

Sustainability policy CTT Systems AB

Value-creating sustainability work

For CTT, sustainability is linked to long-term value creation and is fully integrated into the business model and strategy. The position is that the strategic importance of sustainability issues will continue to increase over time. CTT develops, certifies, manufactures and markets products that actively regulate humidity in aircraft, reducing the impact of the aviation industry on both people and the environment. In the development towards a more climate-adapted aviation industry, CTT can contribute with solutions that create value for both customers and society.

Stakeholder trust is crucial to successfully conduct and develop CTT's business. It is important that all employees live up to the norms and requirements of the environment and manage this trust. Acting transparently and maintaining a continuous dialogue with stakeholders is a prerequisite for this. In the same way, it is crucial to conduct sustainable business in an ethical and responsible manner.

This sustainability policy applies to CTT Systems AB and is an expression of the Board's expectations of how CTT's operations are conducted, but also includes how we relate in relation to customers, suppliers and other stakeholders. The purpose of the sustainability policy is to guide the overall execution of the established strategic direction for CTT's sustainability work.

Organization, responsibility and follow-up

It is the CEO's responsibility to put the content of the policy into practice. This may include establishing a relevant organization, internal control, risk management, identifying significant sustainability areas, developing action plans and guidelines, and formulating goals that ensure that sustainability work is conducted systematically and integrated into the business. CTT prepares a sustainability report in accordance with the Annual Accounts Act. The Board is responsible for the statutory sustainability report that can be found in the annual report and covers the reporting requirements in the areas of environment, social conditions, personnel, business ethics and human rights in accordance with the UN's ten principles and Agenda 2030. Full transparency and focus are sought in this area. It is the employee's responsibility to absorb and comply with the content of the policy.

The sustainability report is reviewed and approved by the company's auditors.

The Board of Directors follows up the sustainability work with an associated risk map on a quarterly basis, and it is also the responsibility of the Board to conduct a regular review to ensure the relevance of the sustainability policy. Changes in the requirements, such as the introduction of CSRD or climate neutrality, are managed proactively where plans must be designed well in advance to meet the requirements.

General commitments

The UN's Agenda 2030 with associated global goals and principles guides the work of identifying the most relevant sustainability issues for CTT to handle, follow up and report. CTT has chosen to gather them in the three areas Environmental Responsibility, Responsible Employer and Business Ethics & Human Rights.

CTT will work to integrate social, economic and environmental sustainability throughout its operations and value chain. This means that CTT shall conduct a financially sustainable business that ensures continuity and development over time. The company shall respect human rights and promote good working conditions throughout the value chain. CTT will also work actively to reduce its environmental impact and counteract corruption.

CTT shall comply with legislation and regulations in all markets where the company operates, and always strive to comply with the policy/routine/law that sets the highest requirements.

CTT shall continuously conduct stakeholder and materiality analyses in order to, among other things, determine which activities are prioritized on a value-based basis.

Environmental responsibility **ESG**

Climate change is one of the world's most pressing challenges, and therefore CTT is doing everything possible to significantly reduce its climate impact and contribute to the 1.5-degree target under the Paris Agreement. In the environmental area, CTT will work to continuously reduce its own environmental impact through systematic and relevant improvement work, but also to regularly check our suppliers' environmental work and environmental certification. Governing activities to reduce the company's own environmental impact are the renewable energy program, where CTT ensure that all electricity and heat bought comes from fossil-free sources, and install solar cells at the production facilities. Reducing waste and increasing waste recycling are other examples. CTT will also have an action program aimed at sustainable travel, through an increased proportion of environmentally classified company cars, the possibility of electric car charging at each workplace and climate compensation of the company's travel.

The company will actively take part in technological development and contribute to reducing the aviation industry's carbon dioxide emissions and counteracting climate change.

The overall environmental goal is for CTT to become carbon neutral throughout the value chain, i.e. scope 1-3.

Responsible employer **ESG**

The employees' skills, experience and commitment are prerequisites for CTT's ability to achieve the sustainability goals. It is together that we are building a company that in all parts is characterized by high business ethics, solid competence, and, not least, an equal and healthy work environment. Together we create a sustainable organization. As an employer, CTT is responsible for offering equal, safe and healthy workplaces where employees thrive and feel that there are good opportunities for individual development and career paths. CTT shall not accept any form of discrimination in the workplace and shall proactively work for increased equality and diversity. Together CTT shall provide a safe workplace that contributes to well-being employees with good conditions for development and for carrying out their duties. The company shall offer a well-established occupational health care where employees receive regular health checks and to promote movement and exercise, wellness allowances and company-sponsored exercise activities are offered.

CTT should also contribute to a more sustainable local community in the cities in which it operates through sponsorship or other activities.

It is also important to ensure good financial conditions for employees in the form of the profit-sharing foundation, where CTT shall give all employees an equal share of the company's profit in relation to time worked. The purpose of the foundation is to create a clearer link between employees' collective performance, their remuneration and the company's results, and in the long term also to strengthen employee engagement through share ownership.

Business ethics, human rights and transparency **ESG**

CTT's operations shall be characterized by high business ethics and the company shall safeguard good business practice in all relationships. Risks of bribery and other forms of corruption must be actively prevented. CTT's work to safeguard human rights and good working conditions shall be based on international conventions and agreements. The Code of Conduct and whistleblower function must be found on the company's website. CTT shall also comply with and live up to the codes of conduct that our main customers Airbus and Boeing specify as requirements for supplier cooperation, which include anti-corruption and human rights.

CTT shall also strive for full transparency in its sustainability reporting, including by being a Nasdaq Transparency Partner.

The work to promote the climate, human rights and good working conditions shall also include the company's supply chain. CTT shall work actively for good working conditions and respect for human rights outside its own operations. CTT shall work preventively by clarifying expectations and making demands on the company's suppliers with the help of the Code of Conduct.

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