

Sustainability Report 2024

— AQ M-Tech

The logo for AQ M-Tech, featuring the letters 'a' and 'Q' in a bold, white, lowercase sans-serif font. The 'a' is lowercase and the 'Q' is uppercase. The background of the entire page is a dark red color with a faint, light red world map.

Contribution to the UN Sustainable Development Goals

Our operations and sustainability initiatives contribute to several of the United Nations Sustainable Development Goals (SDGs). We have identified the Sustainable Development Goals (SDGs) that are most relevant to our operations and where we can make a meaningful contribution. Our sustainability initiatives and day-to-day activities are aligned with these goals to ensure that we create long-term value for both people and the environment.



Good Health and Well-being (SDG 3)

As a manufacturing company within medical technology, this is an important focus area for us. We aim to ensure high quality in our products that contribute to safe and reliable healthcare.

Gender Equality (SDG 5)

We promote equality and inclusion in our workplace and strive to offer equal opportunities for all employees.

Decent Work and Economic Growth (SDG 8)

We aim to ensure fair and safe working conditions and sustainable growth. Our Code of Conduct and supplier requirements also support decent labor practices throughout our supply chain.

Industry, Innovation and Infrastructure (SDG 9)

We continuously improve our processes to deliver high-quality products while reducing environmental impact and promoting sustainable industrial development.

Responsible Consumption and Production (SDG 12)

We work to minimize waste, use resources efficiently, and make sustainable choices in our production and logistics.

1. Executive Summary

We at AQ M-Tech AB are pleased to present our Sustainability Report for the financial year 2024. As an industrial company, we acknowledge our responsibility to act in a sustainable and responsible way towards both society and the environment. Considering the accelerating climate challenges, we see it as essential to take concrete actions that contribute to mitigating global warming and reducing our CO₂ emissions.

This report presents our achievements, goals, and ongoing commitments to minimize our environmental impact and support sustainable development. Our sustainability work is an integral part of our operations – from product design and material choices to daily processes and long-term strategies. We are continuously working to measure, understand, and reduce our climate footprint, in line with our ambitious carbon reduction targets. AQ M-Tech AB is a wholly owned subsidiary of AQ Group AB (publ.), a listed company.

2. Introduction

• Company overview

AQ M-Tech is an industrial company specializing in develop, manufacture, and assemble electromechanical components and systems to demanding industrial customers. Our organization consists of 109 employees, and we are in two separate factories in Uppsala. One on Bolandsgatan 10 and one on Stålgatan 8. Both facilities are rented and controlled by our landlords that also works to improve the sustainability. We are a subsidiary to AQ Group, a global supplier to demanding industrial customers.

• Market overview

Our sales in the market are 80% local in Sweden and 20% are located globally.

3. Sustainability strategy and governance

• Vision and mission

Our vision is to be an ever-growing partner to our customers with high demands and to be a natural choice for them.

• Stakeholder

Our mother company is listed and is yearly presenting a sustainability report and reports to UN Global Compact. Our customers have a high sustainability requirement and push us to make a yearly Ecovadis assessment. We are also a member of “Svenskt Näringsliv” and have signed a collective agreement that secures good working agreements for our employees.

4. Environmental performance

• CO₂ and energy targets

We have established clear and measurable CO₂ reduction targets in alignment with our commitment to combat climate change. We have also

established clear and measurable energy reduction targets to reduce our impact on energy in our production. These targets are integral to our sustainability strategy. During 2025, we enhanced our collection of sustainability data for Scope 3 emissions by refining our methods and deepening collaboration with suppliers and partners. This allows us to better capture the climate impact across our value chain, improve the accuracy of our 2024 carbon footprint calculations, and establish a stronger foundation for future reduction targets.

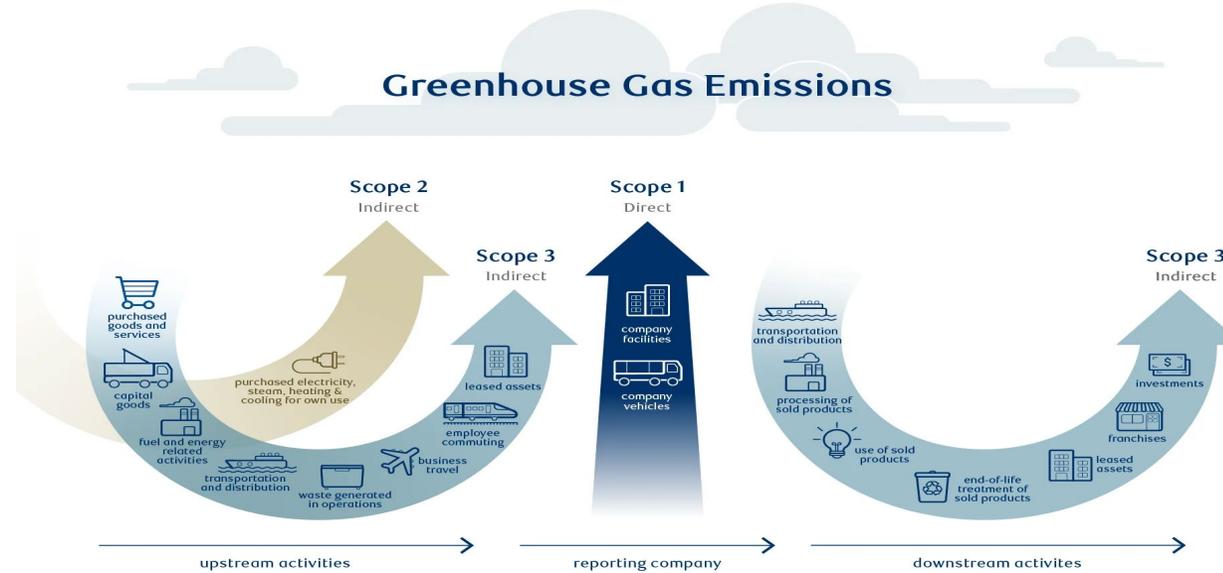
• Suppliers

We work together with our suppliers, and we are performing a yearly assessment of our suppliers, ISO14001 certified suppliers are preferred. Our purchases of goods have the greatest impact on our CO₂ emissions. At the turn of last year, we initiated a project to calculate our Scope 3 emissions. This year marks the first time we are collecting Scope 3 data, and we are now actively working on developing and refining our process to ensure more comprehensive and accurate data collection going forward. We use our business system “Monitor ERP” module “Sustainability” to report on our Scope 3 emissions. With this module we can calculate the Scope 3 emissions and therefore can take actions to reduce the Scope 3 emissions.

One of our biggest impacts in upstream Scope 3 is sourcing of stainless steel. We have actively chosen suppliers in this area like SSAB and Outokumpo, both companies strive to manufacture steel with low emissions and low carbon footprint. These suppliers help us to reduce our Scope 3 emissions and are also striving to manufacture steel with zero emissions.

Greenhouse Gas Emissions According to the Greenhouse Gas Protocol (GHG Protocol)

We report our greenhouse gas emissions in line with the GHG Protocol, covering Scope 1, Scope 2 and the relevant categories within Scope 3 that form part of our overhead emissions.



• Scope 1

We have no reportable Scope 1 emissions. We do not own any facilities, and our vehicle fleet consists solely of electric cars powered by fossil-free electricity.

• Scope 2 – Reported categories

We report the following Scope 2 categories for which data is available:

- ✓ Purchased heating
- ✓ Purchased electricity

• Scope 3 – Reported categories

We report the following Scope 3 categories for which data is available:

- ✓ Purchased goods and services
- ✓ Capital goods
- ✓ Waste generated in operations
- ✓ Business travel
- ✓ Upstream transportation and distribution
- ✓ Downstream transportation

• Scope 3 – Categories with missing data

We do not currently report the following categories due to insufficient or unavailable data:

- Fuel- and energy-related activities
- Processing of sold products
- Use of sold products
- End-of-life treatment of sold products
- Investments

We aim to gradually expand our greenhouse gas reporting to include the Scope 3 categories for which data is currently unavailable. Our long-term ambition is to establish reliable data collection processes that will enable us to report on fuel- and energy-related activities, processing of sold products, use of sold products, end-of-life treatment of sold products, and investments. By improving data accessibility and strengthening collaboration with suppliers and partners, we strive to achieve more comprehensive and transparent emissions reporting over time.

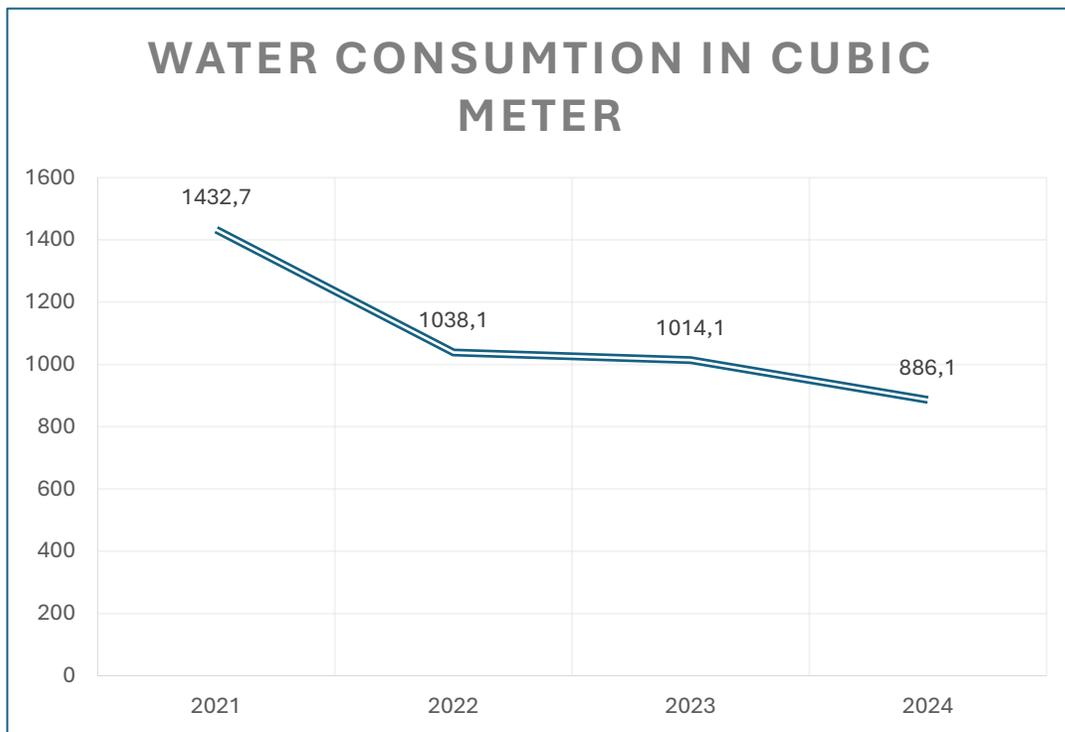
• Scope 3 – Categories irrelevant for our operations

The following categories are not applicable to our business and are therefore excluded:

- Upstream leased assets
- Downstream leased assets
- Franchises

• Water

Although AQ M-Tech AB is not a major water consumer, we continuously strive to reduce our water use and environmental impact. We use systems in our machining department aimed at extending the lifespan of our process fluids and reducing overall water consumption. These systems use UV-based technology to minimize bacterial growth in process fluid. This allows us to eliminate the use of biocides while maintaining stable production quality and a safer work environment. The result is a longer service life for process fluids, fewer production interruptions, reduced waste, and lower water usage.



• Renewable energy

We report on the share of renewable energy sources in our energy mix, and we have a policy that states we shall only use electricity from fossil fuel free energy sources. This reflects our commitment to transitioning to cleaner energy alternatives.

Our landlord purchases district heat from Vattenfall Uppsala. Vattenfall Uppsala has invested in a new plant, Carpe Futurum, that will reduce CO₂ emissions with 200 000 tons/year. This helps us to purchase more sustainable heat for our factories. The renewable and reused energy from the heat produced in Vattenfall Uppsala is 94,9%. [Fjärrvärme i Uppsala | Vattenfall](#)



• **Energy consumption**

Our energy consumption continues to reflect the positive effects of the efficiency measures implemented in previous years. We have continued to see improvements resulting from the actions taken in 2023.

We measure our energy consumption in relation to net sales (kWh/SEK) and remain committed to reducing this ratio through continuous improvements in production efficiency and energy management. The measures — such as improved production planning, the transition to LED lighting, and the reuse of heat generated from our machinery — continue to contribute to lower energy consumption across our operations. The installation of shaded window films in our production facilities has also proven effective, reducing the need for cooling during the summer months and improving indoor working conditions. In addition, increased energy awareness among employees has supported these results through everyday actions such as turning off lights and equipment when not in use.

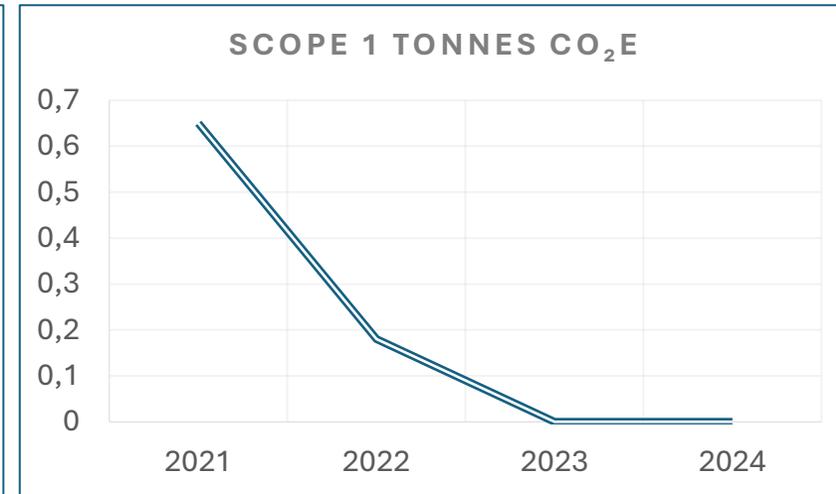
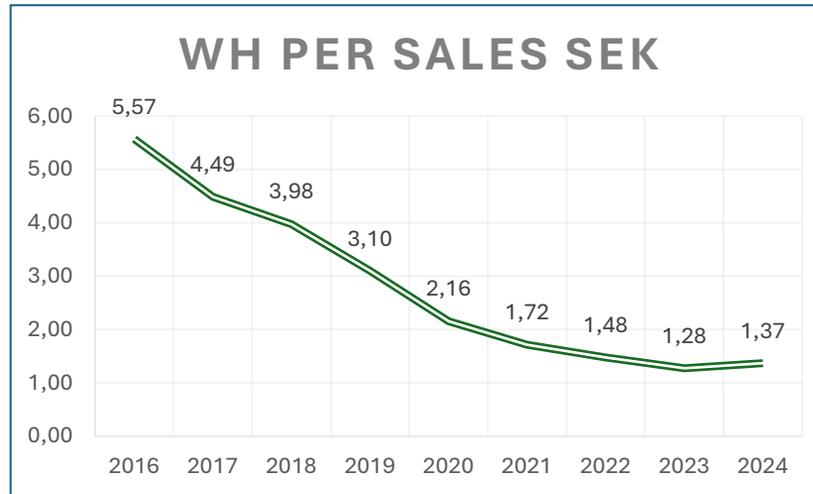
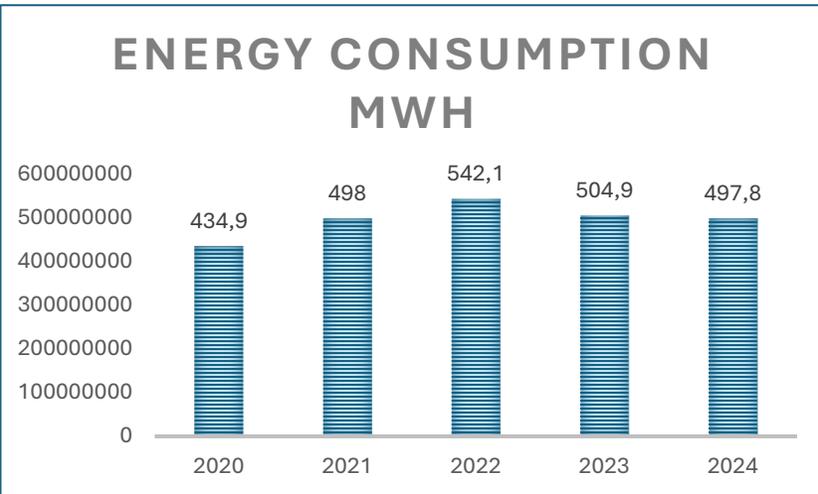
We will continue to monitor our energy performance closely and seek new opportunities to further improve our energy efficiency in the coming years.

• **CO₂ emissions**

We have tracked and reported our CO₂ emissions according to the Greenhouse Gas Protocol Initiative (GHG) Scope 1, Scope 2 and Scope 3.

• **Scope 1**

We have a policy to only buy or rent electric cars. The CO₂ emissions are reduced to 0 tonnes CO₂e for the electrical vehicles in Scope 1 when we are calculating according to market-based method. We do not use other processes that release CO₂e in our production like gas.



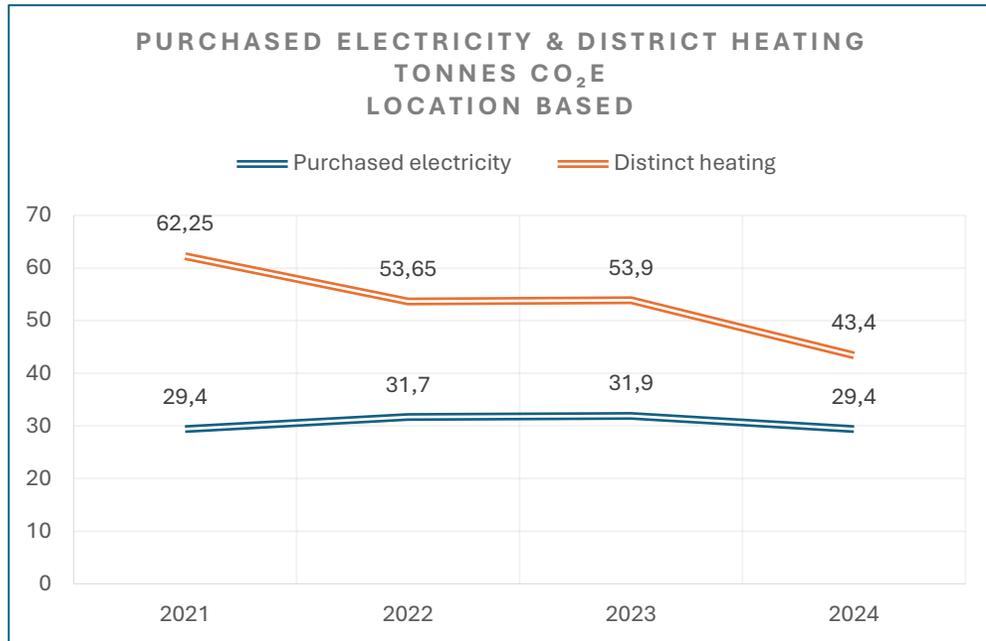
• Scope 2

Our facilities are heated with electricity and district heating. The district heating is sourced thru our landlord that supplies us with premises that are heated. The purchased district heat figure are calculated based on the landlord’s information on emissions from district heating provided by Vattenfall. The electricity sourced for our production is sourced from our supplier with certified fossil free green energy. Since we are only buying electricity for our production that is CO₂ free, our own contribution of CO₂ is zero according to marked-based method.

Purchased Electricity

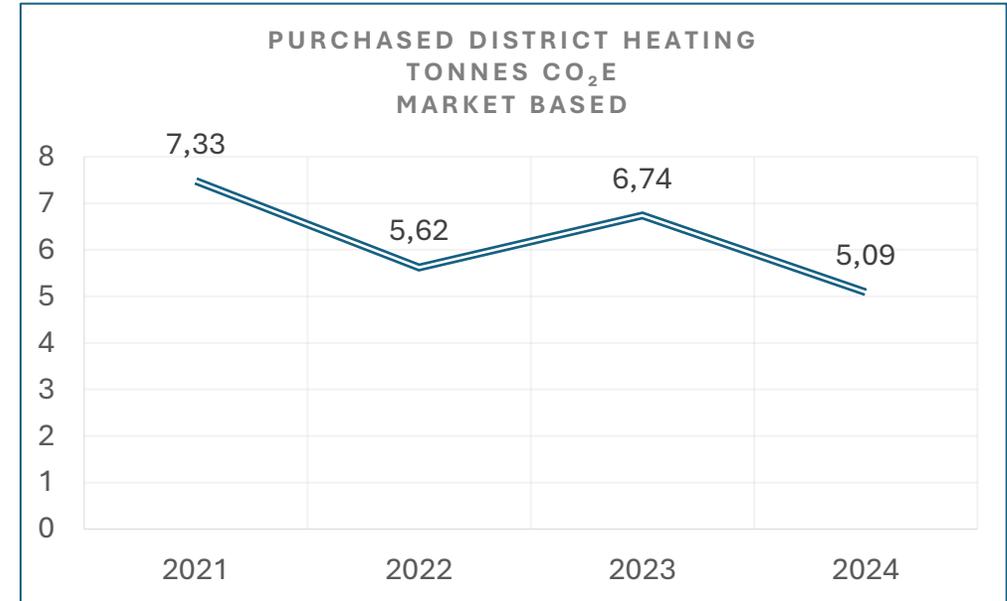
We have our own electricity contracts, providing 100% certified renewable electricity from hydropower with Guarantees of Origin, which results in 0 g CO₂ per kWh for market-based emissions. The certificate of origin has been valid since 2021. However, a small portion of electricity consumption from our landlords is allocated to us, which increases our market-based emissions to **221.7 kg CO₂**.

Our location-based emissions have been calculated using the emission factor for the Nordic electricity mix, which includes import and export according to the gross method. This mix has an average emission factor of **59 g CO₂ per kWh**, based on data from IVL Swedish Environmental Research Institute and the Swedish Environmental Protection Agency. The results are presented in the table below.



Purchased District Heating

Our district heating is provided through our landlords, who have agreements with Vattenfall. In the reporting year, Vattenfall’s district heating was produced with 97.82% renewable energy. CO₂ emissions from our share of district heating consumption are presented in the table below.



Total climate impact from our production

1308 tonnes CO₂e

Purchases of goods	84,06%
Upstream & downstream transportation	4,78%
Subcontracting, operations and overhead	11,02%

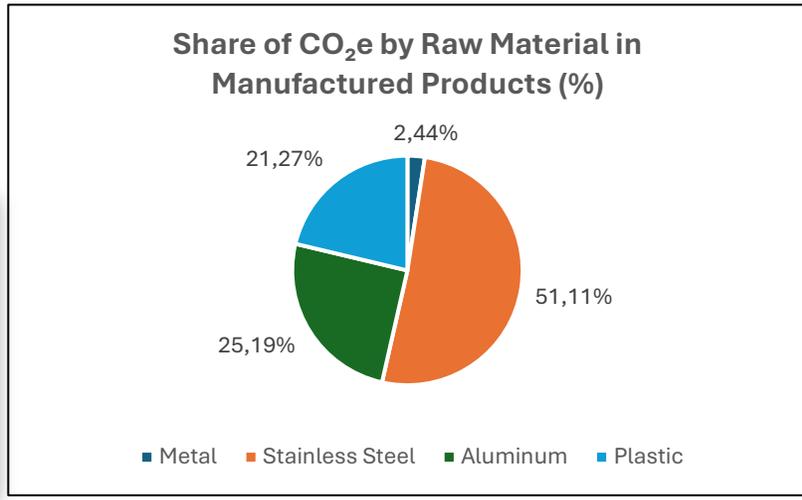
The overhead-share are calculated based on our electricity use and heating, location based excluded (Scope 2), as well as Scope 3 categories including purchased services, capital goods, waste, business travel and employee commuting. Resulting in an overhead emission value that is distributed across all produced items. Further details available on page 4. Currently, we do not yet have CO₂ data for the use phase of our sold products. We are actively working to obtain this information in collaboration with our customers. Therefore, the presented calculations represent emissions from cradle to the customer’s gate.

• Purchased goods and raw material
 For purchased goods, the material and components we use in our manufactured items, we have requested CO₂ data directly from our suppliers. Where supplier-specific data has not been available, we have applied emission factors from recognized secondary sources such as the Ecoinvent database and peer-reviewed research. By combining emission factors with the weight of purchased articles, we have established a baseline footprint for procured materials and components.

• Scope 3
 During 2025, we have strengthened and further developed the collection of sustainability data related to Scope 3 emissions. By expanding our methods and increasing engagement with suppliers and partners, we are taking greater responsibility for capturing the full climate impact of our value chain.

We remain committed to being open about our methodology and the limitations that exist at this stage. To the extent that it is technically viable and within our current expertise, we continuously strive to collect and report data in alignment with the GHG Protocol guidelines for Scope 3 emissions.

• Manufactured Articles
 For articles produced in-house, we have calculated emissions based on the weight of the raw materials used in our production processes. Emission factors are sourced from our material suppliers, complemented with secondary data from Ecoinvent or similar sources where necessary. The sustainability calculation for manufactured articles includes not only emissions from the raw materials themselves but also from the transport of purchased materials and components required in production. In addition, we account for subcontracted operations (lego operations) such as electropolishing, pickling, and passivation, using a standardized emission factor from our supplier. To ensure that all company-related impacts are reflected, we also apply an overhead emission value, calculated by dividing the total company emissions (Scope 1–3) by the number of manufactured articles and adding this figure to each product. This approach ensures that every manufactured article carries a fair and transparent share of both direct and indirect climate impacts.



Our material analysis shows that stainless steel is the largest source of emissions among raw materials, accounting for approximately 51% of the total raw material impact. This is followed by aluminum (25%), plastic (21%), and other metals (2%). The total climate impact from raw materials amounts to about 264 tonnes of CO₂e. Our manufactured items also contains electrical components, which adds to the total climate impact of our manufactured products. Emission data for electronic components is based on a general estimate rather than supplier-specific data, as this category has proven to be the most challenging in terms of collecting reliable information from our supply chain. For transparency, we disclose that these figures are derived from the best available estimates rather than precise measurements. As data quality and availability improve, we aim to refine our calculations and replace estimated values with verified supplier data in future reporting periods.

Being an OEM manufacturer, we rely on our customers’ material choices. Still, we take an active role in promoting more sustainable options — encouraging material and design improvements that can reduce both production costs and the product’s carbon footprint.

• **Transportation**

We will continue improving the accuracy of our material data and expand the scope of emission factors in upcoming reporting periods to further strengthen our understanding of material-related climate impact.

Transportation and Mobility	Tonnes CO₂e
Downstream Transportation	27,2
Upstream Transportation	35,3
Employee Commuting	45,6
Business Travel	19,8

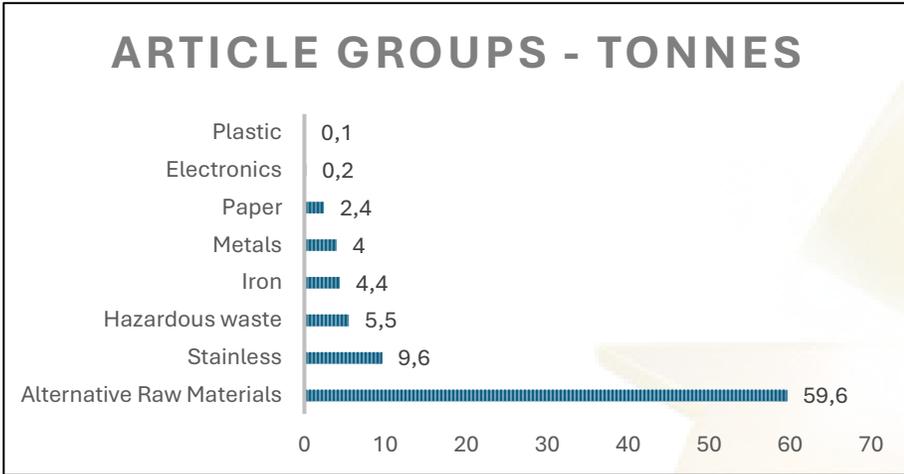
Our transportation- and travel-related emissions include logistics activities throughout our value chain — both upstream and downstream, employee commuting, business travel. To actively reduce our footprint and to support the development of sustainable transport, we choose fossil-free or climate-enhanced shipment options whenever they are available from our logistics partners. As one example, when shipping with DHL, we use their [“Send it Green” service](#). By choosing “Send it Green”, we directly influence the shift toward fossil-free transport, while DHL ensures equivalent fossil-free shipments on our behalf. Similar sustainability-focused options are used with other freight and courier providers whenever possible.

We aim to reduce the need for travel by conducting many of our meetings online whenever possible. While business travel remains necessary at times, we strive to prioritize digital meetings to further limit our climate impact.

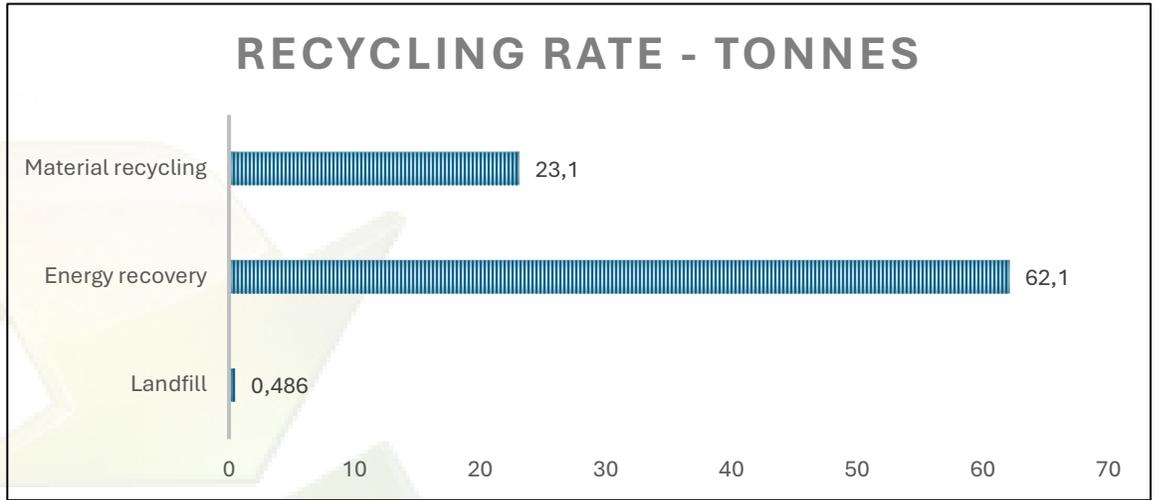


• **Waste disposal**

During 2024, we expanded our waste sorting in the canteen by introducing new fractions for plastic packaging and paper packaging. This follows our ongoing efforts to improve waste management and increase recycling efficiency.



We continue to work with our waste management strategy. By reusing and recycling materials in our production and promoting circular economic principles, we strive to reduce the amount of waste even more in the future.



Most of our waste in 2024 was either recovered for energy or recycled as materials. Only a very small share is sent to landfill. Energy recovery enables the conversion of non-recyclable waste into usable energy, while material recycling ensures that valuable resources are returned to the production cycle. These outcomes reflect our ongoing commitment to minimizing environmental impact and supporting a circular economy.

• **Packaging material**

We are working to reduce the need for plastic and polystyrene packaging material in our outgoing goods. Some customers have specific packaging material that we cannot change without the customers' acceptance. For all packaging that we are free to change from plastic to paper we have invested in and introduced a paper shredder machine in our logistics department. This machine has reduced the need for plastics with 100% of the parts that we are able to choose different. In addition, we have replaced wooden packaging materials from our Bulgarian operations with cardboard packaging. This change is part of our ongoing sustainability efforts, contributing to reduced waste, lower transport weight, and more efficient logistics. By decreasing our use of wood-based materials, we also help conserve forest resources and reduce demand for primary timber. AQ M-Tech AB uses wood only in packaging. Since the packaging is not placed on the EU market as a standalone product, the company is not directly covered by the EUDR. However, we are monitoring developments and are in dialogue with our suppliers regarding traceability and regulatory compliance.

We have switched to a new packaging supplier, which have enabled us to implement more sustainable packaging solutions. This initiative enables clear data on renewable content and CO₂ emissions that will allow us to track and follow up on sustainability performance in the future. Specifically, we will receive data on the share of recycled material, the share of Forest Stewardship Council-certified material and total CO₂e for all articles from cradle to grave, covering emissions at every stage of the product life-cycle.

5. Social responsibility

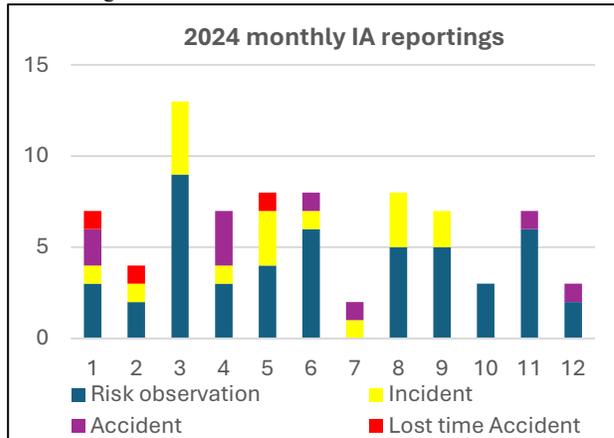


• Core values

In AQ Group we have our core values that are presented and lived by in the organization. It's a strength for AQ to have clear and well documented core values. For download of our core values, use link: [AQ Group - Core Values](#)

• Safety and health

Our goal is to reach zero work-related accidents and create a workplace where health and safety is the highest priority. To monitor this, we use the IA-system, and we are reporting risk observations, accidents, injuries, injuries-causing sick leave.



During the year we had 14 accidents and 3 days lost time caused by work related accident.

We have equipped our production facilities with systems that effectively remove oil mist and vapor generated during machining processes. By capturing and separating airborne

particles directly at the source, these systems help maintain clean and healthy air in the workshop environment. In addition, the systems allow for the recovery and reuse of cutting fluids, reduce the need for frequent filter replacements, and help maintain a cleaner, safer, and more energy-efficient production environment.

• Employee

All employees have information about the development of the company and are aware of our goals and work together to reach them. Employees have been internally educated, and new staff are trained in our management systems ISO9001 and ISO14001. All our employees, 109 people, are covered by collective agreements and are insured for damage and accidents and have a pension provision according to the collective agreement. We have an agreed occupational health care for all staff.

• Political and religion

We are neutral in religion and politics. Neither the name AQ M-Tech nor its assets are used to promote political parties or religious organizations.

• Human rights and diversity

We support and respect the protection of internationally proclaimed human rights within our areas of interests, and we follow up regularly that the organization is not part in any violation against human rights. Diversity is a strength. AQ Group hires and treats its employees in a manner that does not discriminate regarding sex, transgender identity or expression, ethnicity, color, religion or other belief, disability, sexual orientation, age, political opinion, social origin, HIV/AIDS status, trade union membership.

6. Economic performance

• Economics

AQ M-Tech is a part of AQ Group AB (publ.) and we refer to AQ Group economic reports. The reports can be found on AQ Group webpage: [Financial information \(aqgroup.com\)](#)

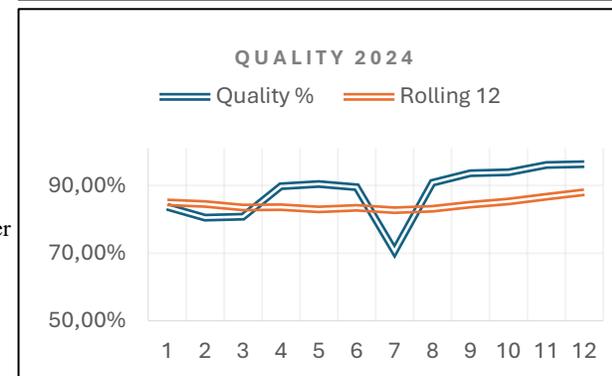
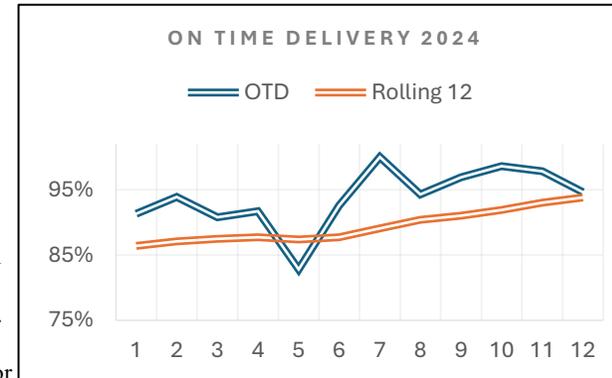
7. Product sustainability

• Production methods

We are constantly working to reduce the use of energy in our production and improve production methods. Some of these actions taken can be found under chapter 4.

• Quality

We are constantly working to deliver quality in our production. With less non-conformance we are reducing the need for extra freight and the need to produce new products which also helps to cut waste and scrap. This is our DNA, and we will continue our journey to deliver 100% product quality. During 2024, the average on-time delivery rate was 93.80% and the average product quality was 88%.



• Eco-friendly material selection

As we are an OEM manufacturer, we cannot change the material ourselves, but we are always challenging our customers to change the material, design etc. to reduce the cost but also to reduce the CO2 footprint on the final product. We are mainly working with stainless steel that can be recycled unlimitedly during its life cycle. For other parts we are working in plastics, and we work together with our customers to reduce the use of plastic with changed production methods. When we start our production, we are always aiming to choose the material causing less waste when produced.

8. Stakeholder engagement

• Governance

Our senior leadership actively oversees and supports our sustainability initiatives, with regular updates provided to the board of directors. Employees working for AQ have received training in AQ's Code of conduct.

• Annual self-assessment

There are global goals for all areas where we work with sustainability, and these goals are monitored regularly through the AQ Group Self-Assessment. Results, both positive and negative, give power and energy to our development for a sustainable business now and in the future.

• Whistleblower

We have a whistleblower function in AQ that can handle reports of violation of the AQ code of conduct. In 2024, AQ Group received 3 reported cases. AQ has analyzed them and taken actions in line with the process. Read more in AQ Group Sustainability Report 2024.

- **Stakeholder engagement**

We engage with stakeholders, including customers, suppliers, employees, and local communities, to gather insights and feedback, enhancing our sustainability approach.

9. Performance indicators and targets

- **Growth, profit, fun**

AQ Group has a goal of being in a long-term relationship with our customers and wants to be a preferred supplier and to grow together with our customers. Our long-term goal is to have double-digit yearly growth in each company and to reduce our CO2 emissions by 4% per year/turnover.

We also strive for 100% quality, aiming to eliminate the need for additional shipments caused by product or process deviations. In addition, we have set a target to reduce combustible waste by 20%, contributing both to environmental improvement and more efficient use of resources.

To be able to achieve these goals, we need to have fun at work. It is fun to cut waste and reduce the need for extra materials in the production process from ax to bread. It is fun to work together with our customers to find new production methods, new setups and less material in the products. When we cut waste, improve our production, and use less energy, it will also create profit in the end. It is fun to improve the world bit by bit by producing parts and systems that will produce medical and healthcare for people with sickness and need and to prevent diseases.

- **Carbon reduction strategy**

We have adopted a comprehensive strategy that focuses on energy efficiency, renewable energy adoption, process optimization, packaging efficiency and sustainability and sustainable transportation to reduce our carbon footprint.

10. Outlook and commitments

- **Future**

We continued to refine and develop our Scope 3 measurements to increase accuracy and transparency in our reporting. Our efforts include strengthening

collaboration with suppliers and customers to better identify key focus areas and drive further improvements across the value chain. This work supports our long-term goal to advance sustainability and further reduce our overall CO2 footprint. We have identified our biggest CO2 impacts in Scope 3 measurements upstream as purchasing of material and goods. One challenge we are facing is to target the downstream impact of the use of the products we are producing. To be able to calculate both upstream and downstream we need to extend our partnership with our suppliers and customers to get the data that we need.

We are committed to aligning our climate strategy with the Science Based Targets initiative (SBTi). At present, we are working on defining specific targets that will guide our efforts to reduce emissions in line with the latest climate science. Establishing these goals is a key step toward ensuring our operations contribute to global efforts to limit temperature rise.

- **Stainless steel**

Our biggest customer has started a project to change the stainless-steel material to thinner sheets. To be able to do that we need to work together to find new methods like tape in the cabinets. We are also eager to see if we can be a pioneer to weld and manufacture a pharma cabinet in CO2 free stainless steel when available.

- **Our own products**

A new project has started with our biggest customer to reduce the use of plastic material. For our product Air Sensor, plastic consumption will be decreased by 91% due to the change of method in production from machined parts to injection molded parts. This project will go live during 2026/2027 and will significantly improve our plastic reduction with approximately 1800 kg polypropylene/year: CO2 equivalents 3510 kg/year.



- **Carbon reduction goal**

Reduce CO2 emissions by 44%/turnover until 2034 compared to the base year of 2024. This goal is an AQ Group goal and was presented during our MD conference in May 2024.

11. Conclusion

AQ M-Tech remains dedicated to sustainable industrial practices, and this Sustainability Report showcases our ongoing commitment to addressing CO2 emissions and contributing to a greener future. By improving our productivity and efficiency, we can achieve long-term profitability and create value for our stakeholders.

We are excited to continue our journey towards a more sustainable and responsible future were AQ M-Tech AB continues to contribute to sustainability and adheres to our commitment to create a better world for current and future generations. For inquiries or further information, please contact:

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