and stakeholder dialogues, as well as workshops in the management team and the board. The analysis, which primarily included weighting based on stakeholder priorities, resulted in five key sustainability areas. In addition to these, a number of sustainability areas were identified that are not considered to reach the threshold for a significant level.

In the autumn of 2024, a supplementary analysis of significant areas was carried out in connection with the appointment of a Head of Sustainability by the Group. The Group's previously identified material areas were confirmed, but we also saw an increased focus on governance and governance; issues that were given high priority in 2024. *Read more below under Governance.*



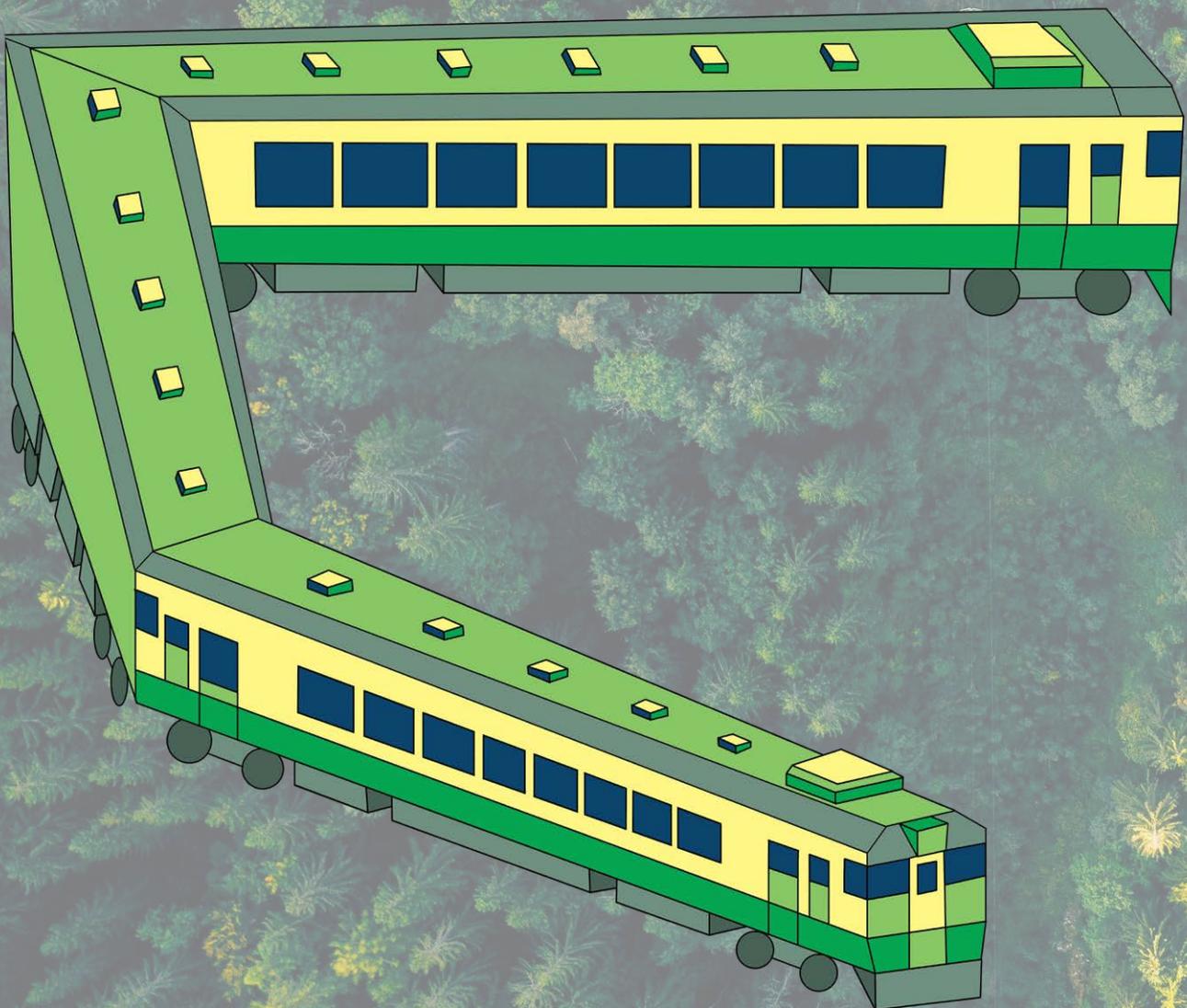
2030 Agenda and the UN Sustainable Development Goals

The 2030 Agenda, with its global goals, is the world's joint commitment to ensure sustainable development. By 2030, the following main goals will be achieved: ending extreme poverty, reducing inequalities and injustices in the world, promoting peace and justice, and solving the climate crisis. It is very important for Vilokan to contribute to the world achieving the global goals. The goals and sub-goals where Vilokan sees that we can contribute to positive impact or reduce negative impact are described below. In connection with the double materiality analysis to be carried out in 2025, the analysis of our impact in relation to the 2030 Agenda will also be revised.

Objective	Our impact	Sub-goals	Essential question
 <p>6 CLEAN WATER AND SANITATION</p>	Our products and solutions help customers reduce their water use and significantly reduce emissions to water and landfill.	<p>Improve water quality and wastewater treatment and increase reuse.</p> <p>Improving water use efficiency and security of water supply.</p>	<ul style="list-style-type: none"> • Discharge to water
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	Our products and solutions help customers reduce their impact and use of resources necessary in the production process. We provide jobs, including to people outside the labor market.	<p>Promoting economic productivity through diversification, technological innovation and upgrading.</p> <p>Improving resource efficiency in consumption and production.</p> <p>Full employment and decent work for all</p>	<ul style="list-style-type: none"> • Circularity • Competence development
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	Our solutions help customers to create closed loops for their water and increase the share of recycled chemicals.	<p>Sustainable management and use of natural resources,</p> <p>Responsible management of chemicals and waste.</p> <p>Reduce waste significantly</p>	<ul style="list-style-type: none"> • Sustainable supply chain • Circularity
 <p>13 CLIMATE ACTION</p>	We reduce our impact through energy efficiency in our own operations, reducing fossil fuel transportation, encouraging carpooling and responsible business travel.	<p>Increasing knowledge and capacity to address climate change.</p> <p>Reducing emissions from our vehicle fleet.</p>	<ul style="list-style-type: none"> • Discharge to water • Greenhouse emissions
 <p>14 LIFE BELOW WATER</p>	Our products and solutions help customers reduce their water use and significantly reduce emissions and landfill.	<p>Reducing pollution in the oceans.</p>	<ul style="list-style-type: none"> • Discharge to water

Adapting to new legislation on reporting

From 2025, Vilokan will adapt its sustainability reporting based on new legislation, based on the CSRD but with adaptation to the EU's Omnibus proposal. Preparations began as early as 2024, primarily through knowledge-enhancing initiatives for the Group Management and the Board of Directors, but also by preparing data collection and reporting, as well as by laying the groundwork for the double materiality analysis to be conducted by the Group Management in the winter of 2025. An important part of the preparatory work was to ensure system support for data collection and data management. We developed our collaboration with Stratsys and signed an agreement with Worldfavor to be able to systematically follow up and assess risk in the supply chain.



ENVIRONMENTAL IMPACT

Our responsibility for a sustainable planet

Vilokan's vision is a clean future. Such an ambition obliges and entails a great responsibility, not least in terms of the impact on the climate and the environment. Our goal is to not only limit and prevent risk and harm, but also to generate benefits for the environment through our products and services. Our goal is for our positive impact on the planet to outweigh the negative. We have identified greenhouse gas emissions, circularity and emissions to water as our most significant areas in terms of environment (E).

E1 Climate: Greenhouse gas emissions

The main cause of climate change is the greenhouse gas emissions caused by human activity on Earth. In order to succeed in achieving the Paris Agreement's goal of 1.5 degrees, each actor must do everything possible to minimize its impact. This is especially true in the industrialized part of the world. Reducing our share of greenhouse gas emissions is therefore a very high priority for Vilokan and a central part of our sustainable business model. In addition to concrete measures to reduce our own emissions, it is important for us to help our customers, suppliers and partners reduce theirs through setting requirements, follow-up, collaboration and innovation. One of the biggest challenges in the essential area of greenhouse gas emissions is for us to ensure reliable data in all three scopes. It is a development work that will follow us for several years to come.



Our main sources of emission

Our main emissions are in scope 3 and consist of purchased goods and services as well as upstream transport and distribution.

Method and data collection

Our first reporting was for the financial year 2022 and covered scope 1 and 2. Scope 2 emissions are reported according to the market-based method, which means that the calculations are based on the purchased energy being either labelled with origin or unspecified. For origin-labelled energy, a specific emission factor is used, while the Nordic emission factor for the residual mix is used for energy that is unspecified.

SCOPE 1 – Direct emissions from parts of the business over which the company has direct control. This includes, for example, emissions from the combustion of fossil fuels in own manufacturing processes, emissions from self-owned or leased vehicles, and combustion in self-owned or leased assets for heating the business’s premises.

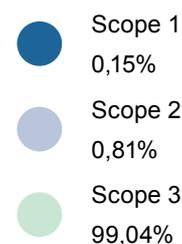
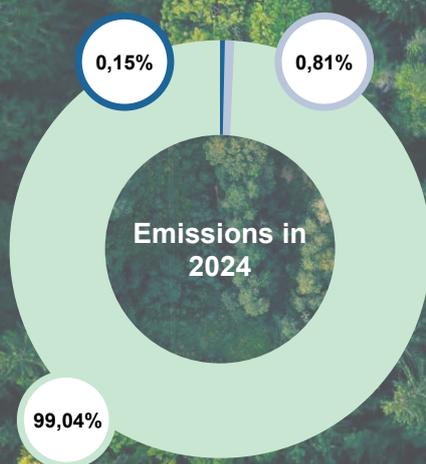
SCOPE 2 – Indirect emissions from the company’s purchases of electricity, cooling and district heating.

SCOPE 3 – Other indirect emissions both upstream and downstream.

Data collection and emission factors

Scope 1 & 2 activity data is primarily collected from internal systems and invoices. For energy purchases, the calculations are based on data from energy suppliers and, where electricity and heat are included in the rental cost, on estimates based on the office space rented by the company. Our work on mapping greenhouse gas emissions is guided by the principle of using the most reliable and up-to-date data available at the time of reporting. In cases where specific emission factors have been missing, we have turned to public databases for generic emission factors, as these sources are often produced by authorities and thus have a high degree of reliability. Ensuring reliable and complete data is a major challenge and a development work that will follow us into 2025.

For scope 3, a more in-depth data collection was carried out. Our suppliers have answered a number of questionnaires as part of the work to collect the necessary information for calculations of our scope 3 emissions. In cases where the supplier has not been able to provide us with a specific emission factor, the answers in the questionnaires have been used to identify a suitable generic emission factor. If generic emission factors have not been available in the public databases, emission factors have instead been retrieved from Ecoinvent 3.9.1, to ensure that the calculations are supported by robust data.



Total emissions for 2024: **53 013,95 tCO₂e**

SCOPE 1 & 2

In 2024, our scope 1 emissions decreased by approximately 15% compared to 2023. This development is mainly a result of the total number of kilometres driven, as well as a shift to a larger number of electric and hybrid cars than cars running on fossil fuels.

For scope 2, our emissions have decreased by 5% compared to 2023. This is mainly due to an increased share of renewable energy sources in energy production. The decrease would most likely have decreased further, but as we have increased our use of electric and hybrid cars during the year, the decrease remains at 5%.

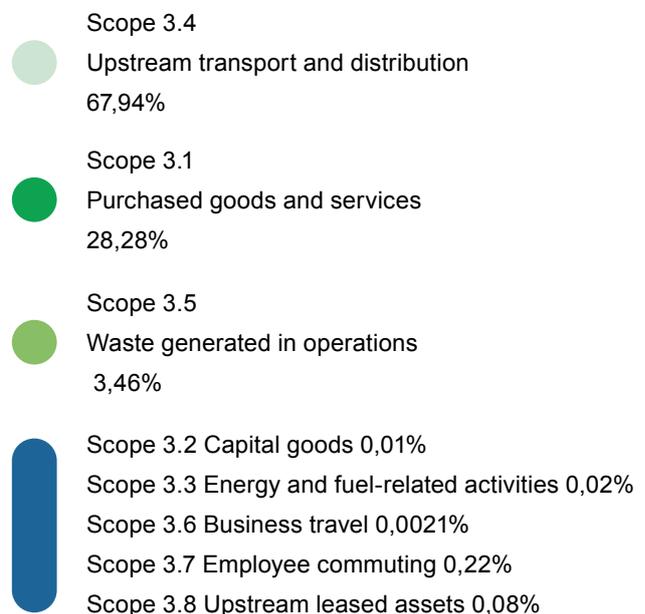
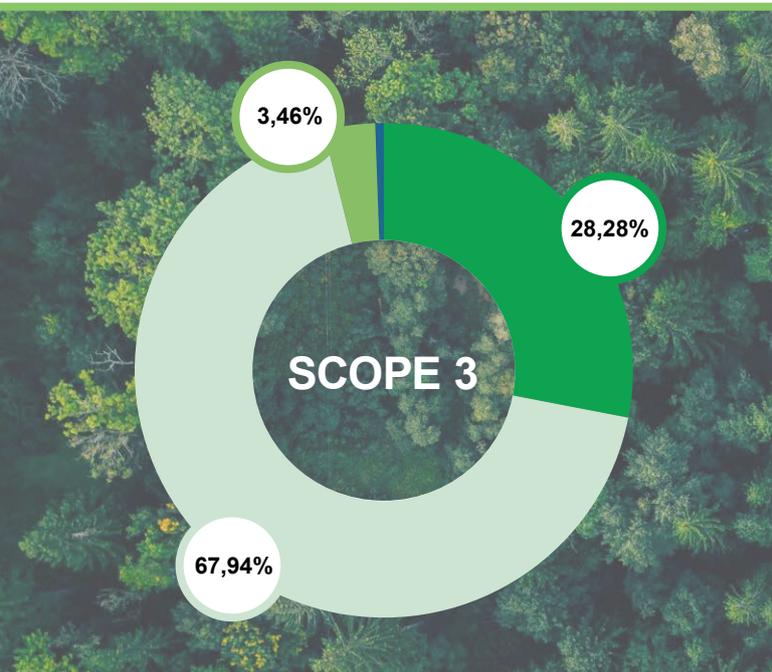
SCOPE 3

In August 2023, we conducted a screening of all of our scope 3 emission sources, with the aim of identifying which emission categories are most significant based on our value chain as well as internal operations. As a result of this survey, we are reporting our scope 3 emissions for the first time in this year's report. Since scope 3 is so extensive, we have chosen to initially report on the emission categories where we have the greatest impact and the opportunity to reduce the impact.

These categories are:

- 3.1 Purchased goods and services
- 3.2 Capital goods
- 3.3. Energy and fuel-related activities
- 3.4 Upstream transport and distribution
- 3.5 Waste generated in operations
- 3.6 Business travel
- 3.7 Employee commuting
- 3.8 Upstream leased assets

From our calculations, we can conclude that the majority of emissions in scope 3 come from 3.1. purchased goods and services and 3.4 upstream transport and distribution. Together, these two categories account for approximately 96% of scope 3 emissions. Furthermore, the calculations show that about 1.5% of our emissions occur in scope 1 & 2, while the remaining emissions are generated in other parts of the value chain (scope 3). It will primarily be linked to scope 3, which we need to focus on in the work of calculating, reporting and reducing our emissions.



COMPARISON BETWEEN EMISSIONS IN 2023 & 2024

	2023 (tCO ₂ e)	2024 (tCO ₂ e)
SCOPE 1		
Total Scope 1 (own vehicles)	94,4	80,1
SCOPE 2		
Total Scope 2 (electricity and heating)	452,2	431,4
SCOPE 3		
3.1 Purchased goods and services	-	14 849
3.2 Capital goods	-	4
3.3 Energy and fuel-related activities	-	11
3.4 Upstream transport and distribution	-	35 671
3.5 Waste generated in operations	-	1 817
3.6 Business travel	-	1
3.7 Employee commuting	-	118
3.8 Upstream leased assets	-	32
Total Scope 3 (electricity and heating)	-	53 013,95

* This year's report is the first to include Vilokan's Scope 3 emissions, hence why data for 2023 is missing from the report. Scope 3 emissions will continue to be calculated and monitored annually going forward. [AO1]

Initiatives and measures to reduce greenhouse gas emissions

We are constantly taking new measures to reduce our greenhouse gas emissions. One such example is the establishment of an AdBlue production in Norway. By producing AdBlue in Kongsvinger instead of transporting the finished product from Sweden, we reduce CO₂e emissions by approximately 43% per transport from the Oslo area. According to our calculations, this means a saving of an average of 275 kg CO₂e per transport. With 135 truck transports from Sexdrega last year, this corresponds to a total saving of about 37,100 kg CO₂e, just by avoiding transports from Sweden to Norway.

Vilokan's work with recycling plants for de-icing fluid has a significant impact on greenhouse gas emissions. Aircraft de-icing fluid (ADF) contains mostly a mixture of water and glycol. By recycling the glycol, the need to produce new glycol that comes from fossil sources is reduced.

In 2024, Vilokan recovered 5,330 m³ of glycol from airports and international industry. Recycled glycol is estimated to give a CO₂e emission of 0.049 kg/kg glycol compared to 3.7 kg/kg for newly produced glycol. By recirculating glycol, CO₂e emissions are reduced by almost a factor of 100. For Vilokan, this means that we have been involved in reducing CO₂e emissions by approximately 19,500 tonnes in 2024. A saving of 19,500 tonnes of CO₂e is equivalent to around 4,000 laps around the world for a person travelling by plane.

RECYCLED GLYCOL IN 2024

5330 m³



Objective

The ongoing work to improve our data quality and increase the proportion of responding suppliers regarding scope 3 will continue in 2025. This also applies to the work of identifying ambitious and relevant emission targets for the Group.

Person responsible

CFO

EPCON - pioneers in environmental technology

One of Vilokan's subsidiaries is EPCON Evaporation Technology AS, a Norwegian environmental technology company that has been pioneering energy-efficient evaporation technology for 40 years and is constantly developing its technology. EPCON operates in several different industries and enables energy-efficient, high-quality solutions for the global industry. EPCON develops its solutions with the lowest possible energy consumption, i.e. the highest possible degree of recovery and reuse of energy from the evaporation processes. This gives the lowest possible climate footprint. Many of EPCON's applications are also used to utilize and develop the value of residual products in commercial contexts, thus contributing to a new green transition and new sustainable opportunities for its customers.

Just like the Vilokan Group in general, EPCON always designs sustainable concepts together with the customer, based on their specific conditions. One such successful example is the collaboration with Borregaard ASA. Borregaard has developed into one of EPCON's most important customers, having carried out several major investment projects and projects in recent years.

It has been very easy to work with EPCON. Their skilled team is involved from the sales phase, provides support throughout the project, and is present when we start the facility. We have had a great partnership all the way."

- Theodor Mollatt, senior project manager, Borregaard ASA



EPCON has been in agreement with Nouryon Chemicals Finland Oy for a couple of years now, with the aim of installing an energy efficiency and recycling unit based on industrial high-temperature heat pump technology, with mechanical vapour compression (MVR) as the main compression technology. The system went live at the end of 2023 and has been operating successfully ever since. The agreement was the result of careful and close collaboration between the customer and EPCON, and included feasibility studies and pre-engineering work, to ensure optimal and efficient system integration and operation.

The system utilizes the latent energy from the top of the steam from a distillation column to use the energy as an energy source for a closed water system, where the water is evaporated and compressed through a series of compressors to achieve a prescribed temperature and pressure.

The compressed steam, which represents an energy of 4.8 megawatts, is supplied as energy to the lower part of the second distillation column, with a total energy consumption of slightly more than 600 kilowatts. In total, the system replaces a previous boiler and thus enables almost eight times lower energy consumption.



Water and marine resources

Fresh water is fundamental to all life. Clean water for all is one of the UN's global goals, and fresh water use is one of the nine planetary boundaries. Humanity has already exceeded the limit of what is called green water – that which is available to plants in the form of rain and moisture in the soil. The blue, the wild That is to say, the water found in rivers, lakes and aquifers is still on the right side of the border, but our increased consumption, climate change and pollution are increasing the pressure on that as well.

Solving the fresh water issue is critical, especially from a global perspective. Vilokan's products and solutions aim to help customers recirculate the water in their production and thus significantly reduce the consumption of fresh water. In our most recent stakeholder dialogue, it emerged that the focus on the freshwater issue has increased, especially in areas with water stress, but also more generally. At the same time, there is great uncertainty about how a potential freshwater shortage will affect organizations and societies, and many seem to be waiting for tougher legislation.

Vilokan wants to work for a more proactive approach to fresh water as one of our most valuable resources. We want to contribute to the dissemination of knowledge, innovation and collaboration so that the sustainable solutions for clean water benefit as many people as possible. We believe that closed systems that limit emissions to water will be crucial for the survival of ecosystems, and thus humans.

Initiatives and measures to reduce freshwater consumption

Vilokan's facilities for purifying and recycling industrial process water reduce the industries' need for fresh water. A plant from Vilokan can recycle from 10 l/h – 150 m³/h process water and from this get back up to 99.5% of the water content. The fact that EPCON is now part of the Vilokan Group has increased capacity significantly. A recycling plant can be set up on a specific process at the customer's site or throughout the factory. An example of the former is a pre-treatment line at Volvo CE Hallsberg and Volvo CE Eskilstuna.

Objective	Person responsible
<p>In 2025, Vilokan will identify a quality-assured methodology for quantifying the amount of recycled fresh water</p>	<p>Business Area Manager Technology</p>

Use of resources and Circular Economy

Circularity for a clean future

Sustainable resource use and circular flows are at the very core of Vilokan's business concept, but also in our driving force for a clean future. Our ability to help the customer create circular flows or, when this is not possible, extend the life of products, is our strongest offering. In these solutions, the link between environmental and economic sustainability becomes clearest because resource efficiency is always a good thing, both for the environment and finance. With our closed-loop concepts for purification, recirculation and reuse of industrial water and process chemistry needs, we help customers become more circular and reduce their negative impact on the environment. In addition, we enable the extraction of valuable materials from industrial wastewater, which also has both a business and an environmental value.

Circular and resource-efficient solutions require a great deal of knowledge. Our employees' cutting-edge expertise is therefore crucial for us to succeed; Not least because the transfer of knowledge to the customer is so important. It is a central part of our mission, to show the customer potential solutions and help the client see the opportunities that exist. An important factor in getting more people to dare to switch to recycled products or circular cycles is to be able to show that it works. Quality-assured data and measurable results are therefore one of our most important areas of development.



Solvents get longer life through innovation and collaboration

Sustainable development requires collaboration, sometimes in new constellations. In 2023, construction began on the SRS facility, Solvent Recycling Solutions, a joint venture between Vilokan and Ragn-Sells. The purpose of SRS is to extend the life of solvents and reduce the extraction of virgin material. The concept is clear; Ragn-Sells collects waste from the market, SRS treats and recycles the material, and Vilokan takes the recycled solvent out for a second life on the market.

The plant is one of the first of its kind and has an environmental permit for the reception and treatment of 20,000 tonnes of solvent waste per year. In the spring of 2025, the SRS factory in Högbytorp outside Stockholm will be completed and production is expected to be up and running in the middle of the year.

Objective	Person responsible
Recycling 1,000 tonnes of solvents in the SRS plant	Business Development Manager



Recycled raw material

In the table below, we describe sales of the main raw materials in the Solutions and Fluids business areas and the proportion of each product that is recycled.

RAW MATERIAL 2024	VOLUME	PART RECYCLED
De-icing fluid MPG	5330 Tons	100%
MPG By-product	6541 Tons	100%
Marine Glycol	72 251 liters	93%
VVS Glycol	365 444 liters	93%
VVS Glykol Ready-mixed	74 280 liters	40%

Waste

Vilokan strives to avoid waste as much as possible, but still handles a number of different types of waste. Below is a detailed overview of the fractions, quantities and management methods of the waste during the year:

WASTE	Tons 2023	Tons 2024	WASTE MANAGEMENT
Rinse/Wash water	43,7	32,2	Incineration/Energy Recovery
Other Chemicals	18,5	19,9	Recycling and recovery
Mixed metal scrap	6,91	2,9	Recycling and recovery
Plastic, transparent	5,55	6	Recycling and recovery
Plastic, other packaging	104,08	116,8	Incineration
Paper/Corrugating	12,61	16,9	Recycling and recovery
Wood	19,94	14,2	Incineration/Energy Recovery
Combustible	18,04	12,8	Incineration/Energy Recovery
Activated carbon, contaminated	11,30	9,2	Landfill
Glycol mixture	3,44	1,8	Landfill
Evaporator concentrate	47,52	177,6	Landfill
Oil-containing sludge	0,04	24	Landfill

Electronics, toner cartridges and fluorescent tubes amount to a total of 860 kg that goes to recycling.

SOCIAL IMPACT

Vilokan's responsibility for people

Vilokan is responsible for all individuals affected by our operations — not only our own employees, but also people throughout the entire value chain. For us, it is important to never ever contribute to injury, ill health or exclusion, but most of all we also want to contribute to value and well-being for people inside and outside the business. We want to be an attractive, safe, inclusive employer and a reliable, transparent partner. It requires daily prevention, promotion, follow-up and remedial work with a high level of risk awareness and a high degree of systematics. Our goal is to have safe, proud, committed employees who develop in their work and a supply chain free of accidents, incidents, injuries and ill health.

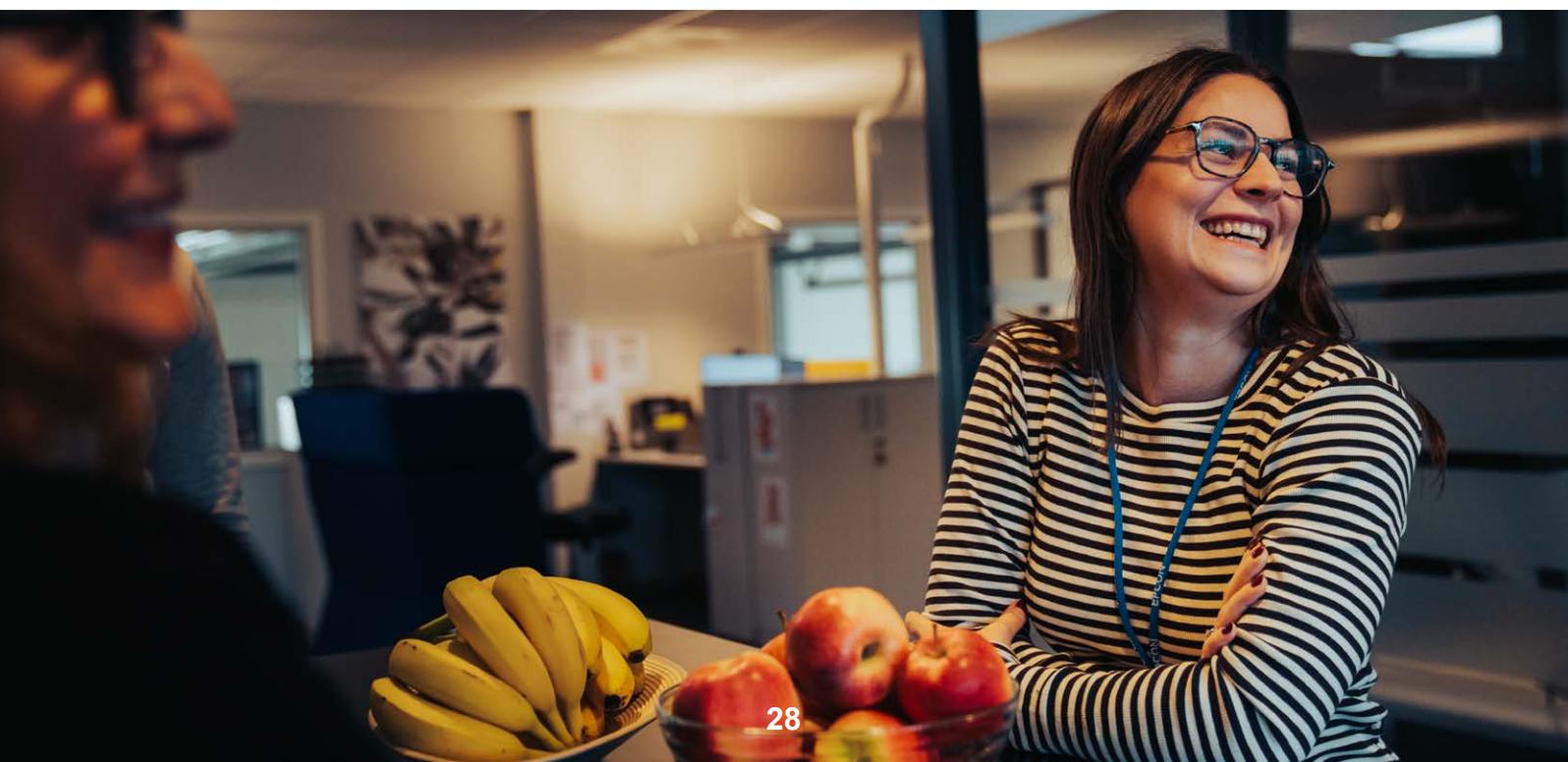
Own labour force

Health, safety and well-being

Ensuring safe, secure, health-promoting workplaces is our most important responsibility as an employer. We know that the majority of our employees feel good, enjoy their work and would gladly recommend us as an employer, but a good work environment is a perishable commodity that should always have our highest focus.

Systematic work environment management

We work systematically with the work environment in our daily operations, for example through risk assessments, work preparations and regular safety inspections. This is especially important in the part of the business that handles chemicals. The majority of the incidents reported during the year were related to forklift driving and spillage of liquid. To prevent incidents in forklift traffic, we have, among other things, reduced the number of forklift drivers and installed more mirrors for improved visibility. Already last year, I-site implemented a SAS (System of Active Stability) to protect personnel, machinery, inventory and transported goods. This system has resulted in more thorough daily control of our trucks, which in turn has reduced the risk of unnecessary incidents. The trucks are also checked more regularly in the form of more frequent service intervals. During the year, work continued on risk assessment of areas such as pedestrian paths and gates, and new driving methods were introduced to increase safety in connection with high and unwieldy loads. To reduce waste, we have focused on working more resource-efficiently in production, for example by streamlining our planning process to increase production volumes at each production time, which has reduced the number of changeovers.



In the Solutions business area, which operates in an airport environment, we also work continuously with risk assessments, measures, continuous improvements and, where applicable, incident reporting. Daily and weekly routines ensure a good system for checking time intervals for checking e.g. emergency showers, fire extinguishers, emergency exits and oil separators.

Not only physical health and safety risks

However, the occupational safety and health risks identified are not only physical. Just like in all workplaces, there is also a risk of negative stress and lack of recovery. Work peaks, long days in connection with business trips and sometimes a lack of resources are examples of such risks. We work continuously to balance demands and resources in a way that does not entail a negative burden for our employees. One of the most important tools for identifying these risks in time is to have a good and close dialogue. For 2025, we see an area of development when it comes to becoming better at communication; something that challenges in such a dispersed business as ours. We also need to strengthen our managers' competence regarding the organisational and social work environment so that they have the right tools to prevent risk and promote health in accordance with what is required by law in our countries of operation.

The importance of promotion and prevention

The most important work-environment efforts are those that are proactive and preventive. That is why we offer our employees preventive consultations with an ergonomist, health examinations, wellness allowances and access to a gym (at Arom-Dekor Kemi AB). Civil servants also have access to private health insurance. All managers, managers and safety representatives receive training in the work environment and support in the systematic work environment management. We have a system support for documentation and follow-up (Stratsys) in the Fluids business area, and during the year a digital training course in the organizational and social work environment (OSA) was launched, which was very positively received in the organization. In 2025, we will continue to develop our systematic work environment management, for example through continued competence development in the work environment area and by implementing Stratsys in more parts of the business.

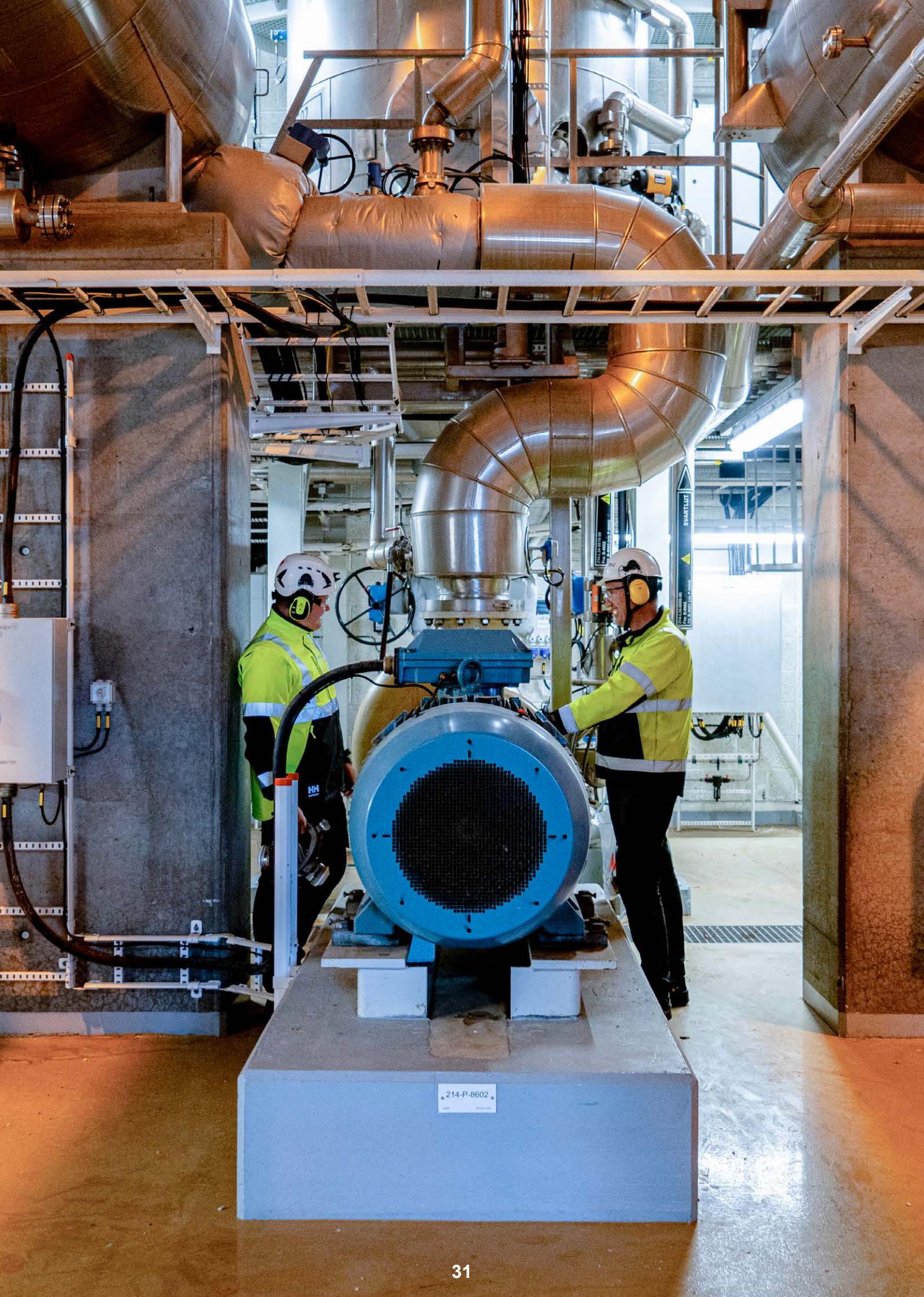
SAFETY	2022	2023	2024
Work accident with at least 1 day of absence	0	1	0
Accident at work not resulting in absence	4	4	4
Sick leave	5,3%	3,95%	3,86%





Regular safety rounds in collaboration

At Arom-Dekor Kemi AB, the work environment is a priority issue, and we work systematically to ensure a safe and secure workplace. The work takes place in close collaboration between production management and safety representatives, and all employees are involved. Through regular safety inspections, forklift inspections and fire inspections, we identify potential risks and take preventive measures together, for example when implementing new raw materials and chemicals or during new work steps. The results from rounds and risk assessments are analyzed and evaluated to drive continuous improvements and ensure learning. By engaging employees, we create a strong safety culture and a work environment where everyone feels responsible and involved in shaping a safe and sustainable workplace.



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Diversity and Inclusion

It is important for Vilokan to reflect the society in which we operate. To be able to do that, but also to be able to ensure that we have the very best skills and dynamic, inclusive workplaces, we need diversity. Today, only 22% of the Group's staff are women, which means that we need to work more focused with active measures to achieve a more even gender distribution.

Active measures for diversity

The work to ensure diversity and inclusion is always both quantitative and qualitative. We want to bring diversity into the organization, but we also have to work to maintain it. It is important to work with competency-based recruitment to ensure that we recruit without discrimination, but it is at least as important to work with norms and attitudes in the organization so that the people we attract and recruit also feel that they enjoy and want to stay in the business. For example, it is about having managers who are aware of gender equality issues or about ensuring the right to be able to combine work and parenthood in a balanced way.

Diversity is also about people with different conditions being able to get a job. At Vilokan we want to contribute to this. At the subsidiary Arom-Dekor Kemi AB, we enable job training for people who need support on their way in or back to working life. Our team of tutors and colleagues are dedicated to providing the support and guidance that each individual needs to grow and develop in their professional role. Each person who works with us is given needs-adapted tasks and through ongoing dialogue, we create flexible and individualized job training.

Inclusive workplaces

In 2024, long-term work was initiated to raise awareness of factors that create inclusion and to ensure that our behaviours and working methods do not exclude or discriminate. Part of that work was to develop and implement a policy for diversity and inclusion and a policy against discrimination and victimisation. We also conducted a salary survey in all affected companies. No cases of unfair pay differences on the basis of gender were found in 2024 (0 cases in 2023).

In 2025, training initiatives will be implemented to ensure that all employees know what we mean by inclusive workplaces, what Vilokan expects in terms of equal treatment and how we should act if someone crosses the line of our zero tolerance for harassment and violations. An important part of the work is to strengthen managerial responsibility for diversity and inclusion.

MÅNGFALD	2022		2023		2024	
	Män	Kvinnor	Män	Kvinnor	Män	Kvinnor
Medarbetare (%)	72	28	77	23	77	23
Koncernledning (%)	100	0	100	0	86	14
Styrelse (%)	100	0	100	0	100	0

Arom-Dekor Kemi ABs 62 anställda omfattas av kollektivavtal.

Competence development

Our employees' competence is our most important resource. Therefore, the work on competence development is central to us at Vilokan. Regardless of the role or tasks, each employee must have an individual competence development plan and the opportunity for stimulation and development in their work. To develop in one's professional role is something everyone has a right to, but also something we expect from our employees. Without up-to-date and relevant expertise, we simply cannot offer our customers what they are asking for and we cannot contribute to sustainable development at the high level where we want to be.

An important forum for managers and staff to plan the right development actions is the performance review. All staff (100%) participated in performance reviews during the year (100% in 2023). In 2023, these conversations revealed a demand for more systematic competence development, which we addressed in 2024 when our own skills platform, Vilokan Academy, was put in place and made available to all employees (one of the previous year's objectives). The purpose of Vilokan Academy is to ensure an accessible, flexible way of providing, but also following up, competence development for all employees, regardless of organization or geography. The goal is for Vilokan Academy to be an interactive tool for building both culture and competence. It ensures the implementation of our policy documents, onboarding of new employees and training initiatives in everything from work environment to sales or leadership. Some training programs are entirely digital, others physical, depending on the goal, purpose and content. In Vilokan Academy, each employee's results can be followed up and we can communicate in several different languages to ensure accessibility and equivalence. So far, the Vilokan Academy has been very well received and participation in the courses launched so far has been high. In 2025, the Vilokan Academy offering will be expanded and clear development paths will be designed. We also intend to get an overall picture of completed training hours per employee, now that we have a uniform platform for everyone. This is a priority development area for 2025.



Objective

- 100% of employees must have a documented competence development plan
- 100% of employees must have completed e-learning regarding governance
- 100% of the Group's managers must have completed training in occupational health and

Person responsible

Head of sustainability and Competence

Our social commitment

It is important for us to take responsibility and be involved in the communities in which we operate. Therefore, Vilokan is involved in local associations, primarily with a focus on enabling sports and leisure activities for children and young people. Our commitment to young people is mainly in Sweden, but Arom-Dekor Kemi AB also has a long-term collaboration with an association in the village of Point Pedro in Sri Lanka. The association is primarily committed to children's and women's rights. For several years, we have been contributing with food parcels and school supplies to families in need. Our work is done in close collaboration with a local contact that we know well, and who personally makes sure that our contributions reach their destination.

At the end of the year, Arom-Dekor Kemi AB carried out a project together with students at the Borås University of Applied Sciences, to get input on how social responsibility in the local community could be strengthened. Working with students is something we want to develop further in 2025 as they are an important stakeholder group that gives us valuable perspectives on sustainable development.

An aerial photograph showing a blue tanker truck with a large cylindrical tank on a paved road. The road curves along a rocky bank next to a river. The background features a steep, rocky hillside with some greenery. The truck is moving towards the right of the frame.

Workers in the value chain

Responsibility for people is not limited to our own workplaces, it encompasses the entire value chain and the people involved in it. Vilokan has a responsibility to set requirements, but also to follow up, all subcontractors involved in the production of our products and services, all the way from the extraction of raw materials until the product has reached the end of its life. Everyone involved in the production of our products and services must have reasonable working and employment conditions and a safe working environment that is free from accidents, incidents and ill health and vulnerability.

Identified risk categories

We have previously identified a number of additional priority risk categories among our suppliers, including suppliers of UREA and other chemical products with critical significance to our business. To ensure transparency and traceability in our supply chain, we have taken several measures to minimize risks related to origin, production and sustainability.

In connection with Russia's full-scale invasion of Ukraine, we completely discontinued our purchases from Russian suppliers. Later, we have also chosen to phase out purchases from China. Over the past year, we have directed our purchases exclusively to European manufacturers with their own production. This decision is based on our work to ensure that the raw materials we source have a known and verified origin, minimizing the risk of unethical or unsafe sources of supply. The manufacturers we work with are well-known players in the industry with established production facilities in Europe.

In the value chain, we see that the risk of human rights being violated is greatest when it comes to working conditions in connection with steel production. This is an area that has been identified in connection with the materiality analysis carried out and that Vilokan will map further to better understand what the specific risks are and where in the chain they are greatest. However, no cases of human rights violations were recorded during the year.

To strengthen our control, we have shared our Code of Conduct with these suppliers and conducted digital meetings to follow up on their work with sustainability and compliance. We also schedule physical visits to our suppliers to further ensure that our requirements are met and that our supply chain remains responsible and sustainable. In connection with the development of our supplier follow-up and with the introduction of the system support Worldfavor, we will deepen our analysis of risk categories in 2025.



Code of Conduct for Employees and Suppliers

To ensure that no violations occur regarding human rights, the environment, working conditions, corruption or business ethics anywhere in the value chain, we have developed two codes of conduct, one internal and one external. It clearly shows what expectations Vilokan has of everyone who works for or with us, what behaviors are considered unacceptable, what consequences violations can entail and how violations of the codes of conduct should be reported. The codes are based on the UN Universal Declaration of Human Rights, the International Labour Organization's (ILO) eight core conventions and the UN Guiding Principles on Business and Human Rights and the UN Global Compact. In 2024, both codes were updated, read more under Governance.

Through Vilokan Academy, implementation of Vilokan's internal code of conduct takes place, in the form of a digital, mandatory training that is available in Swedish and English. All employees (100%) must have completed this by the second quarter of 2025. Suppliers will also undergo implementation through Vilokan Academy. A supplier training course in our supplier code will be launched in the second quarter of 2025.

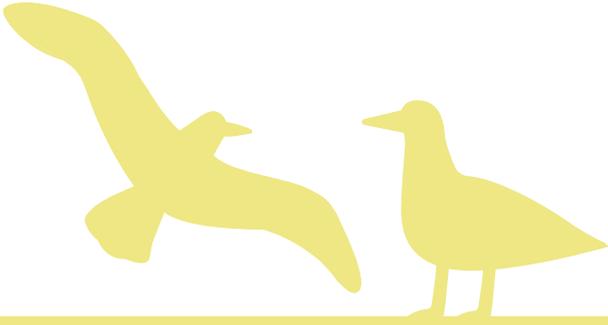
System support for supplier monitoring

In 2024, the previously started work on follow-up in the supply chain was further developed through the sending of self-assessment forms. However, we realized that system support was needed to get systematics and quality assurance of the work with our supply chain. Therefore, during the year, the Worldfavor system was procured, with the aim of simplifying and improving the work of collecting, following up and assessing the risk of our suppliers based on established frameworks and standards. By the end of 2024, the first supplier assessment could be sent out through Worldfavor to 506 receiving suppliers. By the end of the year, 47% had responded; A number we have the ambition to increase in 2025. The analysis work regarding risks and planning of follow-up measures will be prioritized in 2025.

Objective	Person responsible
<ul style="list-style-type: none"> 100% of the Group's suppliers will be covered by the Worldfavor follow-up system An action plan must be in place for all identified high-risk suppliers and at least one physical audit must have been carried out 	Head of sustainability and competence

*Suppliers refer to suppliers of raw materials, materials or transportation

GOVERNANCE



The importance of sustainable business operations

It is of crucial importance to Vilokan that our operations are conducted in an ethical, sustainable and quality-assured manner. Therefore, in 2024, we prioritized sustainable corporate governance — a commitment that will continue to guide us throughout 2025. During the year, the focus has been on establishing robust structures, adequate governing documents and sustainable working methods that will be integrated into all companies, in all parts of the business. The entire Group Management has been highly involved in the work and regular dialogue has been held with the Board during the process. Therefore, in 2024, we prioritized sustainable corporate governance — a commitment that will continue to guide us throughout 2025. We place high demands on both ourselves and those we work with, but in order to make demands on people, they must also be given access to knowledge and tools to be able to do the right thing. It is a priority for us that our employees are involved in our sustainable corporate governance.

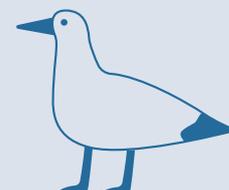


Risk management

Vilokan operates in a global market and thus risks both being exposed and exposing other parties to negative impact. Global developments — such as disruptions in supply chains, raw material shortages, economic trends, energy availability, inflation, and other factors — are part of the risk landscape we must manage. A central part of sustainable corporate governance is to work actively with risk, a process that encompasses the entire chain from identifying, assessing, analyzing, preventing and, where appropriate, managing risks. A systematic approach is crucial for success, and each business area is responsible for continuously assessing and managing risk, as well as reporting this to group management, which in turn reports to the board of directors. In addition, several of the Group's companies work with risks in accordance with their environmental permits and certifications in accordance with the management systems ISO14001 (Vilokan ADF, Arom-Dekor Kemi AB, Arom-Dekor Kemi Oy), ISO 9001 (Vilokan ADF, Arom-Dekor Kemi AB, Arom-Dekor Kemi Oy) and ISO 45001 (Arom-Dekor Kemi Oy). In connection with the double materiality analysis being conducted in 2025, group management and the board of directors will carry out more extensive work on the Group's risks. The risks identified are illustrated below.

Anti-corruption

Vilokan actively works against corruption, primarily through training and by setting requirements for and following up with suppliers, as the greatest risk lies within the supply chain. Our zero tolerance for bribery and corruption is clearly stated in our Code of Conduct.



Risks

Risk category	Sub-category	Risk	Strategy
Financial	Currency risks	Fluctuations in exchange rates affect Vilokan's earnings when purchases and sales are made in different currencies (transaction exposure) and when the balance sheets and income statements of foreign subsidiaries are translated into Swedish kronor (translation exposure). Vilokan's reporting currency is the Swedish krona, while subsidiaries have the euro, Norwegian krone and US dollar as their functional currency.	Costs of risk mitigation through derivative instruments are not yet considered justified in relation to the benefit.
	Commodity risks	Changes in raw material prices can have a impact on the group's results. Within the Vilokan group, raw material risks occur both in the commodities purchased by the group and in the operating costs. Vilokan's policy is not to hedge commodity price risks in its commodities. Electricity prices, urea and MPG constitute commodity price risks. Urea is the most significant commodity risk and changes in gas prices can have major effects on earnings depending on how quickly the fluctuations occur.	The Group tries as as possible to agree price and volume with customers at the time of purchase and to avoid large stocks, which limits sensitivity to rapid changes in the price of natural gas.
Legala	New legislation	<p>New national or EU legislation may have a negative impact on the Vilokan Group. This may lead, among other things, to lengthy and costly legal proceedings. Any violations can lead to fines, fees, prosecution and reputational damage.</p> <p>One of Vilokan's challenges is that we operate in several different countries where different legislation may apply. We see the greatest risk linked to future legislation on the green transition, for example. EU directive on Green Claims or legislation linked to disposable plastic packaging. Furthermore, we are aware of the risk of corruption in our value chain.</p>	<p>Vilokan follows the development of legislation mainly through management and owners, complemented by the work of our internal specialists and various law enforcement services.</p> <p>We use local legal advisors in the countries where we operate.</p>

Risk category	Sub-category	Risk	Strategy
Operational	Risk of damage to installations	Deaths, serious injuries, other types of injuries and chronic illnesses that shorten employees' life expectancy or impair their quality of life. Consequences for the group may include fines, penalties and prosecution, which may damage the brand, reputation and trust.	The Vilokan Group's work environment policy and policy against discrimination and harassment, with associated procedures. Systematic work environment management that includes training, risk assessments, safety rounds, action plans, measures, incident reporting and follow-up. Proper protective measures and equipment, as well as personal protective gear (including clear instructions for use).
	Human rights abuses in the supply chain	<p>Risk of human violations in the supply chain.</p> <p>The group's factories at Arlanda, Lockryd and Kouvola have environmental permits. The same applies to the newly started SRS (co-owned with Ragn-sells). Any violations in the form of discharges to water during loading and unloading can lead to fines, fees, prosecution and damage to reputation. By extension, it may also entail a ban on conducting business.</p>	Vilokan ADF Solutions AB and Arom-De-kor Kemi AB in Sweden and Finland, which operate in the factories in question, are certified according to ISO 14001 and 9001, which ensures systematic management of environmental risks and related issues. Environmental experts ensure compliance with regulations at both Group and business area level. Employees are regularly trained in environmental protection procedures.
	Fixed price project/ Project implementation	The Technology business area delivers technically advanced solutions for industrial water treatment and resource recovery, often in the form of turnkey plants. This type of project is characterized by a high level of technical and commercial complexity, which entails an operational risk linked to a lack of implementation capacity. This can result in delays, cost deviations or quality deficiencies, with a negative impact on earnings, cash flow and customer relations. The risk is further amplified by inadequate commercial management, systematic misjudgments at early stages or unfavorable strategic project choices.	To mitigate risk, the Group applies established project models and conducts structured risk assessments in early project phases, with a particular focus on commercial terms, cost certainty and capacity assessments. Through continuous follow-up, feedback, and group-wide reviews, we ensure that projects are selected, managed, and delivered with a well-balanced approach between technical solutions, business logic, and long-term economic value.
Strategic	Changes in market demand	One of the group's most important products is AdBlue, which is produced by the Fluids business area. A faster transition from diesel to electrified vehicles and machinery could reduce the company's profitability in the long term.	The Group is actively working towards an increased level of recycled products and new product areas to reduce the share of AdBlue in relation to other sales.
	Competence and supply risks	Technological development, along with the green transition, demands new competencies. This creates talent supply risks, making it crucial to be an attractive employer. Furthermore, the Group relies on several key individuals, and if they leave and replacements are difficult to recruit, it could negatively impact the Group's operations.	The Group is actively engaged in performance management and employee development to ensure the continuous development of existing staff. At the same time, we work on succession planning and skills mapping in order to have good foresight regarding the skills we need to attract and recruit in the short and long term. We also have an active student collaboration to reach the employees of the future.

GOVERNANCE OF SUSTAINABILITY ISSUES

Vilokan's governance is regulated by the Swedish Companies Act. The company's highest decision-making body is the board of directors, which is appointed by the annual general meeting. The board consists of seven members, of whom zero are women. Magnus Brandberg was the chairman of the board during 2024. The board holds ultimate responsibility for the company's sustainability work and has delegated the day-to-day management of the company to the CEO and their management team, in accordance with the board's guidelines.

Responsibility for sustainability issues has been delegated to the company's Head of Sustainability. She is a member of Group Management, anchors and reports on the development on an ongoing basis to the rest of the management team and drives sustainability work together with a cross-functional team that implements sustainability issues in the organization. Group Management evaluates ongoing management and development of the material issues based on the goals, initiatives and key performance indicators decided upon by the management and approved by the Board of Directors. Sustainability issues are a standing item at all management meetings and are a fundamental part of the strategy and business plan. The entire Group Management Team is involved in the strategic sustainability work.

The Board also deals with sustainability issues on a regular basis. Critical questions regarding any concerns about the company's impact on people and the environment are communicated to the Board at ordinary Board meetings or as needed. No incident or concern has been reported to the Board in 2024 (0 in 2023). Nor cases of corruption, human rights violations, violations of the law or fines for non-compliance. It is the Board of Directors that approves the company's sustainability report.

Vilokan's main owner, Gullspång Invest AB, has a strategy of only investing in sustainable companies. The commitment to sustainability issues is therefore strong in both the Board and the owners. In the autumn of 2024, a strategy conference was held with the Board of Directors and management team, during which sustainability issues were in focus.

The work of the Board of Directors is evaluated by the company's auditor Öhrlings PricewaterhouseCoopers AB. Evaluation of any conflicts of interest of the Board of Directors and management is included in this evaluation. No such conflicts were reported in 2024.



Code of conduct and policy documents

In 2024, Vilokan revised all governing documents to ensure legal compliance, comprehensibility, accessibility and otherwise quality-assured governance. The Group has a Code of Conduct for employees and one for suppliers, as well as a number of supplementary policy documents, guidelines and procedures. All documents are available in Swedish and English and are available to all employees and, where applicable, also to customers, suppliers and partners. Group management is responsible for all governing documents and the Head of Sustainability manages them. In 2025, work will continue on quality-assured governing documents, partly through the development of more procedures, guidelines and tools, but above all through the important implementation.

Vilokan also has a whistleblower function that is managed by a third party (Visslan) and is open to both internal and external reporters. The whistle ensures that all personal information about the person who raises the alarm is encrypted. A link to the whistleblower function is available on all Vilokanbolag's websites, in Swedish and English. In 2024, 0 whistleblowing cases were received (0 in 2023).

Adapted codes, policies and guidelines

- Code of conduct
- Supplier Code
- Sustainability policy
- Human Rights Policy
- Whistleblower policy
- Work environment policy
- Environmental policy
- Diversity and non-discrimination policy
- Policy against discrimination and victimisation
- Procedure for reporting and handling harassment and violations
- Alcohol and drug policy
- Attestpolicy
- IT-policy
- Guidelines for representation
- Travel guidelines
- Guidelines for sponsorship
- Staff handbook

Membership in organizations



- Circular Water Solutions
- The Swedish Federation of Business Owners
- Network for Sustainable Business
- The Swedish Innovation and Chemical Industries
- Marint Protein Nettverk (Marine Protein Network)
- The Swedish Trade Federation
- Swedish Refrigeration & Heat Pump Association
- Swedish-American Chamber Of Commerce
- Trondheim chamber of commerce and industry
- The West Sweden Chamber of Commerce

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STATEMENT OF USE

Vilokan AB (556641–7324), together with its subsidiaries in Sweden, Norway, Finland, Germany, and the USA, presents its Sustainability Report for 2024. The report reflects the company’s sustainability progress during the period from January 1, 2024, to December 31, 2024. This is our third sustainability report and it has been prepared in accordance with the Swedish Annual Accounts Act and the GRI Foundation 2021. The Sustainability Report has been approved by the Board of Directors and has been subject to a limited review by the company’s auditor (Öhrlings PricewaterhouseCoopers AB) for compliance with the Annual Accounts Act (1995:1554).

IMPLEMENTED GRI 1

Applicable GRI sector standard GRI 1: Foundation 2021.

Applicable GRI sector standard

N/A

GRI-STANDARD	DISCLOSURE	LOCATION	OMISSION		
			Disclosure omitted	Reason for omission	Required explanation
GRI 2: General disclosures	2-1 Organizational details	7-11			
	2-2 Entities included in the organization’s sustainability reporting	2,42			
	2-3 Reporting period, frequency and contact point	2,42			
	2-4 Restatements of information	2,42			
	2-5 External assurance	9,11			
	2-6 Activities, value chain and other business relationships	10, 28-30, 32-33			
	2-7 Employees	34-35			
	2-8 Workers who are not employees	39			
	2-9 Governance structure and composition	39			
	2-10 Governance structure and composition	39			
	2-11 Chair of the highest governance body	39			
	2-12 Role of the highest governance body in overseeing the management of impacts	39			
	2-13 Delegation of responsibility for managing impacts	39			
	2-14 Role of the highest governance body	39			
	2-15 Conflicts of interest	39			
	2-16 Communication of critical concerns	39			
	2-17 Collective knowledge of the highest governance body	39			
	2-18 Evaluation of the performance of the highest governance body	39			
	2-19 Remuneration policies	39			
	2-20 Process to determine remuneration	Confidentiality restriction	Process	With reference to the company’s size and non-listed status.	
	2-21 Annual total remuneration ratio	Confidentiality restriction	Process	With reference to the company’s size and non-listed status.	
	2-22 Sustainable development strategy	4			
	2-23 Policy commitments	40-41			
	2-24 Embedding policy commitments	40-41			
	2-25 Processes to remediate negative impacts	37-38			
	2-26 Mechanisms for seeking advice and raising concerns	40			
	2-27 Compliance with laws and regulations	41			
	2-28 Membership associations	12-14			
	2-29 Approach to stakeholder engagement	12			
	2-30 Collective bargaining agreements	32			

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GRI-STANDARD	DISCLOSURE	LOCATION	OMISSION		
			Disclosure omitted	Reason for omission	Required explanation
MATERIAL TOPICS					
GRI 3: Material topics 2021	3-1 Process to determine material topics	15-17			
	3-2 List of material topics	15			
GOVERNANCE, ECONOMIC SUSTAINABILITY					
GRI 3: Material topics 2021	3-3 Management of material topics: Circularity	26			
Circularity: There is no GRI standard for this area. For the sub-area Waste – see Environmental Sustainability.	Description, goals, goal fulfillment, and activities	26-27			
GRI 3: Material topics 2021	3-3 Management of material topics: Circularity	35			
GRI 308: Supplier Environmental Assessment	308–1 New suppliers that were screened using environmental criteria	35			
	308–2 Negative environmental impacts in the supply chain and actions taken	34-35			
GRI 414: Supplier Social Assessment	414–1 New suppliers that were screened using social criteria	35			
	414–2 Negative social impacts in the supply chain and actions taken	34-35			
ENVIRONMENTAL SUSTAINABILITY					
GRI 3: Material topics 2021	3-3 Management of material topics: Circularity	22			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	19-21			
	305-2 Energy indirect (Scope 2) GHG emissions	19-21			
	305-3 Other indirect (Scope 3) GHG emissions	19-21			
	305-4 Reduction of GHG emissions	21			
GRI 3: Material topics 2021	3-3 Management of GRI 306: Waste	26			
GRI 306: Waste	306–1 Waste generation and significant impacts	26-27			
	306–2 Management of significant waste	26-27			
	306–3 Waste generated	26-27			
	306–4 Waste diverted from disposal	26-27			
SOCIAL SUSTAINABILITY					
GRI 3: Material topics 2021	3-3 Management of material topics: Training and education	33			
GRI 404: Training and education	404–1 Average hours of training per year per employee	33			
	404–2 Programs for upgrading employee skills and transition assistance programs	33			
	404–3 Percentage of employees receiving regular performance/career development reviews	33			



Revisorns yttrande avseende den lagstadgade hållbarhetsrapporten

Till bolagsstämman i Vilokan AB, org.nr 556641-7324

Uppdrag och ansvarsfördelning

Det är styrelsen som har ansvaret för hållbarhetsrapporten för år 2024 och för att den är upprättad i enlighet med årsredovisningslagen.

Granskningens inriktning och omfattning

Vår granskning har skett enligt FARs rekommendation RevR 12 *Revisorns yttrande om den lagstadgade hållbarhetsrapporten*. Detta innebär att vår granskning av hållbarhetsrapporten har en annan inriktning och en väsentligt mindre omfattning jämfört med den inriktning och omfattning som en revision enligt International Standards on Auditing och god revisionssed i Sverige har. Vi anser att denna granskning ger oss tillräcklig grund för vårt uttalande.

Uttalande

En hållbarhetsrapport har upprättats.

Trollhättan, den dagen som framgår av vår digitala signering
Öhrlings PricewaterhouseCoopers AB

Mattias Celind
Auktoriserad revisor

Deltagare

ÖHRLINGS PRICEWATERHOUSECOOPERS AB 556029-6740 Sverige

Signerat med Svenskt BankID

2025-05-22 09:57:39 UTC

Undertecknare

Datum

Namn returnerat från Svenskt BankID: Leif Mattias Celind

Mattias Celind

Partner

Leveranskanal: E-post