Sustainability Statement

Tekna Holding ASA

2024

January 1—December 31

(part of **Annual Report** Tekna Group)

Every particle counts…

Sustainability Statement

Every year Tekna employees embark on a spring cleaning of the Sherbrooke industrial park, every particle (or bathtub :-) *removed from the environment* counts

General disclosures

Contents

link ESG-related reports

This Sustainability statement is prepared in accordance with the EU's Corporate Sustainability Reporting Directive (CSRD) and the associated European Sustainability Reporting Standards (ESRS).

The report describes Tekna's material impacts, risks and opportunities. The materiality assessment identified the following topics to report on:

- Environment: Tekna reports on Climate Change (E1) and Resource use and circular economy (E5),
- Social: Own workforce (S1) and Workers in the value chain (S2),
- Governance: Business Conduct (G1) and Cyber Security (Gx—entity specific).

For all these topics it describes the strategy, how it is operationalized through guidelines, targets and an action plan, followed by measurements consisting of 2024 compared to 2023 where available and a baseline if applicable.

Corporate culture

Tekna Group ("Tekna") has integrated sustainability at the highest level of its corporate strategy, starting with its new company vision: "To advance the world with sustainable material solutions, one particle at a time."

Subsequent to that Tekna has defined its Sustainability Commitment (also referred to as green mission) as:

"We are committed to collaborate in powerful partnerships along our value chain to deliver ever more sustainable and ultimately climate neutral materials solutions."

To ensure employees understand its importance, it is also anchored in the company value "We strive for excellence" with the following subtext: "We aim for exceptional quality in everything. We are personally committed to achieving our mission while caring for environmental sustainability and regeneration, safety, and the well-being of our people and the success of our customers."

General requirements and disclosures [ESRS 1&2]

General basis for preparation

This report is in accordance with Section 3-3c of the Norwegian Accounting Act regarding corporate social responsibility and published in the annual report 2024 and available on the company's website from 10 April 2025.

Tekna also reports according to the Norwegian Transparency Act and the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act.

Finally, the report comprises information for communicating on progress to the UN Global Compact and thus underlines Tekna's ongoing commitment to the Ten Principles on human and labor rights, environment and anti-corruption.

This is the first time Tekna is reporting in accordance with CSRD and ESRS and best efforts have been put into translating the quantitative and qualitative disclosure requirements into relevant descriptions and data points. As a guiding tool, Tekna has relied on the implementation guides made available by the European Financial Reporting Advisory Group (EFRAG). The quantitative ESRS data points in the report are marked with the ESRS ID number in accordance with IG-3.

Furthermore, Tekna follows ESRS recommendations regarding one or three-year phase-in periods. These data points will be reported in 2025 and 2027, respectively.

This report was not externally assured on its publication date. The Group is well below established thresholds for (audited) CSRD reporting. Note that most CSRD datapoints and GHG metrics were internally audited.

The index on page 81 shows material disclosures and their location throughout the report. On page 107 there is a list of abbreviations commonly used in sustainability reports.

Going forward, Tekna will continue to assess and develop its disclosures in line with the disclosure requirements of the ESRS.

Scope of reporting

The sustainability statements are consistent with the financial statements in terms of undertaking (Tekna Holding ASA and its subsidiaries) and reporting period (1 January to 31 December 2024). See Group chart on page 104.

A 3rd facility in Sherbrooke is used in the climate accounting (Warehouse [JLM], Canada) This is not a legal entity and not included in the financial statements. The joint venture Imphytek Powders SAS [Imphytek], France is in dissolution and not included in the scope of this report, refer to note 20 and 21 of the financial statements.

The Sustainability Statement covers Tekna's up- and downstream value chain. See further details in the sections: 'Business model and value chain' and 'Material impacts, risks and opportunities' on pages 37 and 38.

Time horizons

The short-term time horizon for data in the Sustainability Statement refer to maximum two years. Medium and long-term horizons refer to up to five years and more than five years respectively in line with the double materiality analysis.

Sources of estimation and outcome uncertainty

Tekna aims to disclose data as correctly and accurately as possible by using primary measurement data and by standardizing the calculation of emissions using emission factors from Tekna's carbon accounting system. Tekna relies on the following key methods of measurement aligned with the recommendations of the GHG protocol: 1) Spend-based, 2) Activity-based and 3) Hybrid.

Tekna uses estimates in its reporting on selected data points due to its dependency on and lack of data from its value-chain partners. A defined process for assessing and, if necessary, adjusting estimates is in place.

For further information on estimates, please refer to the specific disclosure requirement regarding the GHG calculation. Any potential sources of measurement uncertainty, assumptions or estimates are described in the accounting principles of the respective disclosure point.

Changes in reporting or reporting errors

Materiality thresholds are defined for when to restate quantitative information together with procedures for how a restatement should be performed, which also covers cases of reporting errors in prior periods. If data has been restated, this will be clearly stated.

Sustainability governance

The responsibility for sustainability & ESG resides with the VP for Corporate Strategic Development and Innovation to ensure proper oversight of sustainability matters.

ESG is included in the monthly management report to the board. It is discussed with the Audit Committee in the quarterly meetings. At least once a year the topic is on the agenda in the Board of Directors' meeting.

In 2024, the focus of the Board has centered around the preparation of the ESG focus areas and targets as well as CSRD reporting. This covers, among other themes, Tekna's climate commitment, EU Taxonomy and double materiality assessment.

Environment Committee (CDD)

The environment committee consists of volunteers from across the organisation driven by the green cause. They have driven projects from waste reduction and recycling to using secondary resources as well as driving more sustainable choices throughout the organisation.

Ethics and Compliance Committee (ECC)

The ECC is responsible for the development of policies and ensuring its implementation and adherence throughout the group. In 2024, the Committee was led by the VP Legal and consisted of various VPs and managers.

Remuneration

There is no specific remuneration element anchored in sustainability.

Risk management and internal controls

Risk assessments are integrated into the data collection process to prevent misleading information, statements, figures or conclusions based on inaccurate or incomplete data.

Data collection and estimation processes are developed and discussed at the executive level to ensure quality reporting.

Due diligence

We are conducting due diligence for CSRD reporting by assessing and gathering relevant ESG data across our operations. This involves evaluating our sustainability practices, identifying risks and opportunities, and ensuring accurate integration into our financial reports. By implementing this process, we aim to meet CSRD requirements, enhance transparency, and improve our long-term sustainability.

Contact

For any enquiries about sustainability reporting, please contact the VP for Corporate Strategic Development and Innovation , Ms. Arina van Oost, at esg@tekna.com.

Strategy, business model and value chain

Tekna Holding ASA, a Norwegian public limited liability company, is listed on Oslo Stock Exchange. The Group is headquartered in Sherbrooke, Canada, with subsidiaries and teams based across six offices in Canada (2), France, USA, China and South Korea.

The Group currently engages in two main businesses: Systems (incl. PlasmaSonic) and Materials. The growth of these businesses is driven by megatrends having significant impact on consumer behavior globally: Space Exploration and Space Tourism, Deglobalization and Climate Change, Digitalization & Connectivity, as well as Demography & Health Care.

Customer centricity and high quality service and solutions are key to our success and rewarded with over 80% recurring revenues.

Tekna produces high purity, micron-sized and nano-sized metal powders as well as optimized induction plasma systems for industrial research and hypersonic test facilities.

Micron-sized powders are used for applications such as 3D printing in the aerospace, medical and consumer electronics sectors while advanced nano-sized materials are applied in the manufacturing of micro-electronic devices (MLCCs) used in consumer electronics, autonomous vehicles, and 5G and Internet-of-Things (IoT) communications equipment.

The Group develops and operates its own plasma systems and sells customized plasma systems for research applications to academic and industrial research organizations. The PlasmaSonic product line, a part of Systems, consists of plasma wind tunnel solutions for the simulation of hypersonic and orbital flight conditions.

The groups activities are classified in the manufacturing sector. Our value-chain includes activities in the mining and quarrying sector. In 2024 Tekna Group accumulated CAD 37.2 M in revenues.

Value chain

In figure 1 is a simplified overview of the Tekna value chain for the two business units. We have indicated in red the part with the highest potential for negative impact, which materials are on the Critical raw material list, and which are potential conflict materials.

REACH, RoHS and potential conflict minerals

Our procurement team has delivered third-party verification guaranteeing our powder products are meeting REACH (toxic chemicals) and RoHS (hazardous substances) requirements.

Tekna is following the Responsible minerals initiative (Conflict minerals reporting) for tungsten and tantalum. Both are sourced exclusively from Conflict-Free material based on OECD due diligence and Dodd-Frank requirements. Tekna has the declaration on conflict-free material, which is made with all the information from partners in the entire supply-chain from smelters up to Tekna.

We have a general understanding of the potential impacts and risks associated with the upstream value chain and the highest risk is likely to be found in raw material extraction and refining. This may include child labor, forced labor, pollution of land, soil, water and air, perilous working conditions, hazardous workplaces, exposure to hazardous chemicals, conflict and disputes in local communities and GHG emissions.

As a medium sized company we have access to our business partners and are able to inform ourselves about their practices, associated risks and potential impacts. The suppliers of our business partners have proven to be more difficult to assess. Much work remains to be done to complete the understanding.

Risk mitigation

80 per cent of Tekna's global spend comes from suppliers based in the EU or NA, which we deem well-governed by legal standards. The remaining 20 per cent, approximately, is spent on a key raw material, i.e. titanium, supplied by two regularly audited manufacturers in China. Both are well-established and qualified suppliers to major western industrial conglomerates.

Value chain (VC)	Upstream value chain	Own Operations (OO)	Downstream value chain (VC)	
Business unit:	Raw materials and supply chain	Production, distribution, marketing	Customers	End-users (& End-of-life-stage)
Materials: for additive manufacturing industry	*Mining and sourcing of raw materials*		*Production of:*	*Utilization:*
	Aluminum, Tantalum[1,2], Titanium[1], Tungsten[1,2]	Production of micron-sized materials (A, Ti, W, Ta).	Tier 1 and Tier 2 Metal part manufacturers	Aerospace, medical implants, consumer electronics, 3D Machine Manufacturers
for micro-electronics industry	Nickel	Production of nano-sized materials (Ni).	Multi-Layer Ceramic Capacitors (MLCC) Original Equipment Manufacturers	Electronics in devices, EVs,
Systems	Production of hardware (Parts and subassemblies)	Production and development of plasma technology	(Materials) Research institutes and companies	Research and small production of (new) materials
General	Transportation associated with above activities. Sourcing of parts, electricity, water	Storage, packaging, transportation and logistics Sales and Marketing, personnel and office		Disposal and end-of-life handling

Figure 1: simplified overview of the Tekna value chain for the two businesses.

1: Critical raw material list. 2: Potential conflict material Tekna's supplier guaranteed material purchased non-conflict.

Material impacts, risks and opportunities (MRO)

Stakeholders

Tekna strives to maintain an open dialogue with its stakeholders and throughout the year engages with employees and other workers, customers and end-users, suppliers, local communities and authorities and investors. Tekna held topic specific stakeholder interviews with customers, employee representatives, investors, a trade association and the local government in Q4 2023. Throughout 2024, conversations with stakeholders included sustainability, particularly with employees, customers and investors.

Affected stakeholders in the (upstream) value-chain have not been identified.

Tekna is proud to find amongst its major investors many that are driven by sustainability. We are thankful for the insights and support they have provided to improve our sustainability strategy. Tekna is seen as very well positioned in the future as we can enable the green transition. Furthermore, our work on the safety of our employees and efforts to improve transparency were praised.

Tekna's customer base consists mostly of large OEMs that have adopted sustainability as part of their strategies. When Tekna is qualified as a supplier sustainability is usually part of the discussion. Customers frequently enquire about the environmental footprint of our technology. Our customers believe that low carbon solutions will be the standard in the future. They encourage Tekna to perform a Life Cycle Assessment for Materials and are looking for an increase in recycled materials in their feedstock.

The expectations of the society-at-large are clear: a more equitable and sustainable future for all, addressing the global challenges we face, including poverty, inequality, climate change, environmental degradation, peace and justice. We aim to make our value-chain as sustainable as possible. We were pleased to hear our stakeholders describe Tekna as being an 'industry leader, reputable and innovative'. As part of our stakeholder interview process, we interviewed an organization from our local community that supports industries, and they believe Tekna's customer success comes from our quality, experience, and diversified markets.

Tekna conducted its first materiality assessment in 2021, which led to defining our material topics. Our employees have shown their approval of the focus area 'Enabling stakeholders' positive impact' as our product allows our clients to obtain a better yield. Employees raised the topic of resources available to improve Tekna's footprint in relation to how much effort has to go into sustainability reporting. Tekna has committees for advocating key sustainability topics: Health and Safety committee, Ethics and Compliance committee, the Environment committee and the CORE employee committee.

Material impacts, risks and opportunities (IRO)

In the IRO exercise Tekna has assessed its own operation (OO) and value chain (VC) for negative (NI) and positive impact (PI), risks (R) and opportunities (O) across the CSRD topics. See insert on the right for high-level thoughts on the topics.

Climate change:

- O (OO): Higher material efficiency than competitors
- O (OO): Attractive and relevant for companies demanding carbon neutrality in supply chain
- PI (OO): Energy efficiency and climate friendly parts for aviation, medical and energy section
- NI (OO): Use of non-renewable electricity (outside Canada)
- O (VC): Enabling technology
- O (VC): Energy efficient operations

Pollution:

- NI (VC): Transportation and production of upstream materials, including mining
- NI (VC): Mining and mineral extraction impact on soil
- NI (VC): Wastewater management from mining + production of upstream materials
- NI (OO): Transportation and business travel related emissions
- PI (OO): No pollution from production
- NI (OO): Emissions from business travel and office space

Water and Marine resources:

- NI (OO): Water consumption in production
- O (OO): Water recycling in production

Biodiversity and Ecosystems:

- NI (VC): Mineral extraction (Land degradation, land-use change)
- NI (OO): Red list species with habitats in areas affected by operations

Circular Economy:

- O (OO): Resource efficiency - use of recycled products/ components for additive manufacturing
- PI/O (OO): Reuse of raw materials and gas in production
- NI (OO): Generation of waste in production
- O (OO): Reuse of packing containers
- O (VC): Resource efficiency
- NI (VC): Hardware + packaging end-of-life issues (waste, recycling, reuse), incl. electronic waste

Own workforce:

- NI (OO): Potential accidents of dangerous materials/substances impacting own workers
- PI (OO): Health and safety for own workers
- PI (OO): Equal treatment and opportunities of own workforce in production and distribution.
- PI (OO): Gender equality, diversity and inclusion
- O (OO): Being an attractive employer to attract talents and competence in a competitive market
- PI (OO): Employee education and development

Workers in the value chain:

- PI (VC): Labor conditions and human rights in raw material production. Freedom of association and the effective recognition of the right to collective bargaining. Safe and healthy working environment and conditions
- PI (VC): Equal treatment and opportunities in the value chain (direct and indirect suppliers in all countries)
- NI (VC): Risk of forced labor and child labor in value chain
- PI (VC): Cooperation and training on equipment for safe use

Affected communities:

- NI (VC): Impacts in less regulated countries, incl. zones in conflict, related to the use of communities' land for mining and other upstream production, access to water and sanitation and health and safety in local communities related to the transport of materials, mine sites, and substance emission
- NI (VC): Minority's rights and rights of indigenous people
- PI (VC): Supporting local communities and university

Consumers and end-users:

- PI (VC): Enabling medical and dental application
- R (VC): Application for warfare
- O (VC): High quality products (safety, lifespan)

Business Conduct:

- PI (VC): Supply chain transparency
- R (VC): Risk of raw material sourcing from sanctioned countries (trade war). Dependency on sourcing with China
- PI (VC): Traceability of raw materials
- PI (VC): Business ethics in procurement practices
- PI (OO): Business ethics in own operations, global sales and management
- PI (OO): Protection of whistleblowers for own workers
- R (OO): Anti-corruption and bribery

Double Materiality Assessments (DMA)

Double Materiality Assessments (DMA)

A double materiality assessment takes into account two perspectives: the impact Tekna's activities have on its surroundings, environment and society (impact materiality) and the impact climate change may have on the company (financial materiality).

Impacts can be positive or negative, actual or potential, and relate to the company's effect on people and planet Risks and Opportunities are financial and are incurred by the company due to ESG-related matters.

Methodologies and assumptions

The goal of the assessment is to identify the material IROs related to matters to be reported.

The followed MA process considering both impact and financial materiality is summarised below:

1) identification of impacts;

2) assessment of whether such impacts lead to risks and opportunities.

3) identification of risks and opportunities not sourced from impacts.

For most material impacts, a material risk and/or opportunity may emerge over time.

The double materiality assessment was performed supported by the topics included in the CSRD and GRI (Global Reporting Initiative) as well as the dependence on natural, social, and human resources. The impact assessment includes positive, negative, actual, and potential impacts. The mapping and understanding of impacts were primarily centred on the value chain where impacts were deemed most likely to occur.

A topic is material if the company has an actual or potential significant impact on people or the environment connected to the topic. A topic is also material if it triggers financial effects on the company that are likely to influence its future cash flow.

Material topics and subtopics

Based on the double materiality assessment, Tekna has adopted the following topics and subtopics for the 2024 CSRD reporting. Note that there are more material topics and we will continue our journey to develop reporting on those.

- Topic E1: Climate Change

Sub-topics: Climate change adaptation, Climate change mitigation and Energy

Tekna contributes to climate change through our GHG emissions, and we also work to enable the green transition with our clean technology and downstream gains. We are attractive and relevant for companies demanding carbon neutrality in their supply chain. We are vulnerable to a changing climate, if we do not adapt.

- Topic E5: Resource Use and Circular Economy

Sub-topic: Resource inflows including resource use

We rely on the extraction of raw materials upstream, for our Materials. The opportunity lies in the use of secondary resources as well as the resource-efficiency additive manufacturing brings.

- Topic S1: Own Workforce

Sub-topics: Working conditions, Equal treatment and opportunities for all

As a global high-tech organization the group is reliant on our people as our most valuable asset. This dependency on employees' wellbeing and safety presents a financial risk that requires continuous attention. We also see an opportunity to continue nurturing diversity and equality throughout the group's global workforce.

- Topic S2 Workers in the value chain

In the climate-risk assessment the working conditions of our main supplier(s) in China is an important topic (excessive heat). Furthermore, locations of certain partners are known for lack of respect for human rights and labor conditions.

- Topic G1: Business Conduct

With own operations in five countries and business partners in many more, Tekna Group is exposed to corruption risks in business conduct, and generally risks of breaches to our corporate conduct that require ongoing focus.

- Topic Gx: Cyber security

We are vulnerable to cyber attacks, which demand sophisticated prevention and strong internal controls. We have added Cyber security as an entity-specific sub-topic to our Governance reporting.

Tekna focus area	SDG[2]	ESG[3]	CSRD[4]	See also this Report
Sustainability: Enabling customers' positive impact	SDG 9	S	ESRS E1, E5	EU Taxonomy Report 2024
Circularity: Strive for circular and sustainable production	SDG 12	E, G	ESRS E1, E5	Emissions Accounting Report 2024 Human Rights and Transparency Report 2024
Society: Great place to work	SDG 8	S	ESRS S1 -S4	CSRD Report 2024 (=this report) Remuneration Report 2024
Governance: Ethical business conduct	SDG 16	G	ESRS G1, Gx	Corporate Governance Report 2024

1: Coding at the end of the topic relates to the map in the materiality analyses in Appendix A. "O" is opportunity and "R" is risk.
2: UN Strategic Development Goals. 3: Environment, Social, Governance. 4 Corporate Sustainability Reporting Directive (EU)

Index of material disclosures

ESRS standard	DR	Description	Page number
ESRS 2	BP-1	General basis for preparation of sustainability statement	76
	BP-2	Disclosures in relation to specific circumstances	76
	GOV-1	The role of the administrative, management and supervisory bodies	65, 66, 72, 77, 101
	GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	77
	GOV-3	Integration of sustainability-related performance in incentive schemes	77
	GOV-4	Statement on due diligence	77
	GOV-5	Risk management and internal controls over sustainability reporting 63 SBM-1 Strategy, business model and value chain	77
	SBM-2	Interests and view of stakeholders	79
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	79
	IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	79, 80
	IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	80
E1	E1-1	Transition plan climate change mitigation	82, 83
	E1-2	Policies related to climate change mitigation and adaptation	85
	E1-3	Actions and resources in relation to climate change policies	85
	E1-4	Targets related to climate change mitigation and adaptation	85
	E1-5	Energy consumption 79 E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	85, 116-124
E5	E5-1	Policies related to resource use and circular economy	86
	E5-2	Actions and resources related to resource use and circular economy	86
	E5-3	Targets related to resource use and circular economy	86
	E5-4	Resource inflows	86, 87

ESRS standard	DR	Description	Page number
S1	S1-1	Policies related to own workforce	91, 92
	S1-2	Process for engaging with own workforce and workers' representatives about impacts	79, 91
	S1-3	Process to remediate negative impacts and channels for own workforce to raise concerns	98, 101, 102, 137, 138
	S1-4	Taking action on material impacts on own workforce and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	91, 92
	S1-5	Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	91, 92
	S1-6	Characteristics of the undertaking's employees	93
	S1-7	Characteristics of non-employees in the undertaking's own workforce	93
	S1-8	Collective bargaining coverage and social dialogue	90, 94
	S1-9	Diversity metrics	94
	S1-13	Training and skills	90, 94
	S1-16	Remuneration metrics (pay gap and total remuneration)	95
	S1-17	Incidents, complaints and severe human rights impacts	98, 101
S2	S2-1	Policies related to value-chain workers	97
	S2-2	Processes for engaging with value chain workers about impacts	79
	S2-3	Channels for value chain workers to raise concerns	98, 101, 102, 137, 138
	S2-4	Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	97
	S2-5	Taking action on material impacts on value chain workers and pursuing material and effectiveness of those actions	97
	S2-6	Approaches to mitigating material risks and pursuing material opportunities related to value chain workers	97, 98, 135-140
G1	G1-1	Corporate culture and business conduct policies	101
	G1-2	Management of relationships with suppliers	102
	G1-3	Prevention and detection of corruption and bribery	102
	Gx	Cyber security	103

Environment

Contents

Tekna's environmental impact is two-fold. Tekna has a positive environmental impact through developing products which enable a green transition in line with United Nations Global Compact principle 9[3] and as substantiated per the EU taxonomy.

Tekna produces metal powders for additive manufacturing ("AM") that significantly reduce the metal consumption in product manufacturing processes downstream and simplifies the supply chain, transport and warehousing logistics by reducing the number of parts in mechanical assemblies. In the application of AM, parts in airplanes and vehicles are usually lighter and therefore more energy efficient (less weight, less fuel consumption). On the other hand, the company also has an environmental impact from internal business operations such as emissions from employee commutes, business travels, energy consumption at the company's locations and waste generation.

Tekna started climate accounting in 2019 and continues to gain insights on its footprint, particularly for up- and downstream GHG emissions (scope 3). For scope 1 and 2 Tekna has already committed to an absolute reduction of 50% by 2030 over 2021. The carbon accounting was updated in 2024 using CEMAsys' digital solution. A summary is presented here and a full overview can be found in the Carbon Accounting report in the appendix of the annual report and on the website..

Decarbonization

Scope 1 emissions have been stable since baseline year 2021. The source of emissions is the natural gas heating system in the Canadian facilities. We are looking to solidify the decision for the best alternative to lower these emissions, from electrical heating to biogas. We plan to budget for this before 2030.

Scope 2 emissions are down by 67% compared to baseline 2021. We are approaching scope 2 in the two obvious ways, ie a) by moving consumption to renewable energy sources, and b) reducing consumption. The renewable energy share (a) is up by 10 percentage points since 2021 baseline (2024: 77%). This is due to stopping production in France, which uses clean energy, yet not renewable (nuclear).

In reduction (b) we are focusing on increasing the productivity of our powder production. Compared to 2019 we have reduced by 26% the kWh required to produce 1 kg of powder (2024: 12.1 kWh/kg).

It is clear that the most significant emissions are in Scope 3. Tekna has yet to communicate reduction targets for the scope 3 categories. With the full scope 3 now transparently available we can start prioritising actions further. Nonetheless, we have started taking actions to reduce emissions

Replacing single-use packaging

Additive manufacturing ("AM") materials are typically transported in single-use packaging, with aluminum powder being shipped in 5kg plastic drums and titanium powder in metallic bottles of 2.5kg each. Unfortunately, once they have been used, the single-use packaging are left with small quantities of residual metal powder making them not easily reusable nor recyclable.

As the volumes of AM materials are increasing, the business case for returning the powder to Tekna for reconditioning will become stronger.

In order to reduce single-use packaging, Tekna has developed a Universal and Reusable CONTAINER for Additive Materials together with industry partners (see image). One container replaces 25 single-use plastic drums or 80 metallic bottles.

The key benefits of this solution:

- Enabling resource efficiency, circularity and GHG reduction: the sturdy containers can be reused "indefinitely" and will be used to deliver pristine powder to the customer and the customer can return degraded material back to Tekna
- Eliminating the use of single-use packaging and disposal activities
- Allowing for safer handling both during transportation and at the point of use. This means 1) reducing the risk of exposure to powder, 2) since

3: Principle 9: encourage the development and diffusion of environmentally friendly technologies.

the container has wheels, eliminating the risk of drops and lifting related injuries, and 3) based on the plug-and-play nature of the container solution, increasing user-friendliness and reducing the risk of handling mistakes
- Increasing efficiency as more material is loaded to the machine per packaging unit

The container is ready to be put into operation. Given Tekna's projected volumes, the company will avoid ~1 Million tCO2e over the next 5-years in the category Purchased goods & services (upstream) and the category Use of sold products (downstream as single-use waste)

Reducing logistics emissions

In 2023, we completed the assessment of the category Upstream transportation and distribution. Metal powder is considered a hazardous good when in transport, therefore short-term our opportunities are limited. As volumes increase with it will come the possibility of reducing air transport in favor of boat or train.

Other elements we are applying where possible:

- Divert transport to carriers with a "green" fleet
- Consolidate shipments
- Improve packaging to reduce shipping "air"

Carbon accounting

Carbon accounting is a fundamental tool in identifying tangible measures to reduce GHG emissions. The annual carbon accounting report enables the organization to benchmark performance indicators and evaluate progress over time.

The input data is based on consumption data from internal and external sources, which are converted into tonnes CO2-equivalents (tCO2e). The carbon footprint analysis is based on the international standard; A Corporate Accounting and Reporting Standard, developed by the Greenhouse Gas Protocol Initiative (GHG Protocol). The GHG Protocol is the most widely used and recognised international standard for measuring greenhouse gas emissions and is the basis for the ISO standard 14064-I.

Noteworthy

Refer to footprint overview on the next page.

- 2030 Target to reduce scope 2 by 50% achieved!
- Tekna increased its production output by 68% compared to 2021 baseline, while only increasing scope 1 emissions by 3%, and even reducing scope 2 emissions by 67%
  - Energy intensity down 26% to 12.1 kWh/kg of powder produced
- Closing production in France resulted in a shift away from Nuclear while increasing Hydro power.
  - Increased renewable energy percentage (+11pp)
  - Reduced scope 2 emissions significantly (-67%)
  - Total kWh increased by +32% as production in Canada increased
- Reduction in business travel (Cost-saving measure) has reduced related emissions (down 11%)[2]
- All material categories in scope 3 mapped (+4 additional baselines established)

Restatements

Multiple items had to be restated for 2023, based on improved information, new estimation and extrapolation methodologies applied in 2024, which we applied also to 2023 for comparability and unfortunate errors detected.

Corrections have been made to the following categories:

- Scope 2 Electricity, France (Tekna Plasma Europe)
- Scope 3.3 Fuel and Energy related activities.
- Scope 3.4 Upstream Transportation and Distribution
- Scope 3.7 Employee Commute

The most significant change was the incorrect way of estimating the transport emissions. In comparing with the online transport emission calculator Eco-Transit we found we had largely overstated the emissions. Consequence: Reduction of 245 523.5 tCO2e [former 246 757.0 tCO2e restated to 1233.5 tCO2e].

Details are disclosed in the restatement section of the carbon accounting report. A summary of the changes below is included in the table below.

in tCO2e	2023 published	2023 restated	2024
Total Scope 1	589.0	589.0	595.9
Total Scope 2	29.6	29.1	13.9
Total Scope 3	247 482.0	1 981.2	27 730.3
Total	248 100.5	2 599.2	28 340.1

External Assurances

Internally the Audit Committee approves the Emissions Accounting report. This report was not externally assured on its publication date; Note that the CO2 metrics were internally audited.

Link to the full report in the appendix.

Carbon Accounting (continued)

Tekna's climate footprint

Energy Intensity per kg metal powder produced

Performance vs baseline FY19

Direct electricity of plasma systems within Tekna | Ti64 and AlSiMg | in kWh per kg

FY19: 16.3 kWh/kg — baseline

FY23: 12.4 kWh/kg — -24% (vs FY19)

FY24: 12.1 kWh/kg — -26% (vs FY19)

Our capacity improvement program increases the productivity of the plasma atomization systems, ie higher output for the same energy. The Production output for Ti64 and AlSiMg powder has more than doubled since 2019.

Renewable energy share

77 % ▲ vs 66% **(+11 pp)** in 2021 (Location based).

Scope 1

596 tCO2e ▶ vs 577 **(+3%)** in 2021. Tekna has added a third facility in Canada in 2022 increasing natural gas consumption for heating compared to baseline 2021.

Scope 2

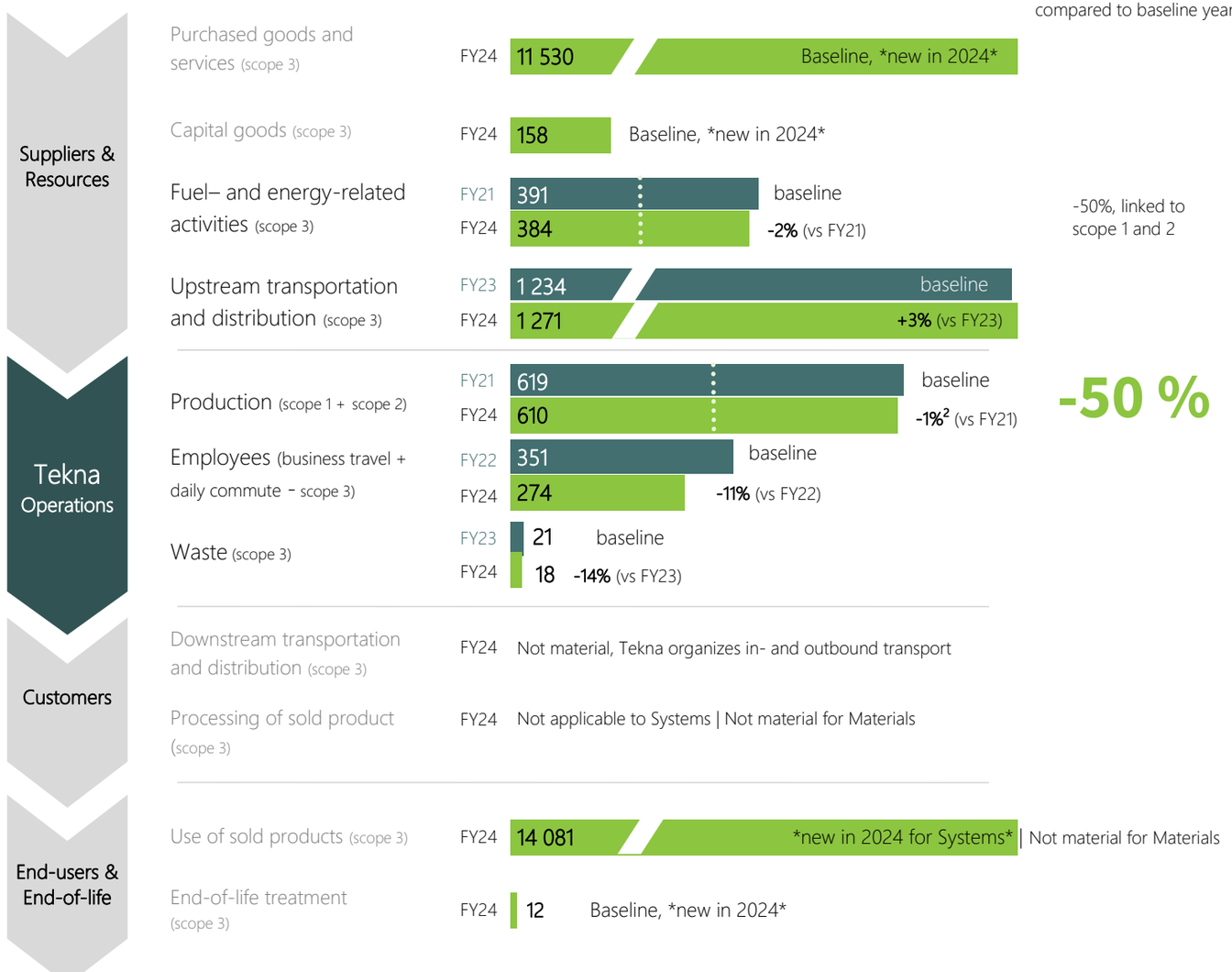
14 tCO2e ▼ vs 42 **(-67%)** in 2021. Tekna continues to improve energy efficiency in its powder production[2]. By reducing production in France the consumption of nuclear electricity is reducing.

Scope 3

27 730 tCO2e This is the first year that we have a complete estimation of the value-chain footprint. This creates a solid basis from which to focus our reduction effort.

Tekna's climate footprint at different stages of the value chain

(GHG protocol[1] | in tCO2e)



Target 2030

Reduce in absolute terms compared to baseline year

-50 %

-50%, linked to scope 1 and 2

1 Historical data should not change, but we always revise historical figures if data quality or science has improved. 2: Tekna increased its production output by 68% compared to 2021 baseline, while only increasing scope 1 emissions by 3%, and even reducing scope 2 emissions by 67%.

Climate change [ESRS E1]

Climate change mitigation / adaptation

Strategy

Tekna's approach to environmental sustainability, within all aspects of our business operations, is based on two main pillars:

- Minimizing our environmental footprint - Dedicated to avoiding and minimizing any adverse environmental impacts linked to our business operations. This includes adverse impacts as a result of Tekna's business operations directly, as well as any indirect impacts such as impacts related to business partners, suppliers and other third parties. The ultimate goal is to become climate neutral (without relying on carbon offsetting) by reducing more greenhouse gas (GHG) emissions than the Tekna value chain emits, while growing the business.
- Promoting environmental sustainability - Dedicated to improving resource efficiency and sustainability across the value chains we operate in. This includes developing new and improving existing sustainable technologies and products that are resource efficient, eco-friendly, recyclable, recoverable and best in class in terms of environmental sustainability.

Tekna shall prioritize its efforts within environmental sustainability based on the double materiality assessments.

Company value: We strive for excellence

Progress made in the year

- Finished the scope 3 GHG baseline in 2024.
- Furthered the decarbonization plan, including improved energy efficiency and productivity of the powder production system
- Updated the climate risk assessment according to 4 scenarios and with outlook from 2030-2080 for Tekna locations as well is main suppliers' locations.

Comments on material changes in KPI's

Scope 1 remains stable as we study options to achieve the 50% reduction from biogas to installing heat pumps.

Scope 2 reduced by more than 50% whilst production output increased by 26% compared to 2023 in Canada which uses only renewable energy. This does increase the Energy Consumption in MWh. Production in France reduced further (nuclear energy), which improved the renewable energy share.

Scope 3 first year with a complete assessment for this scope. Reductions were achieved in waste and business travel.

Our capacity improvement program increases the productivity of the plasma atomization systems, ie higher output for the same energy. The Production output for Ti64 and AlSiMg powder has more than doubled since 2019.

Operationalization

Policies & Guidelines	Quantifiable targets	Action plan
Environmental policy Sustainable events policy Employee Handbook (MAGRH-01)	Scope 1: 50% absolute reduction of CO2 emissions by 2030 compared to baseline 2021. Scope 2: 50% absolute reduction of CO2 emissions by 2030 compared to baseline 2021. 100% Carbon neutral by 2050 (incl. scope 3)	Continue to improve accuracy and understanding of scope 3 upstream and downstream emissions and set reduction target(s) in 2025 Ensure budget planning to execute on decarbonization plan by 2027 Quantify potential financial effects linked to significant physical and transition risks and climate related opportunities in 2026 Development of climate risk mitigation plan by 2026

Measurement

	KPI (per year)	**2024** (vs baseline)	**2023** (vs baseline)	**baseline** (year)
I	Scope 1	596 tCO2e (+ 3%)	589 tCO2e (+ 2%)	577 tCO2e (2021)
II	Scope 2	14 tCO2e (-67%)	30 tCO2e (-29%)	42 tCO2e (2021)
III	Scope 3	27 730 tCO2e (n/a)	1 981 tCO2e (incomplete)	n/a
IV	Total GHG emissions	28 340 tCO2e (na)	2 599 tCO2e (incomplete)	n/a
V	Energy consumption	12 750 MWh (+21%)	11 553 MWh (+9%)	10 561 MWH (2021)
VI	Renewable energy share (location-based)	77% (+11pp)	72% (+6pp)	66% (2021)
VII	Energy intensity per kg of metal powder	12.1 kWh/kg (-26%)	12.4 kWh/kg (-24%)	16.3kWh/kg (2019)

Resource use and circular economy [ESRS E5]

Resources inflows, including resource use

The Executive Leadership Team has oversight and management of all the resources that are used. The majority falls under direction of the VP operations. Our ERP records the resources in our own operations and they are categorized for the GHG emission calculation. Apart from a general understanding of the value chain we have not mapped the upstream resources in detail.

For materials, the opportunity to use secondary resources may seem obvious. The requirements on characteristics of metal powder are stringent to such extend that purity and oxygen content limit our ability to use recycled materials in feedstock. We are striving to work with our customers to develop a solution for this.

Strategy

From the Environmental policy:

Tekna is dedicated to responsible sourcing of natural resources and strives to use all energy and natural resources as efficiently as possible.

Our ambition is to regenerate resources while growing the Tekna business. We aim to consistently increase the use of responsibly sourced, renewable or recycled materials in our offer, and have a positive impact by regenerating resources and protecting ecosystems.

Progress made in the year

- Assessed the resource use for manufacturing our systems and materials
- Quantified and categorized the elements

Comments on (material changes in) KPI's

This is the first year we assessed our resource use. Current scope is the resources we use to produce our products, ie the feedstock for materials, process gases, packaging and the subassemblies for our systems. General resources (for instance buildings, production equipment, ICT etc) are not included.

Own operations

To manufacture Tekna's products the following business-specific resources are required for Materials:

- *Production equipment:* plasma systems and peripherals, sieves, blenders, containers, forklifts, storage racking, recycling bins
- *Production enablers:* metals (titanium alloy, aluminum alloys, tungsten, tantalum), process gases (argon, helium), cooling water, packaging (plastic curtec containers, aluminum bottles, pallets, straps, labels), laboratory (test chemicals), OHS (GVP masks, gloves, boots)

And for Systems:

- *Production equipment:* tools, welding equipment, storage racking, recycling bins, specific software
- *Production enablers:* metals, composites, electrical wiring, tubes, pipes, hardware, software, packaging (wooden crates)

Operationalization		
Policies & Guidelines	**Quantifiable targets**	**Action plan**
Environmental policy	○ Improve percentage of recycled material in feedstock to 75%. No target year assigned yet[1]	○ Define R&D collaborations project to develop powder product with increased recycled feedstock ○ Further develop the list of main resource inflows related to the products Tekna manufactures (SG&A not a priority).

Measurement			
KPI (per year)	**2024**	**2023**	**baseline** (year)
I % of resource inflows from secondary sources	0.00%	n/a	not established
II % of renewable resource inflows	16.66%	n/a	not established

Notes: 1: We have not set a target date for achieving this target. Using recycled material affects important parameters of the powder and how it can be applied. Strong dependence on partners to progress.

Upstream value-chain

(based on unverified assumptions)

To obtain the mentioned "production enablers" the following processes are likely required upstream for Materials:

- *Metal feedstock* (titanium alloy, aluminum alloys, tungsten, tantalum): ore extraction (mining and beneficiation resources) > refining and chemical processing > reduction and metal processing > melting and casting resources > transformation to feedstock (processing (casting and wire drawing or powder production) and packaging resources.

Systems:

- *Stainless steel:* From ore to stainless steel sheet, this process involves mining and ore beneficiation, smelting and alloying, rolling and shaping, and finishing.

Refer to table on resource inflows for manufacturing of products only.

Table of Resource inflows

Component	Resource	Finite or renewable resource	Circularity depends on biological or technical processes	Virgin or non-virgin resource	Location in value chain	Critical Raw Material or Rare Earth Element	Current use of the resource	Original weight (in kg)	Method for estimating weight	Uncertainties in the data in this table
Metal feedstock for materials	Titanium wire	Finite	Technical	Virgin	Own operations	Yes	Manufacturing	not disclosed	Quantity as purchased, not adjusted for yield loss across the value chain	Tekna purchased volume only
	Aluminum wire	Finite	Technical	Virgin	Own operations	Yes	Manufacturing			
	Tantalum	Finite	Technical	Virgin	Own operations	Yes	Manufacturing			
	Tungsten	Finite	Technical	Virgin	Own operations	Yes	Manufacturing			
Gas for plasma system, post-processing and packaging	Argon	Finite	Technical	Virgin	Own operations	No	Manufacturing Packaging	568 865		
Gas for plasma system	Helium	Finite	Technical	Virgin	Own operations	Yes	Manufacturing	2 752		
	Nitrogen	Renewable	Biological	Virgin	Own operations	No	Manufacturing	159 407		
Packaging for materials	7004 and 7011 in virgin HDPE	Finite	Technical	Virgin	Direct supplier	No	Packaging	n/a		
	aluminum	Finite	Technical	Virgin	Direct supplier	Yes	Packaging	n/a		
Resources to produce Systems	Aluminium	Finite	Technical	Virgin	Own operations	Yes	Manufacturing	5 700	As per GHG scope 3.12 End-of-life calculation incl assumptions. Not adjusted for yield loss across the value chain.	
	Iron	Finite	Technical	Virgin	Own operations	No	Manufacturing	1 796		
	Stainless steel	Finite	Technical	Virgin	Own operations	Yes	Manufacturing	27 701		
	Copper	Finite	Technical	Virgin	Own operations	Yes	Manufacturing	9 636		
	Metals (bronze, brass)	Finite	Technical	Virgin	Own operations	Yes	Manufacturing	805		
	Wood	Renewable	Biological	Virgin	Direct supplier	No	Packaging	13 647		
	Electronic materials	Finite	Technical	Virgin	Own operations	Yes	Manufacturing	1 131		
	Ceramic	Finite	Technical	Virgin	Own operations	No	Manufacturing	337		
	PVC	Finite	Technical	Virgin	Own operations	No	Manufacturing	83		
	Rubber	Renewable	both	Virgin	Own operations	No	Manufacturing	117		
	Polymer	Finite	Technical	Virgin	Own operations	No	Manufacturing	2 204		
	Silicon	Finite	Technical	Virgin	Own operations	Yes	Manufacturing	136		
	Plastic PP/PE	Finite	Technical	Virgin	Own operations	No	Manufacturing	24		
	Mineral oil	Finite	Technical	Virgin	Own operations	No	Manufacturing	89		

EU Taxonomy | Summary of disclosures pursuant EU Taxonomy regulation (Article 8)

As part of the European Union's Green Deal, the EU Taxonomy is a classification system for sustainable economic activities, consisting of the following six environmental objectives:

1. Climate change mitigation (CCM)
2. Climate change adaptation (CCA)
3. The sustainable use and protection of water and marine resources
4. The transition to a circular economy
5. Pollution prevention and control
6. The protection and restoration of biodiversity and ecosystems

Tekna has assessed for the six objectives, where only climate change mitigation and climate change adaptation could be applicable.

Tekna's activities are all deemed eligible under the economic activity: 3.6 Manufacture of other low carbon technologies (CCM). The production of additive material powders and PlasmaSonic are deemed aligned and further supporting documentation needs to be obtained in order to report it as such.

Activity assessment

Production of additive material powders: Eligible, not aligned

The activity is believed to provide substantial life-cycle GHG emission savings compared to the best performing alternative. However, the substantial contribution criteria are not considered met due to the lack of documentation verified by a third party demonstrating life-cycle GHG emission savings. The AMGTA reports used in 2023 are not considered sufficient, hence the change from aligned to eligible.

Production of PlasmaSonic wind tunnels: Eligible, not aligned.

The Plasmasonic wind tunnels are believed to provide substantial life-cycle GHG emission savings compared to the best performing alternative. However, the substantial contribution criteria are not considered met due to the lack of documentation verified by a third party demonstrating life-cycle GHG emission savings.

Production of turnkey plasma systems: Eligible

As of today, Tekna does not have a life-cycle GHG emission savings analysis available. Therefore, the plasma systems segment is not considered compliant with the substantial contribution requirement.

(Development and) Production of Nanomaterials for MLCC: Eligible

The documentation requirement regarding life-cycle GHG emissions calculation has not been fulfilled, hence the substantial contribution criteria is considered not met. Since the economic activity is not considered eligible for the environmental objective CCA, no further assessment of technical screening criteria has been carried out.

Do no significant harm

For screened activities the criteria for Climate Change Adaptation, Water and Marine Resources, Circular Economy, Pollution Prevention and Control and Biodiversity and Ecosystems have been assessed and are considered met.

Minimum Safeguards

Minimum safeguard requirements are defined in article 18 of the EU Taxonomy regulation. According to which, an undertaking shall implement procedures to ensure the alignment with:

- The OECD Guidelines for Multinational Enterprises (OECD Guidelines for MNE)
- The UN Guiding Principles on Business and Human Rights (UNGPs), including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work
- The International Bill of Human Rights

These requirements are considered met.

For further information on the process, considerations and assessment results, accounting policies, etc, please refer to the full EU taxonomy report in the appendix.

	Measurement			
	KPI (KPI CCM[1] | in M)	**2024** (% of total | audited[2])	**2023** (% of total | unaudited[3])	**baseline** (year)
I	Revenue eligible and aligned	- (0%)	25.7 (64%)	- (2024)
II	Revenue eligible	36.8 (99%)	14.7 (36%)	99% (2024)
III	Revenue not eligible, nor aligned	0.4 (1%)	- (0%)	1% (2024)
IV	CapEx eligible and aligned	- (0%)	6.7 (82%)	- (2024)
V	CapEx eligible	2.9 (63%)	1.5 (18%)	63% (2024)
VI	CapEx not eligible, nor aligned	1.4 (37%)	- (0%)	37% (2024)
VII	OpEx eligible and aligned	- (0%)	1.2 (11%)	- (2024)
VIII	OpEx eligible	2.5 (100%)	1.6 (58%)	100% (2024)
IX	OpEx not eligible, nor aligned	- (0%)	- (0%)	- (2024)

Notes: 1: Assessed vs Taxonomy objective Climate Change Mitigation ("CCM"). 2: Sample-audited on behalf of main shareholder Arendals Fossekompani ASA. 3: The 3rd party verification to support alignment of Additive Manufacturing was not specific enough to Tekna products

Definitions and Accounting principles Environment

Definitions E1

Climate change adaptation	The process of adjustment to actual and expected climate change and its impacts.
Climate change mitigation	The process of reducing GHG emissions and holding the increase in the global average temperature to 1,5°C above pre-industrial levels, in line with
Greenhouse gas (GHG) emission reduction	Decrease in Scope 1, 2, 3 or total GHG emissions at the end of the reporting period, relative to emissions in the base year. Emission reductions may result from, among others, energy efficiency, electrification, suppliers ' decarbonisation, electricity mix decarbonisation, sustainable products development or changes in reporting boundaries or activities (e.g., outsourcing, reduced capacities), provided they are achieved within the company's own operations and upstream and downstream value chain. Removals and avoided emissions are not
Transition plan for climate change mitigation	An aspect of a company's overall strategy that lays out the targets, actions and resources for its transition towards a lower--carbon economy, including actions such as reducing its GHG emissions with regard to the objective of limiting global warming to 1.5°C and climate neutrality.

Definitions E5

Circular economy	Circular economy means an economic system in which the value of products, materials and other resources in the economy is maintained for as long as possible, enhancing their efficient use in production and consumption, thereby reducing the environmental impact of their use, minimizing waste and the release of hazardous substances at all stages of their life cycle, including through the application of the waste hierarchy. The goal is to maximize and maintain the value of the technical and biological resources, products and materials by creating a system that allows for durability, optimal use or re-use, refurbishment, remanufacturing, recycling and nutrient cycling.
Original weight	Refers to the weight of the material in its original state, as opposed to any weight estimations with data manipulation such as "dry weight".
Resource inflows	Resource that enters the company's facilities. These include products (incl. packaging), materials (incl. critical raw materials and rare earths), water and property, plant and equipment used in the company's own operations and along the upstream value chain.
Finite materials	Materials that are non-renewable on timescales relevant to the economy, i.e. not geological timescales. Examples include: metals and minerals; fossil forms of carbon such as oil, coal, and natural gas; and sand, rocks, and stones.
Renewable materials	Materials that are continually replenished at a rate equal to or greater than the rate of depletion. Examples include: cotton, hemp, maize, wood, wool, leather, agricultural by-products, nitrogen, carbon dioxide, and sea salt. To fit in a circular economy such materials (where relevant) must be produced using regenerative production practices.
Biological materials	Products and materials that flow through the biological cycle. In the biological cycle, processes - such as composting and anaerobic digestion - together help to regenerate natural capital. The only materials suitable for these processes are those that can be safely returned to the biosphere. Biological materials are natural materials (common elements are carbon, hydrogen, and oxygen).
Technical materials	Products and materials that flow through the technical cycle. In the technical cycle, if products and materials are to be kept in circulation, it is through processes such as reuse, repair, remanufacture and recycling. Materials suitable for these processes are those that are not consumed during use - such as metals, plastics and wood. [Definition from Ellen Macarthur Foundation].
Virgin materials	Materials that have not yet been used in the economy. These include both finite materials (e.g. iron ore mined from the ground) and resources that can be renewable (e.g. newly produced cotton).
Non-virgin materials (a.k.a. Secondary materials)	Materials that have been previously used. This includes: materials in products that have been reused, refurbished or repaired; components that have been remanufactured; materials that have been recycled. Also referred to as secondary materials.

Accounting principles E1

Emissions accounting

Refer to the emissions accounting report in the appendix for detailed accounting principles of the GHG emissions.

Energy Intensity

Energy Intensity is expressed in kilowatt hour per kilogram of metal powder produced. The total of direct electricity used by all the production plasma systems for titanium and aluminum divided by the total volume produced in a year. The baseline for the indicator is 2019.

Accounting principles E5

Due to a lack of understanding of the supply chain, we have categorized conservatively. Ie classified all materials as virgin and own operations. If the material is not on the Critical Raw Material list or Rare Earth Element, but its components are (assumed to be), then we included a yes.

Renewable resources:

In general the items identified as renewable are considered renewable. Tekna does not have certificates to warrant this. Rubber, wood, and nitrogen are considered renewable resources because they are part of natural cycles or systems that can regenerate over time.

Accounting principles EU Taxonomy

Refer to the EU Taxonomy report in the appendix for detailed accounting principles.

Social

Contents

Through the development of its policies, training and (future) audits Tekna aims to ensure the two human rights and four labor-related principles of the United Nations Global Compact are fully adhered to in its operations and its value-chain.

The competence of our employees represents a major asset and competitive advantage for Tekna. At the end of 2024, the Group employed a total of 185 people.

The number of employees were divided across locations as follows:

Canada:	161	(186)
France:	18	(31)
China:	4	(4)
South Korea:	1	(1)
USA:	1	(0)

Women represented 26 per cent of the Tekna workforce in 2024. Out of 43 managers (managers with employees reporting to them) 22 per cent were female. Tekna aspires to substantially increase the share of female employees and is working through the employee life cycle to see where measures could be implemented to enhance diversity across the organization. To date, Tekna's workforce comprises 23 different nationalities, of which about 2/3 are Canadian.

There were no serious work-related accidents and two lost time injuries in 2024. Sick leave was 2.9% per cent in 2024, compared to 3.3 per cent in 2023.

All Tekna policies in the Social and Governance space mention and align with :

- UN Guiding Principles on Business and Human Rights
- ILO Declaration on Fundamental Principles and Rights at Work
- OECD Guidelines for Multinational Enterprises

Social protection

All employees of our employees in all countries are covered by social protection against loss of income due to significant life events, like sickness; unemployment starting from when the employee is working for the company; employment injury and acquired disability; parental leave; and retirement. They are also entitled to family-related leave.

All new employees complete a confidential self-identification questionnaire kept by the HR team. This information is required by the government and helps identify vulnerable groups (women, visible minorities, indigenous people and persons with disabilities) in order to promote employment equity in the workplace. Employees may consult the HR department at any time to discuss a disability that would require accommodation.

Training and skills development

New employees follow a training plan that outlines all the responsibilities and skills they need to acquire, including the internal trainer and the timeline for skill acquisition. Annually, we develop a company training plan based on the needs identified by managers in collaboration with their employees. We also offer internal conferences led by our employees, focusing on technical topics.

Employees active at the annual spring cleaning event of the industrial park organized by Tekna

Own workforce [ESRS S1]

Working conditions

Strategy

Tekna understands the value of its workforce and works in ongoing dialogue to improve the corporate culture, the workplace and conditions. Well-being and work/life balance are an important part of this.

At Tekna, health and safety are integral parts of our growth strategy and long-term success. We are committed to establishing and promoting a culture that prioritizes health and safety in the workplace through continuous improvement, involving all employees.

Company value: We strive for excellence

We have committees in place to address issues related to employee health, safety and well-being. In addition, we have communication channels through managers and human resources departments that allow us to continually evolve our policies so that they are aligned with best business practices. We conduct periodic Employee Satisfaction survey.

We provide a base training plan on health and safety for all workers to ensure a strong foundation of safety knowledge and practices. Additionally, we offer more specific training tailored to particular roles, work-related hazards, activities, and situations to address the unique requirements of different jobs. This approach ensures that all employees are equipped to work safely and effectively in their specific environments.

Progress made in the year

- Implemented a Human Rights policy in 2024.
- Safety culture
- Training and risk assessments
- Root cause analyses for accidents and near-misses
- Social dialogue through CORE

Comments on (material changes in) KPI's

The updated social KPIs reflect advancements in diversity, safety, and workforce stability. Workplace safety improved, with the lost time injury frequency rate decreasing from 8.1 to 5.8, though the number of lost time injuries was two in 2024. The voluntary turnover rate decreased from 19% to 16%, and succession planning for at-risk positions reached 93% coverage. These figures underscore continued efforts toward equity and employee well-being.

Tekna has implemented economic layoffs, resulting in the closure of its production site in France and global workforce reductions (from 221 to 185 employees) as part of cost saving measures.

Operationalization		
Policies & Guidelines	**Quantifiable targets**	**Action plan**
(Employee) Code of Conduct and Ethics Employee Handbook (MAGRH-01) OHS policy (PL-SST & DRSST-03) Zero tolerance policy OHS employee training plan OHS Management Committee OHS Committee Employee committee (CORE)	○ Zero fatalities, zero high consequence injuries ○ 10% reduction per year on the Severity index ○ 95% of behaviour audits completed compared to annual audit plan ○ 90% of risk analyses completed	○ Improve maturity independent safety culture ○ Continuous training and risk assessments ○ Root cause analyses of any and all incidents ○ Encourage and continue social dialogue through CORE employee committee

Measurement				
	KPI (per year)	**2024**	**2023**	**baseline** (year)
I	Fatalities	0	0	0 (2022)
II	# of lost time injuries	2	1	1 (2023)
III	Lost Time Injury Frequency Rate	5.8	8.1	2.7 (2022)
IV	Sick leave rate	2.9%	3.3%	3% (2022)
V	Voluntary turnover rate	16.3%	19.0%	22% (2022)
VI	% of succession plans in place for at-risk positions	92.9%	N/A	92.9% (2024)

Own workforce [ESRS S1] continued

Equal treatment and opportunities for all

(Activities on gender equality and non-discrimination)

The power of diversity comes from welcoming differences to any discussion. These may come from gender differences, which at Tekna is developing slowly. Fortunately, we can count on a high level of diversity in the mix of nationalities in the team. In 2024 there were people from 23 countries working across the globe.

Tekna has a workers compensation system that ensures equality, based on an objective job evaluation method that positions employees on the relative value of their jobs. This system is compliant with the legal requirements prescribed by the Commission for labor standards, pay equity and occupational health and safety (CNESST) of the Province of Quebec. In France, with the new collective agreement for Metallurgy that started on January 1, 2024, equity is ensured among jobs. Therefore, the average pay for men and women vary due to differences in job categories and years of service, not because of gender. No gender-based differences exist with regard to working hour regulations or the design of workplaces.

Quebec (Canada) and France have strong legislation on discriminatory harassment in the workplace. Our Code of Conduct clearly reject any form of discrimination and emphasize the importance of respect and civility. It also includes a clear process for reporting and dealing with inappropriate behavior.

Strategy

Tekna is committed to ensuring that people with different backgrounds, irrespective of ethnicity, gender, religion, sexual orientation or age, have the same opportunities for work and career development at Tekna. Tekna aspires to substantially increase the share of female employees and is working through the employee life cycle to see where measures could be implemented to enhance diversity across the organization.

Ensuring diversity and inclusion starts with creating awareness and fostering an open speak-up culture. A framework of guidelines, processes and systems, as well as training for our leadership and employees enable continuous improvement. Unbiased skill-based recruitment, addressing the gender pay gap, mentorships and work-life balance are part of our strategy.

Tekna's policies are aligned with UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work, OECD Guidelines for Multinational Enterprises.

Progress made in the year

The reduction in headcount has had an unfortunate side effect that the gender diversity has reduced.

Comments on (material changes in) KPI's

Women/non-binary representation in management reached 22% in 2024, where workforce representation was relatively stable at 26%. The composition of the Board of Directors is unchanged (57% female). the gender pay gap for 2024 shows a gap of 3.9%.

Operationalization

Policies & Guidelines	Quantifiable targets	Action plan
(Employee) Code of Conduct and Ethics Employee Handbook (MAGRH-01) Workplace Harassment policy (PLGRH-08) Human Rights Policy (PLRSE-04) Workers' compensation equity system Remuneration policy - leading persons Guideline Training / Competences	✓ 50% female Board of Directors ○ 50% female management	Tekna does not have a specific action plan at present.

Measurement

	KPI (per year)	2024 (vs baseline)	2023 (vs baseline)	baseline (year)
I	% of women / non-binary in Board of Directors	57%	57%	0% (2021)
II	% of women / non-binary in management	22%	29%	25% (2022)
III	% of women / non-binary in workforce	26%	27%	25% (2022)
IV	Unadjusted gender pay gap	3.93%	2.95%	9.16% (2022)

Social statistical mapping

Requirement	Description	Unit	Coverage	Category	2024 =	2024 %	2023 =	2023 %
Employees								
S1-6 50d/51	Total number of employees, and a breakdown of this total by gender and by region;	#	Tekna	Total	185	100.0%	222	100.0%
				M	136	73.5%	162	73.0%
				F	49	26.5%	60	27.0%
				X	0	0.0%	0	0.0%
				F+X	0	0.0%	0	0.0%
			Europe	M	11	5.0%	21	9.5%
				F	7	3.2%	10	4.5%
				X	0	0.0%	0	0.0%
			America	M	121	54.8%	137	62.0%
				F	41	18.6%	49	22.2%
				X	0	0.0%	0	0.0%
			Asia	M	4	1.8%	4	1.8%
				F	1	0.5%	1	0.5%
				X	0	0.0%	0	0.0%
S1-6 50b/52	Total number of employees, and a breakdown of total per contract type by gender and by region;	#	Full time	Total	185	100.0%	221	99.5%
				M	136	73.5%	162	73.0%
				F	49	26.5%	59	26.6%
				X	0	0.0%	0	0.0%
				Europe	18	9.7%	31	14.0%
				America	162	87.6%	185	83.3%
				Asia	5	2.7%	5	2.3%
				<30	30	16.2%		n/a
				30-50	107	57.8%		n/a
				>50	48	25.9%		n/a
			Part-time	Total	0	0.0%	1	0.5%
				M	0	0.0%	0	0.0%
				F	0	0.0%	1	0.5%
				X	0	0.0%	0	0.0%
				Europe	0	0.0%	1	0.5%
				America	0	0.0%	0	0.0%
				Asia	0	0.0%	0	0.0%
				<30	0	0.0%		n/a
				30-50	0	0.0%		n/a
				>50	0	0.0%		n/a

Requirement	Description	Unit	Coverage	Category	2024 =	2024 %	2023 =	2023 %
	Employees continued	#	Permanent	Total	185	100.0%	221	99.5%
				M	136	73.5%	162	73.0%
				F	49	26.5%	59	26.6%
				X	0	0.0%	0	0.0%
				Europe	18	9.7%	31	14.0%
				America	162	87.6%	185	83.3%
				Asia	5	2.7%	5	2.3%
				<30	30	16.2%		n/a
				30-50	107	57.8%		n/a
				>50	48	25.9%		n/a
			Temporary	Total	0	0.0%	1	0.5%
				M	0	0.0%	0	0.0%
				F	0	0.0%	1	0.5%
				X	0	0.0%	0	0.0%
				Europe	0	0.0%	0	0.0%
				America	0	0.0%	1	0.5%
				Asia	0	0.0%	0	0.0%
				<30	0	0.0%		n/a
				30-50	0	0.0%		n/a
				>50	0	0.0%		n/a
			Non-guaranteed hours	Total	0	0.0%	1	0.5%
				M	0	0.0%	0	0.0%
				F	0	0.0%	1	0.5%
				X	0	0.0%	0	0.0%
				Europe	0	0.0%	0	0.0%
				America	0	0.0%	1	0.5%
				Asia	0	0.0%	0	0.0%
				<30	0	0.0%		n/a
				30-50	0	0.0%		n/a
				>50	0	0.0%		n/a
Workers who are not employees								
S1-7 55	Self-employed people				1		1	
	People provided by companies primarily engaged in				0		0	

Social statistical mapping

Requirement	Description	Unit	Coverage	Category	2024 =	2024 %	2023 =	2023 %
Diversity of governance bodies and employees								
S1-9 66	Headcount of all own employees by age and by gender, on 31-Dec-2024	#	Tekna	Tekna Total	185	100%	222	100%
				M	136	74%	162	88%
				F	49	26%	60	32%
				X	0	0%	0	0%
				< 30 | Total	30	16%	37	17%
				M	18	60%		n/a
				F	12	40%		n/a
				X	0	0%		n/a
				30-50 | Tot.	107	58%	126	57%
				M	78	73%		n/a
				F	29	27%		n/a
				X	0	0%		n/a
				> 50 | Total	48	26%	59	27%
				M	40	83%		n/a
				F	8	17%		n/a
				X	0	0%		n/a
	Headcount breakdown of company leadership by gender	#%	All management	Total	43	100%	56	100%
				M	31	72%	38	68%
				F	12	28%	18	32%
				X	0	0%	0	0%
				F+X	12	28%	18	32%
			Board	Total	7	100%	7	100%
				M	3	43%	3	43%
				F	4	57%	4	57%
				X	0	0%	0	0%
			C-suite	Total	6	100%	7	100%
				M	4	67%	5	71%
				F	2	33%	2	29%
				X	0	0%	0	0%
			Non-executive level management	Total	30	100%	42	100%
				M	24	80%	30	71%
				F	6	20%	12	29%
				X	0	0%	0	0%

Requirement	Description	Unit	Coverage	Category	2024 =	2024 %	2023 =	2023 %
Collective bargaining coverage | Workers' representatives coverage								
S1-8 60	Number and percentage of employees covered by collective bargaining agreements by region	#	Tekna	Total	18	10%	30	14%
				EEA	1	100.0%	1	100%
				America	0	0.0%	0	0%
				Asia	0	0.0%	0	0%
S1-8 63	Number and percentage of employees covered by workers' representatives by region	#	Tekna	Total	18	10%	30	14%
				EEA	1	100.0%	1	100%
				America	0	0.0%	0	0%
				Asia	0	0.0%	0	0%
Training and skills development								
S1-13 83	Headcount of employees that participated in regular performance and career development reviews	#	Tekna	Total	185	100.0%	222	100.0%
				M	136	73.5%	162	73.0%
				F	49	26.5%	60	27.0%
				X	0	0.0%	0	0.0%
	Total number of training hours in 2024 across all employees	hrs	Training	Total	5 578	100.0%		n/a
				M	4 101	73.5%		n/a
				F	1 477	26.5%		n/a
				X	0	0.0%		n/a

Social statistical mapping

Requirement	Description	Unit	Coverage	Category	2024 =	2024 %	2023 =	2023 %
Work-related injuries								
S1-14 88	# of fatalities as a result of work-related injuries and work-related ill health	#	Tekna	employees	0		0	
				non empl.	0		0	
				Ext workers @ Tekna	0		0	
	# of recordable work-related accidents	#	Tekna	employees	4		6	
				non empl.	0		0	
	# of cases of recordable work-related injuries	#	Tekna	employees	4		6	
				non empl.	0		0	
	# of cases of recordable work-related ill health	#	Tekna	employees	0		0	
				non empl.	0		0	
	# of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	#	Tekna	employees	29			
				non empl.	0			
	Rate of recordable work-related accidents		Tekna	Total	2.15%		n/a	
	Lost time injury frequency rate (LTIFR) per million exposed hours		Tekna	Total	5.8		8.1	

Requirement	Description	Unit	Coverage	Category	2024 =	2024 %	2023 =	2023 %
Family-related leave								
S1-15 93	Headcount of employees entitled to take family-related leave	#	Tekna	Total	11	100%	11	100%
				M	9	100%	9	100%
				F	2	100%	2	100%
				X		not applicable		not applicable
	Headcount of entitled employees who took family-related leave	#	Tekna	Total	11	100%	11	100%
				M	9	100%	9	100%
				F	2	100%	2	100%
				X		not applicable		not applicable
Workers covered by an occupational health and safety management system								
S1-14 88	# of people covered by the company's health and safety management system based on legal requirements and/or recognised standards or guidelines	#	Tekna	employees	181	97%		n/a
				non empl.	0	98%		n/a

Social statistical mapping

Requirement	Description	Unit	Coverage	Category	2024 =	2024 %	2023 =	2023 %
Remuneration								
	in Canadian Dollars (CAD)				Avg. remuneration	Avg. annual salary	Avg. remuneration	Avg. annual salary
	Remuneration by employee category	CAD	Board	M	81 934	81 934	15 161	15 161
				F	67 227	67 227	34 883	34 883
				X		not applicable		not applicable
			C-suite	M	303 437	245 940	243 544	208 143
				F	245 893	204 911		consolidated
				X		not applicable		not applicable
			Non-executive level management	M	148 893	120 439		n/a
				F	120 607	96 929		n/a
				X		not applicable		n/a
			All other employees	M	86 913	70 075		n/a
				F	77 521	62 664		n/a
				X		not applicable		not applicable
					Basic salary	Variable components		
S1-16 97b / 98	Highest paid individual in the company				329 379	46 648		n/a
	Remuneration of CEO				329 379	46 648		n/a
	Remuneration of median pay level				82 961	0		n/a
	Average gross hourly pay for own workforce		All other employees	M	49.1			
				F	47			
				X	0			
S1-16 97a	Gender pay gap				3.93		2.95	

Employees active at the annual spring cleaning event of the industrial park organized by Tekna

Workers in the value chain [ESRS S2]

Strategy

Tekna is working to ensure compliance with fundamental human rights and acceptable working conditions in our supply chains and with their business partners.

Tekna's first experience with supply-chain due diligence stems from its 2022/23 effort to engage with the top 25 suppliers ranked on the basis of risk of location, location of their supply-chain and or spend. We used a professional tool developed for this purpose, Factlines.com, and after numerous follow-ups we managed to get 9 completed assessments. For results refer to the 2023 report.

80 per cent of Tekna's global spend comes from suppliers based in the EU or NA, which we deem well-governed by legal standards. The highest risk supplier (rank 1/25), based on significance for Tekna for (titanium feedstock), spend (approx. 20 percent of total company spend), and location (China classified as a country with high risk because there is no guarantee of workers' rights), completed the self-assessment, signed the SCoC and was audited on site. They are well-established and a qualified supplier to major western industrial conglomerates.

Therefore, the Ethics and Compliance Committee has decided to use 2024 for implementing the new policies approved in Q4 2023 and 2024 (see Subjects for the Board). In 2025, we will initiate a second due diligence round to identify, measure and understand the most important risks in our supply chain.

We aim to covers topics such as supply chain, risk assessment, management systems, working conditions, social responsibility, environment, anti-corruption, and conflict minerals.

Progress made in the year

- Implementation of Human Rights Policy and the Business Partner Code of Conduct

Comments on (material changes in) KPI's

These are the same KPIs as the Human Rights and transparency report. In 2024, the focus was on implementing policies. We have not progressed on improving the participation in the due diligence. We will restart in 2025.

Refer to the Human Rights and transparency report.

Operationalization		
Policies & Guidelines	**Quantifiable targets**	**Action plan**
Human Rights Policy (PLRSE-04) Business Partner Code of Conduct Routine - Transparency Act	○ Improve the % of signatories of the updated Business Partner Code of Conduct to 50% ○ Improve participation in its due diligence process and act on "high risk" assessments ◔ Due diligence with top 25 highest-risk suppliers	○ Increase BP CoC signatories - simplify process ◔ Define most critical suppliers and reinitiate Due diligence on 25 most critical suppliers, ECC to track ◕ Continue to ensure ethical provenance of potential conflict minerals, such as tungsten and tantalum.

Measurement				
	KPI (per year)	**2024**	**2023**	**Target**
I	% of new suppliers that were screened using social criteria	0% (priority focus on risk suppliers)	0% (priority focus on risk suppliers)	10%
II	# of suppliers assessed for social impacts ("s.i.")	9	9+3 in progress	25
III	# of suppliers with significant actual and potential negative s.i.	0	0	n/a
IV	% of KPI #III with which improvements were agreed	0%	0 (high risk)	n/a
V	% of KPI #III with which relationships were terminated	0%	0	n/a

Human Rights and Transparency Summary

Tekna Group ("Tekna" or "Group") is subject to the two following legal frameworks, both having the objective of improving respect for fundamental human rights in supply chains and increasing transparency on the topic.

- 1 January 2024, the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act came into effect.
- 1 July 2022, the Norwegian Transparency Act came into effect.

Guidelines and routines

In the last few years Tekna has put in place a solid base of guidelines to serve as an ethical compass for its employees and business partners.

Since 2022, the Board of Directors approves all ESG policies. Important policies publicly available on www.tekna.com/esg

- Code of Conduct and Ethics (CoC, 2023 update)
- Business Partner Code of Conduct (BPCoC, 2024 update)
- Corporate Governance policy (2022)
- Human Rights Policy (2024)
- Routine - Transparency Act (2023)
- Anti-Corruption policy (2023)
- Competition law compliance policy (2023)

Relevant internal policies approved by the CEO:

- Donations and Sponsorships Policy
- Work Harassment policy
- Workers' compensation equity system
- Occupational Health & Safety policy

Whistleblowing

Tekna will endeavour to protect whistleblowers against retaliation. Tekna may, however, disclose information to competent authorities to the extent appropriate.

Tekna established a partnership with Whistleblower Software, enabling us to introduce an anonymous whistleblowing platform to our valued employees and stakeholders. By providing a secure, anonymous and confidential channel for individuals to report concerns, we have strengthened our commitment to maintaining the highest standards of integrity within our organization.

In 2024, there were no reported incidents of discrimination, anti-corruption or breaches of the BPCoC or CoC. Tekna received three whistleblowing reports involving two (internal) incidents.

Performance

The Ethics and Compliance Committee has decided to use 2024 for implementing the new policies approved in Q4 2023 and 2024.

In 2025, we will initiate a second due diligence round to identify, measure and understand the most important risks in our supply chain. We aim to cover topics such as supply chain, risk assessment, management systems, working conditions, social responsibility, environment, anti-corruption, and conflict minerals.

Process to remediate negative impacts

To date, Tekna has not detected or been informed of any negative impact to remediate.

In line with our 2024 Human Rights Policy and commitment, Tekna ensures that complaints are handled promptly, impartially, and according to applicable laws and regulations. Our grievance handling team will conducts thorough investigations, taking action, and ensuring transparency throughout the remediation process.

Actions planned for 2025

- Employee training in CoC— including focus on child and forced labour, Anti-Corruption and Compliance
- Increase BPCoC signatories - simplify process
- Reinitiate Due diligence on 25 most critical suppliers, ECC to track

For further information on the process, considerations and assessment results, accounting policies, etc, please refer to the full Human Rights and Transparency Report in the appendix.

	Measurement			
	KPI (per year)	**2024**	**2023**	**Target**
I	% of new suppliers that were screened using social criteria	0% (priority focus on risk suppliers)	0% (priority focus on risk suppliers)	10%
II	# of suppliers assessed for social impacts ("s.i.")	9	9+3 in progress	25
III	# of suppliers with significant actual and potential negative s.i.	0	0	n/a
IV	% of KPI #III with which improvements were agreed	0%	0 (high risk)	n/a
V	% of KPI #III with which relationships were terminated	0%	0	n/a

Definitions and Accounting principles Social

Employee	An individual who is in an employment relationship with the company according to national law or practice.
Non-employee	Non-employees in the company's own workforce include both individual contractors supplying labor to the company (self-employed people) and people provided by other companies that are primarily engaged in employment activities (such as employment placing agencies, human resources provision, etc. as covered by NACE Code N78). We consider that interns and volunteers (if applicable) fall in this category.
All other employees	Employees who are not a part of the Board of Directors, the C-suite, or the non-executive level management.
Non-executive level management	Management team excluding the C-suite. This includes Directors, Sales directors, First line manager, Management committee members in Tekna Plasma Europe.
Regular performance review	A regular performance review is defined as a review based on criteria known to the employee and his or her superior undertaken with the knowledge of the employee at least once per year. The review can include an evaluation by the worker's direct superior, peers, or a wider range of employees . The review can also involve the human resources department.
Training	Initiatives put in place by the company aimed at the maintenance and/or improvement of skills and knowledge of its own workers. It can include different methodologies, such as on-site training, and online training.
Remuneration	Annual total remuneration to own workforce includes salary, bonus, stock awards, option awards, non-equity incentive plan compensation, change in pension value, and nonqualified deferred compensation earnings provided
Collective bargaining agreements	All negotiations which take place between an employer, a group of employers or one or more employers' organizations, on the one hand, and one or more trade unions or, in their absence, the representatives of the workers duly elected and authorized by them in accordance with national laws and regulations, on the other, for: i. determining working conditions and terms of employment; and/or ii. regulating relations between employers and workers; and/or regulating relations between employers or their organizations and a workers' organization (s).
Social dialogue	All types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers, their organizations and workers' representatives, on issues of common interest relating to economic and social policy. It can exist as a tripartite process, with the government as an official party to the dialogue or it may consist of bipartite relations only between workers' representatives and management (or trade unions and employers' organizations).
Social protection	The set of measures designed to reduce and prevent poverty and vulnerability. In this context social protection can be provided through public programs (e.g. the welfare system offered by the country) or through benefits offered by the company.
Persons with disabilities	Persons with disabilities include those who have long-term physical, mental, intellectual or sensory impairments which in interaction with various barriers may hinder their full and effective participation in society on an equal basis with others. Disability is the umbrella term for impairments, activity limitations and participation restrictions, referring to the negative aspects of the interaction between an individual (with a health condition) and that individual's contextu-
Ill health	Work-related ill health can include acute, recurring, and chronic health problems caused or aggravated by work conditions or practices. These include musculoskeletal disorders, skin and respiratory diseases, malignant cancers, diseases caused by physical agents (for example, noise-induced hearing loss, vibration-caused diseases), and mental illnesses (for example, anxiety, post-traumatic stress disorder). For the purpose of the required disclosures, the undertaking shall, at a minimum, include in its disclosure those cases outlined in the ILO List of Occupational Diseases.
Lost-time injuries	Work-related injuries that lead to an employee missing work. In this metric, each injury counts as 1 (regardless of the length of time lost).
Sickness absence	Leave taken by an employee due to sickness, either short-term (16 days or less) or long-term (more than 16 days).
Work-related accidents	A work-related incident that results in injury or ill health. This is to be distinguished from an incident that has the potential to result in injury or ill health but where none occurs, which is often referred to as a 'close call', 'near-miss', or 'near-hit'. Accidents related to commuting are only included if the employer organized the transportation.
Work-related hazards	Work-related hazards can be physical (e.g. radiation, temperature extremes, constant loud noise, spills on floors or tripping hazards, unguarded machinery, faulty electrical equipment), ergonomic (e.g. improperly adjusted work stations and chairs, awkward movements, vibration), chemical (e.g. exposure to solvents, carbon monoxide, flammable materials, pesticides), biological (e.g. exposure to blood and bodily fluids, fungi, bacteria, viruses, insect bites), and/or psychosocial (e.g. verbal abuse, harassment, bullying, excessive workload demands, shift work, long hours, night work,
Work-related injuries or ill health	Work-related injury or ill health that results in any of the following: i. death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or ii. significant injury or ill health diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness. Examples of work situations or activities that can cause occupational diseases can include stress or regular exposure to harmful chemicals.
Family-related leave	Family-related leave include maternity leave, paternity leave, parental leave, and carers' leave (leave for workers to provide personal care or support to a relative, or a person who lives in the same household, in need of significant care or support for a serious medical reason, as defined by each state) that is available under national law or collective agreements. In some

Definitions and Accounting principles Social

Adequate wage	A wage that provides for the satisfaction of the needs of the worker and their family in the light of national economic and social conditions.
Lowest wage	The company's lowest pay category, excluding interns and apprentices. This is to be based on the basic wage plus any fixed additional pay-
Applicable benchmarks	In EEA: The minimum wage set by the state in accordance with Directive (EU) 2022/2041 of the European Parliament and of the Council. Outside EEA: The minimum wage set by: i. the wage level established in any existing international, national or sub-national legislation, official norms or collective agreements, based on an assessment of a wage level needed for a decent standard of living; ii. if none of the instruments identified in (i) exist, any national or sub-national minimum wage established by legislation or collective bargaining ; or iii. if none of the instruments identified in (i) or (ii) exist, any benchmark that meets the criteria set out by the Sustainable Trade Initiative (IDH) (' Roadmap on Living Wages - A Platform to Secure Living Wages in Supply Chains '), including applicable benchmarks aligned with the Anker methodology, or provided by the Wage Indicator Foundation or Fair Wage Network, provided the primacy of collective bargaining for the establishment of terms and conditions of employment is ensured.
Gross hourly pay	Total annual remuneration paid to an employee (see definition of Remuneration) divided by the number of hours they work in the year.
Median pay level	The pay of the employee that would have half of the employees earn more and half less than they do, excluding the highest-paid individual.
Discrimination	Discrimination can occur directly or indirectly. Direct discrimination occurs when an individual is treated less favorably by comparison to how others, who are in a similar situation, have been or would be treated, and the reason for this is a particular characteristic they hold, which falls under a 'protected ground'. Indirect discrimination occurs when an apparently neutral rule disadvantages a person or a group sharing the same characteristics. It must be shown that a group is disadvantaged by a decision when compared to a comparator group.
Harassment	A situation where an unwanted conduct related to a protected ground of discrimination (for example, gender, religion or belief, disability, age or sexual orientation) occurs with the purpose or effect of violating the dignity of a person, and of creating an intimidating, hostile, degrading, humiliating or offensive environment.
Incident	A legal action or complaint registered with the company or competent authorities through a formal process, or an instance of non-compliance identified by the company through established procedures. Established procedures to identify instances of non-compliance can include management system audits, formal monitoring programs, or grievance mecha-

Accounting principles S1

Methodology: we use headcount at the end of the reporting period. All data from 1-Jan-2024 to 31-Dec-2024 is included unless stated otherwise. If a group contains fewer than 5 people, personal information is not considered anonymous. Privacy regulations such as GDPR may apply and are therefore not disclosed.

Definitions for full-time, part-time, permanent, temporary, and non-guaranteed hours are measured according to definitions in the national laws of the countries where the employee is based.

Available work days and hours

Estimated on the basis of normal or standard hours of work, taking into account entitlements to periods of paid leave of absence from work, e.g. paid vacations, paid sick leave, public holiday

Lost Time Injury Frequency Rate (LTIFR)

This shows the average number of injuries occurring over 1 million working hours. LTIFR is calculated as: ([Number of injuries from work situations in the reporting period] x 1,000,000) / (Total hours worked in the reporting period).)

Unadjusted gender pay gap

Unadjusted gender pay gap' is defined as the difference between average gross hourly earnings of man and women expressed as a percentage of the average gross hourly earnings of men. Tekna group.

Sick leave rate

Ratio of total sick leave to total available work days.

Voluntary turnover rate

Number of employees leaving voluntarily (e.g. resignation) divided by the average number of employees.

Average number of employees

Calculated as [total number of employees at the beginning of the year + total number of employees at the end of the year divided by 2].

Total number of training hours

Each year, we record all completed training sessions and produce a report highlighting the training hours and costs. The data established by gender were calculated on the basis of the number of employees by gender.

Family-related leave

This reporting relates to all data for the entirety of 2024. For matters such as family-related leave, it is possible that leave would have started in 2023 and continued into 2024. All days in 2024 are included here (but no days from 2023).

Accounting principles S2 | Human Rights and Transparency

Refer to the Human Rights and Transparency report in the appendix for detailed accounting principles.

Governance

Contents

Business conduct

Responsible business conduct is fundamental for Tekna's business, its credibility, and its ability to succeed with its strategy. Tekna expects its internal and external stakeholders to comply with this responsibility.

By working together, the Board of Directors ("BoD") and Executive Leadership Team ("ELT") create a strong ethical foundation, promoting compliance, and building trust with employees, customers, and stakeholders.

The board sets the overall ethical tone and governance framework for the company, ensuring that business conduct aligns with the organization's core values, mission, and long-term strategy. They review and approve key policies, including the company's Code of Conduct and whistleblower policy. The board monitors the effectiveness of the company's business conduct policies through periodic reports from management, audits, and the ethics and compliance committees. They identify and assess risks related to ethical lapses and misconduct and ensures that adequate mitigation measures are in place. They ensure that violations are addressed appropriately, including taking disciplinary action against senior executives when necessary and encourage a Speak-Up Culture. By endorsing whistleblower protections and ensuring confidentiality, the board fosters an environment where employees feel safe reporting misconduct.

The Executive Leadership Team focuses on implementing policies and enforcing them in day-to-day operations. They ensure employees are aware and training is up to date and promote ethical leadership by being role models in our organization. They monitor on report on potential risks and findings to the Audit Committee on a quarterly basis and strive for continuous improvement of business conduct.

Collaboration between the BoD and ELT ensures accountability, information flow and policy development. The bodies consist of an experienced team of individuals with a strong ethical compass and personal values.

Code of Conduct

Tekna has implemented its Code of Conduct ("CoC") in 2020 and updated it in December 2023. The Board of Directors approved the policy. Amongst other important topics, the CoC includes Corruption and Bribery, Sanctions, Human Rights, Whistleblowing and Protection and Market communication and disclosure.

The CoC is available in the Document Management System "Isovision" and on the website. It is part of the introduction program of every employee as well as compulsory (re-)lecture when significant updates are done. Further relevant policies are:

- Business partner code of conduct
- Anti-Corruption policy
- Competition Law Compliance policy
- Donations and Sponsorships policy
- Employee handbook

A new video training has been developed in 2024 and roll out has started early 2025. Its completion in Q1 is compulsory for all employees. No training was provided in 2024.

Whistleblowing

Tekna is connected to an independent online platform hosted on : https://whistleblowersoftware.com/secure/tekna. Tekna has the link on its website as it is available for use by any stakeholder. We do not actively inform business partners that the channel exists as other governance actions are deemed more important and urgent.

The reports are sent for review and action to the HR director and HR business partner (unless they are specifically named in the report) and for information: to the CEO, VP Legal Affairs, VP Corporate Strategy

In 2024, there were three reports via the Whistleblowing channel concerning two internal incidents of breach of the CoC (verbal behavior employees). Currently, there is no independent investigative body, like Internal Audits, in place. Tekna has plans to set one up when it reaches a revenue / transaction threshold. The CEO / CFO may retain a 3rd party on a case by case basis to investigate incidents.

All cases were resolved by year-end and in average within seven weeks.

Risks

Positions considered most at risk in respect of corruption and bribery are management (30 people), procurement (4) and sales (14) due to the seniority of their positions as well as exposure to reputational leverage.

We have identified one high risk business partner based on significance for Tekna for (titanium feedstock), spend (approx. 20 percent of total company spend), and location ((ranking on the corruption index). They have completed the self-assessment, signed the CoC and were audited on site in 2023.

Prevention and detection

(based on the anti-corruption policy)

Prevention is based on policies in place and training for key employees.

Tekna will conduct periodic audits of its international offices, manufacturing facilities, Business Partners in order to evaluate the effectiveness of and compliance with the requirements of the policies. Audits may be conducted internally by Tekna, or externally by retained third parties. All Representative complaints or reports of violations must be addressed to the VP Legal Affairs. All reports received will be promptly and fully investigated.

There have be no incidents of corruption or bribery in 2024.

Business Conduct [ESRS G1]

Strategy

Ensuring proper business conduct within Tekna is based on putting in place guidelines, processes, systems and training for our leadership and employees, demonstrating a zero tolerance for infringement as well as performing due diligence in selecting and cooperating with business partners.

Company value: We build trust

Progress made in the year

- Ethics and Compliance Committee instated, with regular meetings on progressing governance at Tekna.
- Continued implementation of Whistleblower solution and emphasized its existence with employees.
- Training on Code of Conduct and Compliance developed, which was launched early 2025 with compulsory completion in Q1.

Comments on material changes in KPI's

The governance KPIs highlight robust measures to strengthen integrity and cybersecurity. In 2024, 100% of employees and high-risk business partners signed the respective Codes of Conduct, up from 78% in 2023 for employees. Whistleblowing cases were all handled within seven weeks, showcasing a focus on addressing stakeholder concerns. There were no violations of anti-corruption or anti-bribery laws, reflecting a strong commitment to ethical governance practices.

Operationalization

Policies & Guidelines	Quantifiable targets	Action plan
Corporate Governance policy (Employee) Code of Conduct and Ethics Business Partner Code of Conduct Anti-Corruption policy Competition law compliance policy Donations and Sponsorships Policy Routine - Transparency Act Employee Handbook	Zero compliance incidents per annum Code of Conduct and Ethics signed by all employees	○ Continue agenda of Ethics and Compliance Committee ◑ Roll out Employee Training on CoC and Compliance policies ◑ Increase transparency and accountability by creating business units

Measurement

	KPI (per year)		2024	2023	Target
I	# of reported incidents/breach CoC	●	0	0	0
II	% signature of CoC	●	100%	78%	100%
III	# of corruption cases	●	0	0	0
IV	Whistleblower reports	n/a	3	1	n/a

Cyber security [ESRS Gx]

(Entity specific)

Strategy

Information and Communications Technology (ICT) security relates to the internal policies and protocols specific to the Group that help ensure that information and data are protected and secure from unwanted breaches or incidents and handled in such a manner that protect company-specific data and individual rights and adhere to applicable external regulations.

Executives and Finance positions are at risk for their access to sensitive data and presumed ability to authorize or move money (17 employees in 2024). Tekna does not store personal data of a sensitive nature, except of its own employees.

Progress made in the year

- Tekna keeps a log of (attempted) cyber attacks.
- Tekna is implementing a cyber security roadmap based on conclusions of a third party vulnerability test performed in 2023.
- All employees pass compulsory security awareness training on an annual basis and simulated phishing attacks throughout the year. Additional training is imposed to employees failing security training, simulated fishing attacks or as determined by management.

Comments on material changes in KPI's

Due to the possibility of abuse of any disclosure, information is provided at a summarized level and results of certain KPIs not disclosed.

100% of the workforce received cybersecurity training. The organization suffered no successful cyberattacks in 2024.

Operationalization		
Policies & Guidelines	**Quantifiable targets**	**Action plan**
IT policy	0 successful cyber security breaches	○ Remain up to date! In terms of training ICT personnel, installing software patches, compliant devices, training personnel etc in line with Tekna's level of exposure.
Cyber security training		
Guideline Training / Competences	95% workforce trained at any point in time	◕ Implementation cyber security roadmap.
	95% compliant devices at any point in time	○ Train all employees annually by elearning, and monthly simulation phishing campaigns.
	Simulated fishing campaign result <5% avg.p.a.	

Measurement			
KPI (per year)	**2024** (vs baseline)	**2023** (vs baseline)	**baseline** (year)
I % of successful cyber attacks (gaining	0%	n/a	0% (2024)
II % of workforce trained in cyber sec.	100%	n/a	100% (2024)
III % compliant devices	not disclosed	n/a	n/a
IV % Simulated phishing campaign failure	not disclosed	n/a	n/a

Appendix

Appendix

Appendix I: Organisation chart, key financial figures, shareholders

Tekna Group, as per 31.12.2024

Main objectives

Vision: Advance the world with *sustainable* material solutions, one particle at a time.

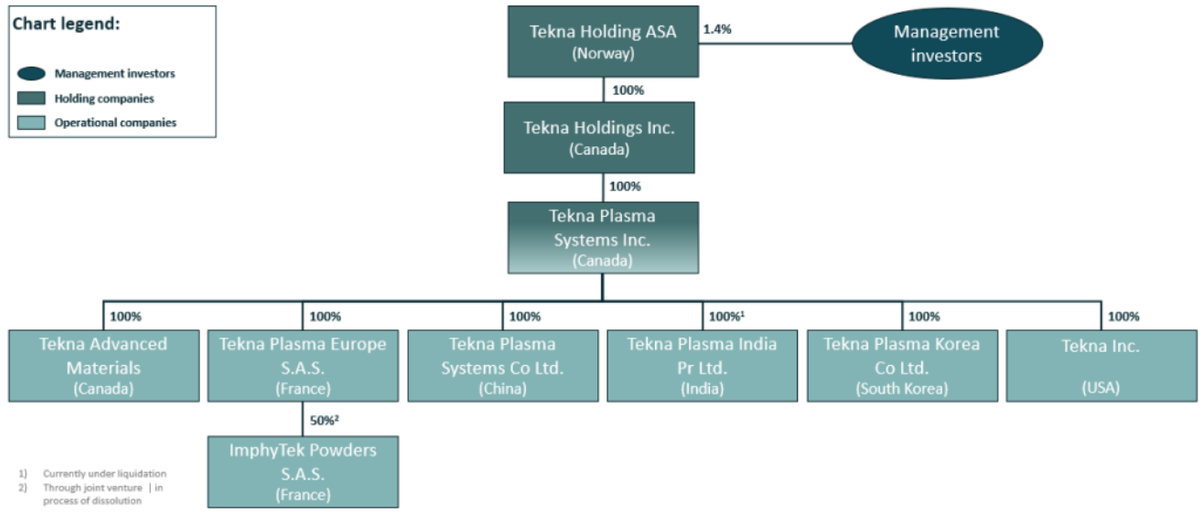
Mission: Be the ultimate partner

We achieve this by leveraging our talented people, our innovations and our manufacturing excellence to provide our customers with plasma technology and material solutions that drive their success, today and tomorrow.

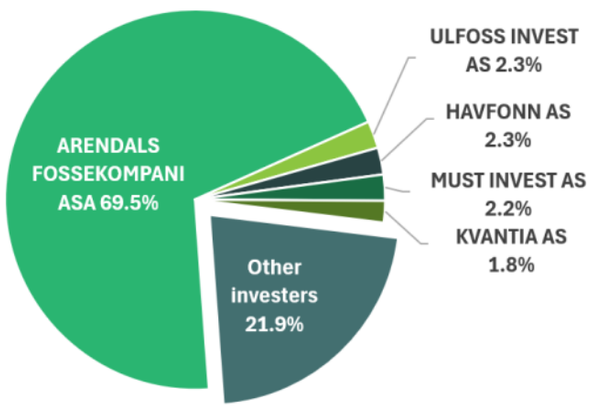
Key financial figures

in CAD million	2024	2023
Revenues	37.2	40.9
Adjusted EBITDA	-6.9	-4.1
EBITDA	-4.0	-8.2
Net profit / loss	-11.2	-15.0
Cash balance	12.8	10.1
Employees	185	222

Organization chart



Major shareholders



This report comprises the following organisational units:	Comment	Staff
Tekna Holding ASA [THASA], Norway	holding, no staff	0
Tekna Holding Canada Inc [THC], Canada	holding, no staff	0
Tekna Plasma Systems Inc [TPS], Canada, HQ	operational headquarter, Systems production	111
Tekna Advanced Materials Inc [TAM], Canada	Materials production	50
Warehouse [JLM], Canada	not a legal entity, temporary warehouse	0
Tekna Plasma Europe SAS [TPE], France	sales office Europe, powder production (idle in 2024)	18
Tekna Plasma Suzhou Co Ltd [TPZ], China	sales office, office move in Q1 2022	4
Tekna Plasma Korea Co Ltd [TPK], Korea	sales office, office move in Q2 2024	1
Tekna Inc [TUS], USA	sales office, activity started end of 2022	1
Only when specifically mentioned:		
Imphytek Powders SAS [Imphytek], France, JV	JV, in process of dissolution	0

Appendix II: Indicators supporting Investor's SFDR Principal Adverse Impacts (PAI) disclosure

Climate and other environment-related indicators

Adverse sustainability indicator			Metric (for issuers)	2024	2023
Greenhouse gas emissions	1.	GHG Emissions	Scope 1	596 tCO2e	589 tCO2e
			Scope 2	14 tCO2e	29 tCO2e
			Scope 3	27 730 tCO2e	1 981 tCO2e (incomplete)
			Total	28 340 tCO2e	N/A incomplete
	2.	Carbon Footprint		Not applicable to issuers	
	3.	GHG intensity	Revenue	37.2 M CAD	40.9 M CAD
			tCO2e/M CAD	762 tCO2e/MCAD	N/A (scope 3 incomplete)
	4.	Active in fossil fuel sector		Not applicable	
	5.	Share of non-renewable energy consumption and production	Consumption	23% (100%-77%)	28% (100%-72%)
			Production	Not applicable	
	6.	Energy consumption intensity per high impact climate sector	GWh / M CAD	Not applicable	
			NACE	Not active in high impact NACE Plasma Systems: C28 | Additive Materials C25 | (Microelectronics: C26 | Energy Storage: C27)	
			GWh	12.8 GWh	11.6 GWh
Biodiversity	7.	Activities negatively affecting biodiversity-sensitive areas		No Tekna sites in "biodiversity sensitive areas" - see CSRD report	
Water	8.	Emissions to water	Tons of emissions to water	0	0
Waste	9.	Hazardous waste ratio	Tons of hazardous waste	79	85

Social and employee, respect for human rights, anti-corruption and anti-bribery matters

Adverse sustainability indicator			Metric (for issuers)	2024	2023
Social and employee matters	10.	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises		No violations	No violations
	11.	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises		Processes in place www.tekna.com/esg Code of Conduct | Business Partner Code of Conduct | Anti-Corruption policy | Competition Law Compliance policy | Human Rights Policy etc.	
	12.	Unadjusted gender pay gap		3.93%	2.95%
	13.	Board gender diversity		M: 43% F: 57% X: 0%	M: 43% F: 57% X: 0%
	14.	Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)		Not applicable	

Appendix III: ESG Abbreviations

Abbreviation	Clarification	Useful link
AFK	Arendals Fossekompani ASA	Home - Arendals Fossekompani
AM	Additive Manufacturing	
AMGTA	Additive Manufacturer Green Trade Association	Home - AMGTA
AR	Absentee Rate	
BoD	Board of Directors	investors/governance (tekna.com)
BPCoC	Business Partner Code of Conduct	esg (tekna.com)
CoC	Code of Conduct	
CoP	Communication on Progress (Re: UN Global Compact)	
CSR	Corporate Social Responsibility	
CSRD	Corporate Sustainability Reporting Directive (EU)	
DMA	Double Materiality Assessment	CSRD
eCoC	employee Code of Conduct	esg (tekna.com)
eNPS	employee Net Promotor Score	
ERP	Enterprise Resource Planning	
eSAT	employee Satisfaction Score	
ESG	Environmental, Social and Governance	esg (tekna.com)
ESRD	European Sustainability Reporting Directive (EU)	
EU taxonomy	an European tool to help investors understand whether an economic activity is environmentally sustainable, and to navigate the transition	EU taxonomy for sustainable activities | European Commission (europa.eu)
EY	Ernst & Young	
FTE	Full-time Employees	
GDPR	General Data Protection Regulation	
GHG	Greenhouse Gas	
GRI	Global Reporting Initiative	GRI - Home (globalreporting.org)
HSSE	Health, Safety, Security and Environment	
HR	Human Resources	
IoT	Internet of Things	
IPCC	Intergovernmental Panel on Climate Change	IPCC — Intergovernmental Panel on Climate Change
IR	Injury Rate	
IRO	Impact, Opportunities and Risks	CSRD
ISO	International Organisation for Standardisation	ISO - International Organization for Standardization
IT	Information Technology	
KPI	Key Performance Indicator	
LCA	Life Cycle Assessment	Life-cycle assessment - Wikipedia
LDA	Lost Day Rate	
LiB	Lithium-ion Battery	
LTI | LTIFR	Lost Time Injury Rate | Lost Time Injury Frequency Rate	
NACE	Nomenclature of Economic Activities	
NGO	Non-Governmental Organisations	
NPS	Net Promoter Score	
OECD	The Organisation for Economic Co-operation and Devel-	Home page - OECD
OEM	Original Equipment Manufacturer	
OHS	Occupational Health and Safety	
R&D	Research & Development	
SASB	Sustainability Accounting Standards Boards	SASB
sCoC	Supplier Conduct of Conduct	esg (tekna.com)
SDG	Sustainable Development Goals	THE 17 GOALS | Sustainable Development (un.org)
SFDR	Sustainable Finance Disclosure Regulation (EU)	
TCFD	Task Force on Climate-related Financial Disclosures	Task Force on Climate-Related Financial Disclosures |
TAM	Tekna Advanced Materials	
TPE	Tekna Plasma Europe	
TPS	Tekna Plasma Systems	
UN	United Nations	Homepage | UN Global Compact

Appendix IV: Alternative Performance Measures

Definitions

Tekna presents alternative performance measures as a supplement to measures regulated by IFRS. The Group considers these measures to be an important supplemental measure for investors to understand the Groups' activities. They are meant to provide an enhanced insight into the operations, financing, and future prospects of the company.

These measures are calculated in a consistent and transparent manner and are intended to provide enhanced comparability of the performance from period to period. The definitions of these measures are as follows:

Contribution Margin: Is defined as revenues less direct variable costs such as direct labour, raw material, electricity, gas consumption, commissions, freight, customs and brokerage fees, laboratory supplies and packaging. The Contribution Margin is used to evaluate performance of production before any allocation of fixed manufacturing costs.

Contribution Margin %: is defined as the Contribution Margin divided by revenues in the period.

EBITDA: Is defined as the profit/(loss) for the period before income tax expense, finance costs, finance income, share of net income (loss) from associated companies and joint ventures, depreciation, and amortization.

EBITDA Margin %: Is defined as EBITDA as a percentage of revenues.

Adjusted EBITDA: Is defined as the profit/(loss) for the period before income tax expense, finance costs, finance income, share of net income (loss) from associated companies and joint ventures, depreciation, and amortization adjusted for certain special operating items affecting comparability. These operating items include, but not limited to, restructuring costs, and litigation costs and incomes, and expenses for vesting and change in social security tax because of the development in the value of the underlying shares in the group's share-based compensation scheme.

Adjusted EBITDA Margin %: Is defined as Adjusted EBITDA as a percentage of revenues.

EBIT: Is defined as the profit/(loss) for the period before income tax expense, finance costs, finance income, share of net income (loss) from associated companies and joint ventures.

EBIT Margin %: Is defined as EBIT as a percentage of revenues.

Adjusted EBIT: Is defined as the profit/(loss) for the period before income tax expense, finance costs, finance income, share of net income (loss) from associated companies and joint ventures adjusted for certain special operating items affecting comparability. These operating items include, but not limited to, restructuring costs, litigation costs and incomes, and expenses for vesting and change in social security tax because of the development in the value of the underlying shares in the group's share-based compensation scheme.

Adjusted EBIT Margin %: Is defined as Adjusted EBIT as a percentage of revenues. Adjusted EBIT Margin is a non-IFRS financial measure that the Group considers to be an APM, and this measure should not be viewed as a substitute for any IFRS financial measure.

Long Term Debt/Equity Ratio: Is defined as total non-current liabilities divided by total equity. Long Term Debt/Equity Ratio is a non-IFRS financial measure that the Group considers to be an APM, and this measure should not be viewed as a substitute for any IFRS financial measure.

Appendix IV: Alternative Performance Measures (continued)

Amounts in CAD 1000	FY 2024 *(Audited)*	FY 2023 *(Audited)*
Revenues	37 166	40 888
Materials and consumables used	21 165	22 658
(b) Contribution margin	16 001	18 230
(c) Revenues	37 166	40 888
Contribution margin % (b/c)	43.1 %	44.6 %

Amounts in CAD 1000	FY 2024 *(Audited)*	FY 2023 *(Audited)*
Net profit/loss	-11 150	-15 009
Income tax expense (income)	-851	-1 467
Finance costs	2 215	777
Finance income	70	-233
Share of net income (loss) from associated companies and joint ventures	-1	608
Depreciation and amortization	4 021	4 222
(a) EBITDA	-3 993	-8 170
Litigation costs	215	-
Litigation income	-2 938	-
Share-Based Compensation	20	-
Provision (reversal) for bad debts on accounts receivable from the joint venture	-633	4 060
Restructuring costs	442	-
(b) Adjusted EBITDA	-6 888	-4 109
(c) Revenues	37 166	40 888
EBITDA margin (a/c)	-10.7 %	-20.0 %
Adjusted EBITDA margin (b/c)	-18.5 %	-10.1 %

Amounts in CAD 1000	FY 2024 *(Audited)*	FY 2023 *(Audited)*
Net profit/loss	-11 150	-15 009
Income tax expense (income)	-851	-1 467
Finance cost	2 215	777
Finance Income	70	-233
Share of net income (loss) from associated companies and joint ventures	-1	608
(a) EBIT	-8 014	-12 391
Litigation costs	215	-
Litigation income	-2 938	-
Share-Based Compensation	20	-
Provision (reversal) for bad debts on accounts receivable from the joint venture	-633	4 060
Restructuring costs	442	-
(b) Adjusted EBIT	-10 909	-8 331
(c) Revenues	37 166	40 888
EBIT margin (a/c)	-21.6 %	-30.3 %
Adjusted EBIT margin (b/c)	-29.4 %	-20.4 %

Amounts in CAD 1000	2024.12.31 *(Unaudited)*	31.12.2023 *(Audited)*
(a) Total non-current liabilities	34 771	26 598
(b) Total equity	26 537	38 354
Long Term Debt/Equity Ratio (a/b)	1.31	0.69

Appendix V: Carbon accounting 2021-2024

Contents

This report provides an overview of the organization's greenhouse gas (GHG) emissions, which is an integrated part of the organization's climate strategy.

Carbon accounting is a fundamental tool in identifying tangible measures to reduce GHG emissions. The annual carbon accounting report enables the organization to benchmark performance indicators and evaluate progress over time.

The input data is based on consumption data from internal and external sources, which are converted into tonnes CO2-equivalents (tCO2e). The carbon footprint analysis is based on the international standard; A Corporate Accounting and Reporting Standard, developed by the **Greenhouse Gas Protocol Initiative** (GHG Protocol). The GHG Protocol is the most widely used and recognised international standard for measuring greenhouse gas emissions and is the basis for the ISO standard 14064-I.

External Assurances

Internally the Audit Committee approves the Emissions Accounting report. This report was not externally assured on its publication date. Note that the CO2 metrics were internally audited.

Noteworthy

Refer to footprint overview on the next page.

- 2030 Target to reduce scope 2 by 50% achieved!
- Tekna increased its production output by 68% compared to 2021 baseline, while only increasing scope 1 emissions by 3%, and even reducing scope 2 emissions by 67%
  - Energy intensity down 26% to 12.1 kWh/kg of powder[1] produced
- Closing production in France resulted in a shift away from Nuclear while increasing Hydro power.
  - Increased renewable energy percentage (+10pp)
  - Reduced scope 2 emissions significantly (-67%)
  - Total kWh increased by +32% as production in Canada increased
- Reduction in business travel (Cost-saving measure) has reduced related emissions (down 11%)[2]
- All material categories in scope 3 mapped (+4 additional baselines established)

Restatements

2023 Scope 2 Electricity, France (Tekna Plasma Europe): Reduction of 10 000 kWh due to detected summation error (434.822 kWh should be 424.822 kWh). Consequence: Reduction of 0.5 tCO2e [former 22.7 tCO2e -restated 22.2 tCO2e].

Also updated in Scope 3 Fuel and Energy related activities. Consequence: Reduction of 0.2 tCO2e [former 10.3 tCO2e -restated 10.1 tCO2e].

2023 Scope 3.4 Upstream Transportation and Distribution: For those service providers that did not provide a CO2 report the impact is estimated based on type, distance and volume. In 2024 the estimation methodology was changed to the online transport emission calculator EcoTransit instead of calculating it with the distance-based formula of the GHG protocol. 2023 estimations were updated to this new methodology. Consequence: Reduction of 245 523.5 tCO2e [former 246 757.0 tCO2e -restated 1233.5 tCO2e].

2023 Scope 3.7 Employee Commute, global: Changed extrapolation methodology in 2024 and updated 2023 to this new methodology. Consequence: Increase of 23 tCO2e [former 205.6 tCO2e -restated 228.6 tCO2e]

2022 Scope 3.3 Electricity Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2, Canada (Tekna Microelectronics Corporation): Reduction of 74 580 kWh due to correction applied in Scope 2 results of 2022 for the 2023 report, which was not applied to this category. Consequence: Reduction of 2.6 tCO2e of [former 277.2 tCO2e – restated 274.6 tCO2e]

1: Ti64 and AlSiMg combined, compared to baseline 2019. 2: all numbers compare to baseline – see overview slide for year and figures.

Appendix V: Carbon Accounting (continued)

Tekna's climate footprint

Energy Intensity per kg metal powder produced

Performance vs baseline FY19

Direct electricity of plasma systems within Tekna | Ti64 and AlSiMg | in kWh per kg

FY19: 16.3 kWh/kg — baseline

FY23: 12.4 kWh/kg — -24% (vs FY19)

FY24: 12.1 kWh/kg — -26% (vs FY19)

Our capacity improvement program increases the productivity of the plasma atomization systems, ie higher output for the same energy. The Production output for Ti64 and AlSiMg powder has more than doubled since 2019.

Renewable energy share

76 % ▲ vs 66% **(+10 pp)** in 2021 (Location based).

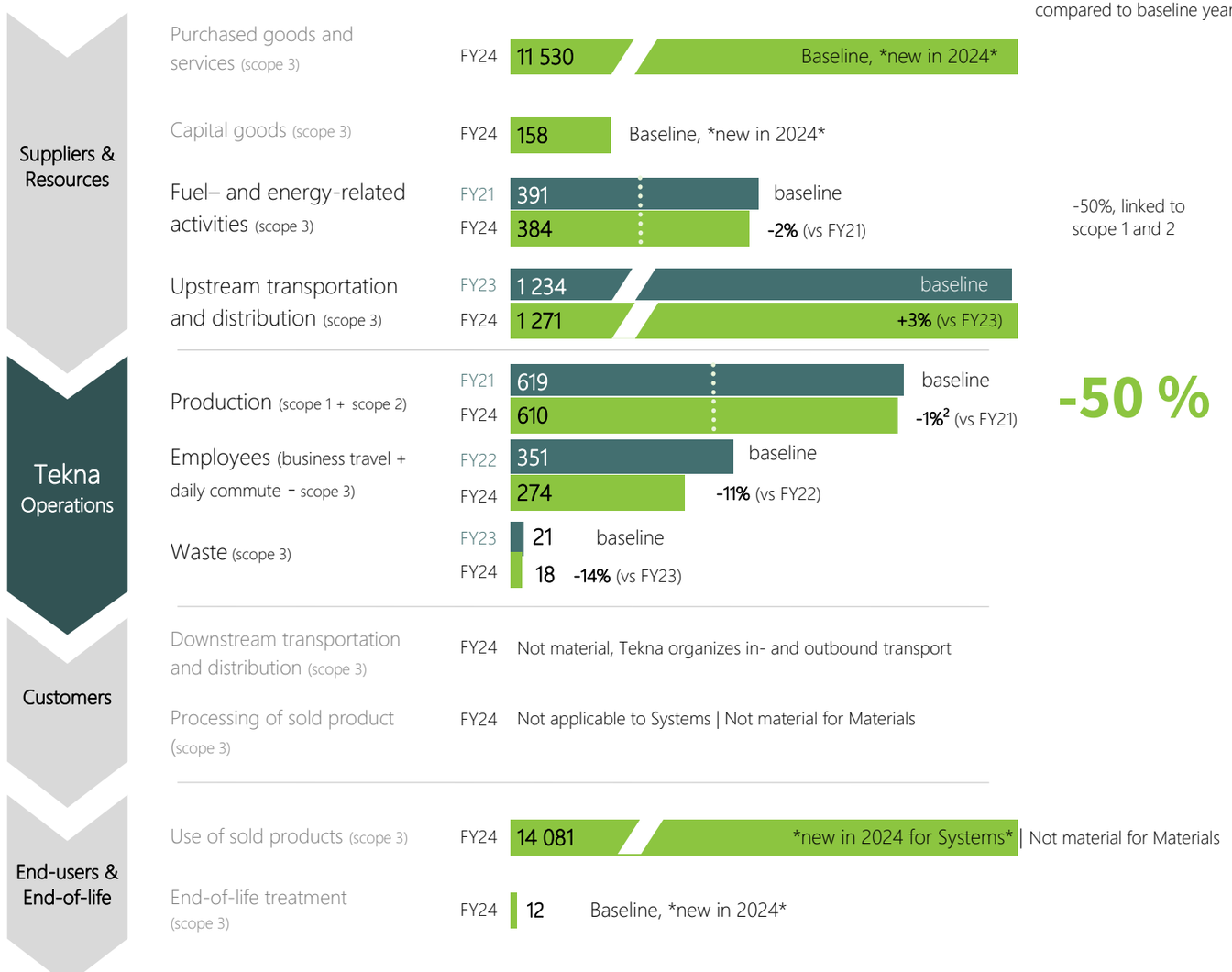
Scope 1 ▶ **596 tCO2e** vs 577 **(+3%)** in 2021. Tekna has added a third facility in Canada in 2022 increasing natural gas consumption for heating compared to baseline 2021.

Scope 2 ▼ **14 tCO2e** vs 42 **(-67%)** in 2021. Tekna continues to improve energy efficiency in its powder production[2]. By reducing production in France the consumption of nuclear electricity is reducing.

Scope 3 **27 730 tCO2e** This is the first year that we have a nearly complete estimation of the value-chain footprint. This creates a solid basis from which to focus our reduction effort.

Tekna's climate footprint at different stages of the value chain

(GHG protocol[1] | in tCO2e)



Target 2030

Reduce in absolute terms compared to baseline year

-50%, linked to scope 1 and 2

-50 %

1 Historical data should not change, but we always revise historical figures if data quality or science has improved. 2: Tekna increased its production output by 68% compared to 2021 baseline, while only increasing scope 1 emissions by 3%, and even reducing scope 2 emissions by 67%.

Appendix V: Carbon Accounting (continued)

Accounting principles

The input data is based on consumption data from internal and external sources, which are converted into tonnes CO_2-equivalents (tCO_2e). The carbon footprint analysis is based on the international standard; *A Corporate Accounting and Reporting Standard*, developed by the Greenhouse Gas Protocol Initiative (GHG Protocol). The GHG Protocol is the most widely used and recognised international standard for measuring greenhouse gas emissions and is the basis for the ISO standard 14064-I.

Scope 1 and scope 2

Scope 1 includes all direct emission sources. This includes all use of fossil fuels for stationary combustion or transportation, in owned and, depending on the consolidation approach selected, leased, or rented assets.

Scope 2 includes indirect emissions related to purchased energy; electricity and heating/cooling where the organisation has operational control.

Baseline 2021 was chosen as it was the first year we collected data of our worldwide emissions instead of just Canada.

At Tekna, natural gas is only used for heating the buildings in Canada and Korea.

At the end of 2021 and throughout 2023 and 2024 Tekna has added Additive Manufacturing production equipment in Canada increasing electricity consumption. In France, it reduced operating hours in 2023 and then stopped producing in 2024 reducing electricity consumption in France.

Leased building emissions are included in scope 1 and 2. Lease car consumption is included in Scope 3 business travel.

Although we are working on replacing the refrigerants we consider the consumption non material for this report (~20lbs in TPS).

Tekna US office opened in October 2024. Tekna in South Korea moved offices in April 2024. Estimated TMC Q4, invoices not received.

Scope 1 and scope 2

	status	baseline	2030 commitment	2050 ambition
Scope 1	included worldwide per entity	2021	-50% vs baseline	carbon neutral
Scope 2	included worldwide per entity	2021	-50% vs baseline	

Scope 3

1: Purchased Goods and Services	Included for Canada and France	2024		*Carbon neutrality is achieved by reducing our carbon footprint to zero through a combination of efficiency measures in-house and supporting external emission reduction projects.*
2: Capital Goods	Included for Canada and France	2024		
3: Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2	Included upstream emissions of scope 1 and 2 consolidated per country	2021	50% (as scope 1 and 2)	
4: Upstream Transportation and Distribution	included consolidated worldwide	2023	TBC	
5: Waste Generated in Operations	included for Canada and France	2023	TBC	
6: Business Travel	included consolidated worldwide	2022	TBC	
7: Employee Commuting	included consolidated worldwide	2022	TBC	
8: Upstream Leased Assets	not relevant for Tekna			
9: Downstream Transportation and Distribution	not material for Tekna			
10: Processing of Sold Products	not applicable to Systems, not material for Materials (at present)			
11: Use of Sold Products	included for Systems, not material for Materials (at present)	2024	TBC	
12: End-of-Life Treatment of Sold Products	included for Systems and Materials	2024	TBC	
13: Downstream Leased Assets	not relevant for Tekna			
14: Franchises	not relevant for Tekna			
15: Investments	not relevant for Tekna			

Scope 3

Scope 3 includes indirect emissions resulting from value chain activities. The scope 3 emissions are a result of the company's upstream and downstream activities, which are not controlled by the company, i.e. they are indirect.

For scope 3 the baseline year is chosen based on when we have worldwide data available for a category.

The scope 3 emissions compared to 2023 increased due to broader emissions mapping in scope 3 and improved data quality.

This report is now complete for material categories in scope 3.

The Greenhouse Gas Protocol considers 15 categories in scope 3 emissions. The table below includes an overview of the categories. Categories 8, 13, 14 and 15 are not relevant for Tekna and categories 9 and 10 are not material at present.

Scope 3 Upstream

Purchased Goods and Services [1]

This category includes all upstream (i.e., cradle-to-gate) emissions from the production of products purchased acquired by the reporting company in the reporting year. Products include both goods (tangible products) and services (intangible products).

This category is based on Tekna's ERP system, which generates a report containing all supplier invoices for the given period. The total expenditure per supplier is then calculated. Tekna's procurement team manually assigns a category to each supplier based on their industry and primary business relationship

Appendix V: Carbon Accounting (continued)

with Tekna. Categories include Employee Expenses, Capex, Feedstock, Warehousing & Transportation, Packaging, and Government-related costs (such as taxes and licenses). Utilities (gas, electricity) and metal feedstock are excluded from this process. The next step is to assess the percentage of spending for suppliers in the categorized, non-excluded group and continue categorizing until at least 70% of the total non-excluded spending is covered. Spending is then grouped by category, and the total for categorized non-excluded spend is summed up. Finally, the categorized percentage of each category is applied to the total non-excluded spend to extrapolate the total spend per category.

Capital Goods [2]

This category includes all upstream (i.e., cradle-to-gate) emissions from the production of capital goods purchased or acquired by the reporting company in the reporting year. Emissions from the use of capital goods by the reporting company are accounted for in either scope 1 (e.g., for fuel use) or scope 2 (e.g., for electricity use), rather than scope 3.

This category follows the same method as the one used for Scope 3 category 1: Purchased Good and Services. A report is pulled from Tekna's ERP systems, suppliers are summed and assigned a category.

Fuel and energy related activities Not Included in Scope 1 or Scope 2 [3]

This category includes emissions related to the production of fuels and energy purchased and consumed by the reporting company in the reporting year that are not included in scope 1 or scope 2.

Includes exactly the same consumption data as reported in scope 1 and 2.

Upstream Transport and Distribution [4]

All transportation paid by the company, inbound and outbound, as well as if the customer is billed for the transport and in addition also inbound transportation not paid by the company (upstream).

This category was calculated based on transaction reports received from transportation and distribution companies Tekna has contracted in the past year. Most reports directly provided the estimated CO2 emissions. In 2024, we used the online transport emission calculator EcoTransit (https://www.ecotransit.org/fr/calculateur-demissions/) for all companies and transactions that did not provide the CO2 emissions (5/11 company reports). Inbound transportation not paid by Tekna is not material. See also restatements as 2023 was recalculated with this new methodology.

Scope 3 @Tekna

Waste Generated in Operations [5]

Includes emissions from third-party disposal and treatment of waste generated in the reporting company's owned or controlled operations in the reporting year. This category includes emissions from disposal of both solid waste and wastewater.

In 2022, we estimated how waste from Canada was treated after pick-up. In 2023, we have obtained clear data with significant shifts in volumes and emissions. We have therefore made 2023 the baseline for waste.

The increase in hazardous waste is due to new Health and Safety measures (single-use protective equipment) and R&D. The rest waste or municipal waste category for Canada or France does not exist in CEMASys as of yet. We have used the closest description to it, in essence "Residual waste, landfill". The emissions are expected to be in the same range.

Composition of hazardous waste: (flammable) metallic powder, rags, acids, coolants and non-chlorine solvents and single-use protective equipment from the nano sector.

Waste for manufacturing sites in Canada is based on facility managments' estimation. In France, the weight and emissions are provided by the service provider per category. Waste from sales offices is estimated using a calculator provided by Arendals Fossekompani (main shareholder) based on following sources: Avfall Sverige, Handbok för avfallsutrymmen (2018); Norsk Gjenvinning, Volum- og vektinformasjon (2015); Avfall Sverige, Volymvikter för avfall (2013)

Total waste reduced by 14% due to the stopped nickel production in France. Waste collected during the annual Sherbrooke industrial park cleaning included in Canada.

Business Travel [6]

Transportation of employees for business-related activities in vehicles owned or operated by third parties, such as aircraft, trains, buses, and passenger cars.

Employees were requested to complete a form per business trip, including km travelled by car (incl taxi) and train, flights (using ICAO Carbon Emissions Calculator) and hotel nights. We created this form by using the ICAO tool and recommendations from Microsoft Sustainability Calculator.

In 2024, travel reduced considerably as cost-reduction measure.

Employee Commute [7]

Transportation of employees between their homes and their worksites during the reporting year (in vehicles not owned or operated by the reporting company).

Employees were requested to complete a form detailing how many days per week they are in the office on average and what their commute is like on average. Adjustments were made upon indication of employees around "significantly greener summer commutes" and carpooling. We obtained 104 answers out of 185 (56%), which we considered a sufficient bases to extrapolate to 100%. We created this form based on the recommendations of the Greenhouse Gas Protocol and Cemasys categories.

In 2024, the rule of 3 method was introduced for extrapolation as it is more accurate: y=(total number of employee at year-end*x)/total employee answers.

See also restatements as 2023 was recalculated with this new methodology.

Scope 3 Downstream

Transport and Distribution [9]

All outbound transportation not paid by the company. More specifically, emissions that occur from transportation and distribution of sold products in vehicles

Appendix V: Carbon Accounting (continued)

and facilities not owned or controlled by the reporting company.

It was found to be not material as we organise the incoming and outgoing transport.

Processing of Sold Products [10]

This category includes emissions from processing of sold intermediate products by third parties (e.g., manufacturers) subsequent to sale by the reporting company. Intermediate products are products that require further processing, transformation, or inclusion in another product before use, and therefore result in emissions from processing subsequent to sale by the reporting company and before use by the end consumer.

Systems: not relevant

Materials: Tekna has deemed the category immaterial at present. Tekna's products represent only a small proportion of the ultimate products sold and used both in weight and in functionality, so it is not significant to attribute to Tekna any scope 3 emissions of the ultimate use of the end sold product

Use of Sold Products [11]

This category includes emissions from the use of goods and services sold by the reporting company in the reporting year. A reporting company's scope 3 emissions from use of sold products include the scope 1 and scope 2 emissions of end users. End users include both consumers and business customers that use final products.

Systems: This category is based on assumptions since Tekna does not collect how its customers use the sold systems. What is known: the number of systems sold, the purpose it was sold for, their power levels and their material composition. What is assumed: the annual operating conditions, including the annual usage, the electrical input, and the quantity of process gases used. As systems are sold across the globe, the emission factor for electricity for average Asia was chosen as a conservative choice.

Materials: Tekna has deemed the category immaterial at present. Tekna's products represent only a small proportion of the ultimate products sold and used both in weight and in functionality, so it is not significant to attribute to Tekna any scope 3 emissions of the ultimate use of the end sold product.

End-of-Life Treatment of Sold Products [12]

This category includes emissions from the waste disposal and treatment of products sold by the reporting company (in the reporting year) at the end of their life.

Systems: Tekna has a guide for customers detailing how a system's different materials should be disposed of. The data is then calculated by multiplying the system's various materials by the number of systems shipped during the reporting period.

Materials: The data comes from the total kilograms of powders sold in 2024.

Methodology CEMASYS

(reporting system)

The Greenhouse Gas Protocol initiative (GHG Protocol) was developed by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD). This analysis is done according to *A Corporate Accounting and Reporting Standard Revised edition*, currently one of four GHG Protocol accounting standards on calculating and reporting GHG emissions. The reporting considers the following greenhouse gases, all converted into CO_2-equivalents: CO_2, CH_4 (methane), N_2O (laughing gas), SF_6, HFCs, PFCs and NF3.

For corporate reporting, two distinct approaches can be used to consolidate GHG emissions: the equity share approach and the control approach. The most common consolidation approach is the control approach, which can be defined in either financial or operational terms.

The carbon inventory is divided into three main scopes of direct and indirect emissions.

Scope 1 includes all direct emission sources. This includes all use of fossil fuels for stationary combustion or transportation, in owned and, depending on the consolidation approach selected, leased, or rented assets. It also includes any process emissions, from e.g. chemical processes, industrial gases, direct methane emissions etc.

Scope 2 includes indirect emissions related to purchased energy; electricity and heating/cooling where the organisation has operational control. The electricity emission factors used in Cemasys are based on national gross electricity production mixes from the International Energy Agency's statistics (IEA Stat). Emission factors per fuel type are based on assumptions in the IEA methodological framework. Factors for district heating/cooling are either based on actual (local) production mixes, or average IEA statistics.

In January 2015, the GHG Protocol published new guidelines for calculating emissions from electricity consumption. Primarily two methods are used to "allocate" the GHG emissions created by electricity generation to the end consumers of a given grid. These are the location-based and the market-based methods. The location-based method reflects the average emission intensity of the grids on which energy consumption occurs, while the market-based method reflects emissions from electricity that companies have purposefully chosen (or not chosen).

Organizations who report on their GHG emissions will now have to disclose both the location-based emissions from the production of electricity, and the marked-based emissions related to the potential purchase of Guarantees of Origin (GoOs) and Renewable Energy Certificates (RECs).

The purpose of this amendment in the reporting methodology is on the one hand to show the impact of energy efficiency measures, and on the other hand to display how the acquisition of GoOs or RECs affect the GHG emissions. Using both methods in the

Appendix V: Carbon Accounting (continued)

emission reporting highlights the effect of all measures regarding electricity consumption.

The location-based method: The location-based method is based on statistical emissions information and electricity output aggregated and averaged within a defined geographic boundary and during a defined time period. Within this boundary, the different energy producers utilize a mix of energy resources, where the use of fossil fuels (coal, oil, and gas) result in direct GHG-emissions. These emissions are reflected in the location-based emission factor.

The market-based method: The choice of emission factors when using this method is determined by whether the business acquires GoOs/RECs or not. When selling GoOs or RECs, the supplier certifies that the electricity is produced exclusively by renewable sources, which has an emission factor of 0 grams CO_2e per kWh. However, for electricity without the GoO or REC, the emission factor is based on the remaining electricity production after all GoOs and RECs for renewable energy are sold. This is called a residual mix, which is normally substantially higher than the location-based factor. As an example, the market-based Norwegian residual mix factor is approximately 7 times higher than the location-based Nordic mix factor. The reason for this high factor is due to Norway's large export of GoOs/RECs to foreign consumers. In a market perspective, this implies that Norwegian hydropower is largely substituted with an electricity mix including fossil fuels.

Scope 3 includes indirect emissions resulting from value chain activities. The scope 3 emissions are a result of the company's upstream and downstream activities, which are not controlled by the company, i.e. they are indirect. Examples are business travel, goods transportation, waste handling, consumption of products etc.

In general, the carbon accounting should include information that users, both internal and external to the company, need for their decision making. An important aspect of relevance is the selection of an appropriate inventory boundary which reflects the substance and economic reality of the company's business relationships.

Sources CEMASYS

(reporting system)

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The reference list above is incomplete but contains the essential references used in CEMAsys. In addition, several local/national sources may be relevant, depending on which emission factors are used.

Appendix V: Carbon Accounting (continued)

Key figures

GHG Emissions—Summary

Category	Unit	2021	2022	2023	2024	▲ to base year	▲ to 2023	Target	▲ to target
Total Scope 1	tCO2e	576.6	585.1	589.0	595.9	3%	1%	288	307.64
Total Scope 2	tCO2e	41.7	33.7	29.1	13.9	-67%	-52%	21	-6.99
Total Scope 3	tCO2e	434.3	752.8	1 981.2	27 730.3	n/a	n/a	n/a	
Total	**tCO2e**	**1 052.7**	**1 371.6**	**2 599.2**	**28 340.1**	n/a	n/a	n/a	

Key figures
GHG Emissions

Category	Unit	2021	2022	2023	2024	▲ to base year	▲ to 2023
Scope 1							
Stationary combustion							
Natural gas	tCO2e	576.6	585.1	589.0	595.9		
Stationary combustion Total	tCO2e	576.6	585.1	589.0	595.9	3%	1%
Total Scope 1	tCO2e	576.6	585.1	589.0	595.9	3%	1%
Scope 2							
Electricity location-based							
Electricity France	tCO2e	32.1	26.6	22.2	5.9	-82%	-73%
Electricity China	tCO2e	5.0	1.9	1.5	1.2	-77%	-24%
Electricity Korea	tCO2e	0.6	0.5	0.4	0.2	-71%	-62%
Electricity USA	tCO2e	-	-	-	0.8	n/a	n/a
Electricity location-based Total	tCO2e	37.6	29.0	24.1	8.0	-79%	-67%
Electricity general							
Hydropower, Quebec	tCO2e	4.1	4.7	4.9	5.8	42%	18%
Electricity general Total	tCO2e	4.1	4.7	4.9	5.8	42%	18%
Total Scope 2	tCO2e	41.7	33.7	29.1	13.9	-67%	-52%

Appendix V: Carbon Accounting (continued)

Category	Unit	2021	2022	2023	2024	▲ to base year	▲ to 2023
Scope 3							
3.01 Purchased goods and services							
Architectural and engineering services	tCO2e				9.1		
Building, repair and maintenance	tCO2e				115.6		
Business Support Services	tCO2e				20.0		
Chemicals, general	tCO2e				425.2		
Cloud & facility management services	tCO2e				38.3		
Compressed gases	tCO2e				1 824.0		
Computer-related hardware	tCO2e				40.9		
Dry-cleaning and laundry	tCO2e				15.5		
Electronic components	tCO2e				73.9		
Electronic components	tCO2e				19.6		
Facility services	tCO2e				35.8		
Insurance and brokerage	tCO2e				7.1		
Laboratory instruments	tCO2e				21.3		
Legal services	tCO2e				37.8		
Machine tool manufacturing	tCO2e				79.0		
Machinery, equipment, and supplies	tCO2e				63.1		
Machinery, repair and maintenance	tCO2e				82.0		
Measuring and Controlling Devices	tCO2e				6.1		
Mechanical power trans.equipment	tCO2e				7.1		
Metal structural products	tCO2e				14.4		
Other electrical equipment	tCO2e				20.9		
Pipes and pipe fittings	tCO2e				141.3		
Plastic products	tCO2e				108.1		
Postal service	tCO2e				11.0		
Pumps and pumping equipment	tCO2e				48.2		
Screws, nuts, and bolts	tCO2e				60.1		
Software	tCO2e				13.9		
Technical consulting services	tCO2e				12.3		
Telecommunications	tCO2e				3.8		
Waste management	tCO2e				71.4		
Advertising and PR	tCO2e				24.1		
Aluminium	tCO2e				774.1		
Titanium	tCO2e				7 304.9		
Total 3.01 Purchased goods and services	tCO2e				11 530.0	2024 is base year	
3.02 Capital goods							
Building, repair and maintenance	tCO2e				7.8		
Machinery, equipment, and supplies	tCO2e				145.2		
Computer-related hardware	tCO2e				1.0		
Office furniture	tCO2e				4.0		
Total 3.02 Capital goods	tCO2e				158.0	2024 is base year	

Appendix V: Carbon Accounting (continued)

Category	Unit	2021	2022	2023	2024	▲ to base year	▲ to 2023
3.03 Fuel-and-energy-related activities							
Natural gas (WTT)	tCO2e	98.0	98.9	96.5	97.2		
Electricity Canada (upstream)	tCO2e	284.2	274.6	269.5	283.3		
Electricity France (upstream)	tCO2e	7.1	8.3	10.1	2.5		
Electricity China (upstream)	tCO2e	1.6	0.5	0.3	0.2		
Electricity Korea (upstream)	tCO2e	0.2	0.1	0.1	0.0		
Electricity USA (upstream)	tCO2e				0.2		
Total 3.03 Fuel-and-energy-related activities	tCO2e	391.2	382.4	376.8	383.6	-2%	2%
3.04 Upstream transportation and distribution							
Truck avg. (WTW)	tCO2e			104.5	39.6		
Air freight avg. (WTT)	tCO2e			89.7			
Air transportation (WTW)	tCO2e			846.1	1 180.0		
Rail freight	tCO2e			3.2			
Sea ship avg. (WTW)	tCO2e			182.4	48.9		
Transportation	tCO2e			7.6	2.6		
Total 3.04 Upstream transportation and distribution	tCO2e			1 233.5	1 271.0	3%	3%
3.05 Waste							
Hazardous waste, landfill	tCO2e	0.3	0.2	0.4	0.0		-93%
Hazardous waste, treated	tCO2e	0.0	1.0	0.1	0.0		-63%
Hazardous waste, recycled	tCO2e	0.0	0.0	1.3	0.5		-62%
Hazardous waste, re-used	tCO2e		0.0	0.1	0.0		-81%
Paper waste, recycled	tCO2e	0.1	0.1		0.0		
Cardboard waste, recycled	tCO2e	-	0.3	0.3	0.1		-74%
EE waste, recycled	tCO2e		0.0	0.0	0.0		-70%
Plastic waste, recycled	tCO2e	0.0	0.0	0.0	0.0		-89%
Metal waste, recycled	tCO2e		0.1	0.2	0.1		-51%
Wood waste, recycled	tCO2e	0.1	0.2	0.4	0.1		-81%
Glass waste, recycled	tCO2e				0.0		
Mineral oil waste, incinerated (H)	tCO2e		2.5	1.5	2.5		67%
Organic waste, recycled	tCO2e				0.0		
Organic waste, composting	tCO2e		0.0	0.0	0.0		-38%
Sorted waste, recycled	tCO2e		0.2	0.2	0.1		-66%
Residual waste, landfill	tCO2e	2.5	14.4	16.3	14.2		-13%
Residual waste, incinerated	tCO2e				0.2		
Total 3.05 Waste	tCO2e	2.9	19.1	20.7	17.8	-14%	-14%
3.06 Business travel							
Hotel nights, world	tCO2e	6.2	42.1	40.6	13.8	-67%	-66%
Train International	tCO2e	0.0	0.1	0.1	0.0	-74%	-67%
Mileage all. avg. car	tCO2e	11.3	21.4	16.1	9.7	-55%	-40%
Flights	tCO2e	22.8	51.7	64.9	41.3	-20%	-36%
Mileage all. el car EU27	tCO2e			0.2			
Total 3.06 Business travel	tCO2e	40.3	115.4	121.8	64.8	-44%	-47%

Appendix V: Carbon Accounting (continued)

Category	Unit	2021	2022	2023	2024	▲ to base year	▲ to 2023
3.07 Employee commuting							
Car, petrol (avg.)	tCO2e		170.3	154.1	134.1	-21%	-13%
Electric car EU27	tCO2e		6.5	10.1	15.3	134%	52%
Motorbike, small	tCO2e			0.3	0.5		79%
Bus local avg.	tCO2e		2.8	3.1	1.2	-58%	-62%
Car, petrol (medium)	tCO2e		56.2	57.7	44.1	-22%	-24%
Car, Hybrid Electric Vehicle (HEV)	tCO2e			3.4	13.9		314%
Total 3.07 Employee commuting	tCO2e		235.8	228.6	209.0	-11%	-9%
3.08 Upstream leased assets					incl. in 3.01	n/a	n/a
3.09 Downstream transportation and Distribution					not material	n/a	n/a
3.10 Processing of sold products					omitted	n/a	n/a
3.11 Use of sold products							
Argon (liquid), Europe	tCO2e				3 029.9		
Sodium hydrogen sulfite	tCO2e				9.2		
Electricity Asia avg.	tCO2e			-	11 042.1		
Total 3.11 Use of sold products	tCO2e			-	14 081.2	2024 is base year	
3.12 End-of-life treatment of sold products							
Metal aluminium waste, recycled	tCO2e				0.3		
Metal iron waste, recycled	tCO2e				-		
Metal stainl steel waste, recycled	tCO2e				0.2		
Metal copper waste, recycled	tCO2e				0.1		
Metal waste, recycled	tCO2e				11.7		
Wood waste, recycled	tCO2e				0.1		
EE waste, recycled	tCO2e				-		
Ceramic waste, recycled	tCO2e				-		
Plastic PVC waste, recycled	tCO2e				-		
Rubber waste, recycled	tCO2e				-		
Plastic waste, recycled	tCO2e				-		
Silicon waste, landfill	tCO2e				-		
Plastic PE/PP waste, recycled	tCO2e				-		
Mineral oil waste, recycled (H)	tCO2e				-		
Total 3.12 End-of-life treatment of sold products	tCO2e				12.4	2024 is base year	
3.13 Downstream leased assets					not applicable	n/a	n/a
3.14 Franchises					not applicable	n/a	n/a
3.15 Investments					not applicable	n/a	n/a
Total Scope 3	tCO2e	434.3	752.8	1 981.2	27 730.3	n/a	n/a

Appendix V: Carbon Accounting (continued)

Category	Unit	2021	2022	2023	2024	▲ to base year	▲ to 2023
Total Scope 3	tCO2e	434.3	752.8	1 981.2	27 730.3	n/a	n/a
Total (Scope 1 + 2)	tCO2e	618.4	618.8	618.1	609.8	-1%	-1%
Total (Scope 1 + 2 + 3)	tCO2e	1 052.7	1 371.6	2 599.2	28 340.1	n/a	n/a
Annual Market-Based GHG Emissions							
Electricity Total (Scope 2) with Market-based calculations	tCO2e	40.6	27.4	55.1	6.1		
Scope 2 Total with Market-based electricity calculations	tCO2e	44.7	32.1	60.0	11.9		
Scope 1+2+3 Total with Market-based electricity calculations	tCO2e	1 055.6	1 370.0	2 630.2	28 338.1		

Appendix V: Carbon Accounting (continued)

Key figures

Energy

Category		Unit	2021	2022	2023	2024	▲ to base year	▲ to 2023
Scope 1								
	Stationary combustion							
	Natural gas	MWh	3 125.9	3 182.6	2 882.1	2 914.4		
	Stationary combustion Total	MWh	3 125.9	3 182.6	2 882.1	2 914.4		
	Scope 1 Total	MWh	3 125.9	3 182.6	2 882.1	2 914.4	-7%	1%
Scope 2								
	Electricity							
	Electricity France	MWh	593.6	521.3	424.8	92.0		
	Electricity China	MWh	8.0	3.0	2.5	2.0		
	Electricity Korea	MWh	1.1	1.1	1.0	0.4		
	Electricity USA	MWh				2.2		
	Electricity Total	MWh	602.7	525.4	428.3	96.6		
	Electricity general							
	Hydropower, Quebec	MWh	6 832.6	7 800.1	8 242.9	9 739.1		
	Electricity general Total	MWh	6 832.6	7 800.1	8 242.9	9 739.1		
	Scope 2 Total	MWh	7 435.4	8 325.5	8 671.2	9 835.7	32%	13%
TOTAL		MWh	10 561.2	11 508.1	11 553.2	12 750.1	21%	10%
		GJ	38 020.4	41 429.3	41 591.6	45 900.2		
Percentage change			%	9%	0.4%	10.4%		
	Scope 1 renewable energy	MWh	-	-	-	-		
	Scope 1 renewable energy share	%	0%	0%	0%	0%	-	-
	Scope 2 renewable energy (Location-based)	MWh	6 964.5	7 932.2	8 345.6	9 764.2		
	Scope 2 renewable energy share (Location-based)	%	93.7%	95.3%	96.2%	99.3%	106%	103%
	Total renewable energy (Location-based)	MWh	6 964.5	7 932.2	8 345.6	9 764.2		
	Total renewable energy share (Location-based)	%	65.9%	68.9%	72.2%	76.6%	111%	104%
	Scope 2 renewable energy (Market-based)	MWh	6 832.6	7 800.1	8 242.9	9 739.1		
	Scope 2 renewable energy share (Market-based)	%	91.9%	93.7%	95.1%	99%	107%	104%
	Total renewable energy (Market-based)	MWh	6 832.6	7 800.1	8 242.9	9 739.1		
	Total renewable energy share (Market-based)	%	64.7%	67.8%	71.3%	76.4%	112%	105%

Appendix V: Carbon Accounting (continued)

Key figures

Energy Consumption

Category	Unit	2021	2022	2023	2024	▲ to base year	▲ to 2023
Scope 1							
Stationary combustion							
Natural gas	m3	283 396.0	288 018.0	286 774.0	288 840.7	2%	1%
Scope 2							
Electricity							
Electricity France	kWh	593 646.0	521 288.0	424 822.0	91 987.0	-85%	-78%
Electricity China	kWh	7 950.0	3 033.6	2 470.0	1 955.0	-75%	-21%
Electricity Korea	kWh	1 132.0	1 110.7	981.0	395.0	-65%	-60%
Electricity USA	kWh				2 241.0		
Electricity general							
Hydropower, Quebec	kWh	6832 642.0	7800 094.0	8242 881.0	9739 073.0	43%	18%
Scope 3							
3.01 Purchased goods and services							
Architectural and engineering services	CAD						
Building, repair and maintenance	CAD						
Business Support Services	CAD						
Chemicals, general	CAD						
Cloud & facility management services	CAD						
Compressed gases	CAD						
Computer-related hardware	CAD						
Dry-cleaning and laundry	CAD						
Electronic components	CAD						
Electronic components	CAD						
Facility services	CAD						
Insurance and brokerage	CAD						
Laboratory instruments	CAD						
Legal services	CAD						
Machine tool manufacturing	CAD						
Machinery, equipment, and supplies	CAD						
Machinery, repair and maintenance	CAD						
Measuring and Controlling Devices	CAD						
Mechanical power trans.equipment	CAD						
Metal structural products	CAD						
Other electrical equipment	CAD						
Pipes and pipe fittings	CAD						
Plastic products	CAD						
Postal service	CAD						
Pumps and pumping equipment	CAD						
Screws, nuts, and bolts	CAD						

Spend based estimation started in 2024, detail spend in CAD not disclosed.

Appendix V: Carbon Accounting (continued)

Category	Unit	2021	2022	2023	2024	▲ to base year	▲ to 2023
Software	CAD				Spend based estimation started in 2024, detail spend in CAD not disclosed.		
Technical consulting services	CAD						
Telecommunications	CAD						
Waste management	CAD						
Advertising and PR	CAD						
Aluminium	kg						
Titanium	kg						
3.02 Capital goods							
Building, repair and maintenance	CAD						
Machinery, equipment, and supplies	CAD						
Computer-related hardware	CAD						
Office furniture	CAD						
3.03 Fuel-and-energy-related activities							
Natural gas (WTT)	m3	283 396.0	288 018.0	286 774.0	288 841.0		
Electricity Canada (upstream)	kWh	6832 642.0	7800 094.0	8242 881.0	9739 073.0		
Electricity France (upstream)	kWh	593 646.0	521 288.0	424 822.0	91 987.0		
Electricity China (upstream)	kWh	7 950.0	3 033.6	2 470.0	1 956.0		
Electricity Korea (upstream)	kWh	1 132.0	1 110.7	981.0	395.0		
Electricity USA (upstream)	kWh				2 241.0		
3.04 Upstream transportation and distribution							
Truck avg. (WTW)	tkm			81.9			
Truck avg. (WTW)	tCO2e			104.5	39.6		
Air freight avg. (WTT)	tkm			294 168.2			
Air transportation (WTW)	tCO2e			846.1	1 180.0		
Rail freight	tCO2e			3.2			
Sea ship avg. (WTW)	tkm			16 112.5			
Sea ship avg. (WTW)	tCO2e			182.1	48.9		
Transportation	tCO2e			7.6	2.6		
3.05 Waste							
Hazardous waste, landfill	kg	12 976.0	11 457.0	17 586.0	4 135.0	-64%	-76%
Hazardous waste, treated	kg	1 636.0	46 441.0	3 735.0	4 590.0	-90%	23%
Hazardous waste, recycled	kg	364.0	240.0	61 009.0	76 869.0	31929%	26%
Hazardous waste, re-used	kg		948.0	2 882.0	1 854.0	96%	-36%
Paper waste, recycled	m3	16.0	18.0				
Paper waste, recycled	kg				431.0		
Cardboard waste, recycled	kg	-	13 207.0	16 414.6	14 078.0	7%	-14%
EE waste, recycled	m3		2.0	2.0	2.0		0%
Plastic waste, recycled	m3	5.0	9.0				
Plastic waste, recycled	kg			775.5	277.0		-64%
Metal waste, recycled	kg		6 563.0	7 197.0	11 666.0	78%	62%

Appendix V: Carbon Accounting (continued)

Category	Unit	2021	2022	2023	2024	▲ to base year	▲ to 2023
Wood waste, recycled	kg	2 400.0	11 500.0	19 600.0	12 320.0	7%	-37%
Mineral oil waste, incinerated (H)	liters		1 000.0	600.0	1 000.0	0%	67%
Glass waste, recycled	kg				11.0		
Organic waste, recycled	kg				276.0		
Organic waste, composting	kg		1 139.0	2 254.0	1 424.0	25%	-37%
Sorted waste, recycled	kg		7 200.0	7 200.0	8 098.0	12%	12%
Residual waste, incinerated	kg				414.0		
Residual waste, landfill	m3	22.0	14.5				
Residual waste, landfill	kg		28 620.0	32 738.4	28 620.0	0%	-13%
3.06 Business travel							
Hotel nights, world	nights	137.0	1 067.0	1 025.0	348.0	-67%	-66%
Train International	pkm	3 035.0	29 886.0	23 829.0	7 752.0	-74%	-67%
Mileage all. avg. car	km	67 103.0	125 445.0	96 339.0	57 838.0	-54%	-40%
Flights	tCO2e	22.8	51.7	64.9	41.3	-20%	-36%
Mileage all. el car EU27	km			3 381.0			
3.07 Employee commuting							
Car, petrol (avg.)	km		998 903.0	940 160.0	815 289.0	-18%	-13%
Electric car EU27	km		171 880.0	226 749.0	322 879.0	88%	42%
Motorbike, small	km			3 337.0	5 977.0		79%
Bus local avg.	pkm		28 790.0	29 904.0	10 803.0	-62%	-64%
Car, petrol (medium)	km		304 423.0	323 795.0	248 537.0	-18%	-23%
Car, Hybrid Electric Vehicle (HEV)	km			28 471.0	110 175.0		287%
3.11 Use of sold products							
Argon (liquid), Europe	kg				2504 010.0		
Sodium hydrogen sulfite	kg				10 398.0		
Electricity Asia avg.	kWh			-	16980 000.0		
3.12 End-of-life treatment of sold products							
Metal waste, recycled	kg				240 163.2		
Metal waste, recycled	m3				12 854.0		
Wood waste, recycled	kg				13 646.8		
EE waste, recycled	kg				1 131.4		
Ceramic waste, recycled	kg				337.3		
Plastic PVC waste, recycled	kg				83.2		
Rubber waste, recycled	kg				117.4		
Plastic waste, recycled	kg				2 203.6		
Silicon waste, landfill	kg				136.4		
Plastic PE/PP waste, recycled	kg				24.1		
Mineral oil waste, recycled (H)	kg				88.6		

Appendix VI: EU Taxonomy

Contents

1. Introduction

The EU Taxonomy aims to scale up sustainable investments and avoid greenwashing by defining a common language and understanding of sustainable activities. As part of the European Union's Green Deal, the EU Taxonomy is a classification system for sustainable economic activities, consisting of the following six environmental objectives:

1. Climate change mitigation (CCM)
2. Climate change adaptation (CCA)
3. The sustainable use and protection of water and marine resources (W&A)
4. The transition to a circular economy (CE)
5. Pollution prevention and control (PP)
6. The protection and restoration of biodiversity and ecosystems (B&E)

Economic activity in the EU Taxonomy	Business activity	Assessment of technical screening criteria
3.6. Manufacture of other low carbon technologies (Climate Change Mitigation (CCM))	Production of additive material powders[1]	Activities considered **Eligible**, not aligned This activity is aligned once an independent study, 3rd party verified, confirming our assessment becomes available.
	Production of PlasmaSonic wind tunnels[1]	Activities considered **Eligible**, not aligned This activity is aligned once an independent study, 3rd party verified, confirming our assessment becomes available.
	(Development and) production of nanomaterials for MLCC[1]	Activities considered **Eligible**, not aligned
	Production of turnkey plasma systems (manufactured components and equipment applied in Tekna's plasma systems, as well as auxiliary equipment [1]	Activities considered **Eligible**, not aligned
	Systems spare parts, R&D revenue	Activities considered not eligible

Figure 1: Summarized overview of EU Taxonomy activity assessments

Objectives 3-6 were adopted in June 2023 via Commission Delegated Regulations (EU) 2023/2486 and (EU) 2023/2485, along with amendments to Regulations 1 and 2. In February 2024, Norway's Ministry of Finance required reporting on all six objectives for the 2024 financial year.

1: *Activities that have the potential to be enabling, however are not classified as such since the technical screening criteria are not considered met.*

Appendix VI: EU Taxonomy Statements (continued)

2. Results

Tekna contributes to the environmental objective of Climate Change Mitigation ("CCM"). Further, we recognize that one of Tekna's main contributions going forward may be through enabling others in the transition.

Throughout 2024, Tekna, together with its main shareholder Arendals Fossekompani, has developed its reporting on the EU Taxonomy in line with the developments and new guidance from the European Commission regarding the EU Taxonomy Regulation. This has also led to strengthened understanding of the EU Taxonomy's definitions of the KPIs.

The key performance indicators (KPIs) show notable changes from 2023 to 2024 as additive manufacturing materials did not fully meet the technical screening criteria.

Aligned turnover decreased from 64% to 0%, while eligible turnover increased significantly from 36% to 99%. In capital expenditures, aligned CapEx fell sharply from 82% to 0%, but eligible CapEx rose dramatically from 18% to 63%. For operational expenditures, aligned OpEx decreased from 42% to 0%, and eligible OpEx surged from 58% to 100%.

These shifts reflect an updated screening process and assessment of the technical screening criteria. This process is further elaborated in section 4. The high percentage of eligible activities reflects the great potential of the company and the challenge for medium sized companies in niche, high-tech industries to comply with the screening criteria as per the current requirements. It is likely that Tekna will not be able to afford the 3rd party research required to prove alignment.

- Tekna's economic activities are eligible under Climate Change Mitigation and not under any of the other five environmental objectives.
- Additive Manufacturing and Plasmasonic wind tunnels are believed to be aligned. However, the substantial contribution criteria are not considered met due to the lack of documentation verified by a third party demonstrating life-cycle GHG emission savings.
- All Tekna revenues are eligible except for its R&D revenue (~1% in 2024). Total eligible revenue: CAD 36.8m.
- 63% of Tekna's CapEx is invested in eligible activities, totaling CAD 2.4m.
- Tekna does not yet have a CapEx plan aimed at increasing the percentage of aligned activities.
- 100% of Tekna's OpEx is spend on eligible activities, totaling CAD 2.5m.

	Measurement			
	KPI CCM | in M CAD	**2024** (% of total | audited[2])	**2023** (% of total | unaudited[3])	**baseline (year)**
1	Revenue eligible and aligned	- (0%)	25.7 (64%)	- (2024)
2	Revenue eligible	36.8 (99%)	14.7 (36%)	99% (2024)
3	Revenue not eligible, nor aligned	0.4 (1%)	- (0%)	1% (2024)
4	CapEx eligible and aligned	- (0%)	6.7 (82%)	- (2024)
5	CapEx eligible	2.4 (63%)	1.5 (18%)	63% (2024)
6	CapEx not eligible, nor aligned	1.4 (37%)	- (0%)	37% (2024)
7	OpEx eligible and aligned	- (0%)	1.2 (11%)	- (2024)
8	OpEx eligible	2.5 (100%)	1.6 (58%)	100% (2024)
9	OpEx not eligible, nor aligned	- (0%)	- (0%)	- (2024)

Figure 2: EU taxonomy KPI's as per the EU Taxonomy Statements

1: Activities that have the potential to be enabling, however are not classified as such since the technical screening criteria are not considered met.
2: Sample-audited on behalf of main shareholder Arendals Fossekompani ASA. 3. The 3rd party verification to support alignment of additive manufacturing was not specific enough to Tekna products.

3. Scope

All companies of the Tekna group have been considered for reporting on the EU Taxonomy for 2024. Tekna evaluated its four core activities for eligibility and did not assess its Systems service revenues (spare parts and maintenance) or R&D revenues We have not included the joint ventures Imphytek Powders, as they are not consolidated in the group's financial statements (consolidation by equity method). We have assessed the business activities with regards to the EU Taxonomy economic activities within the scope of the six environmental objectives.

4. Process

The process for assessing economic activities have been performed in accordance with the structure of the EU Taxonomy, starting with assessment of eligible activities before assessing compliance with the technical screening criteria for substantial contribution and do no significant harm ("DNSH"). Tekna performed the minimum safeguards assessment based on its own policies and procedures

Eligibility was assessed by comparing the business activities against the economic activities defined in the EU Taxonomy across all six environmental objectives. Relevant NACE codes and activity descriptions for each economic activity were identified and thoroughly examined. In 2023, Tekna reported activity 3.6 Manufacture of other low carbon technologies for their production of additive powders as an aligned activity. After re-evaluating the documentation used for assessing the activity, it has been changed to eligible, not aligned for 2024's reporting.

Appendix VI: EU Taxonomy Statements (continued)

See activity assessment in section 5. (Assessment for further explanation).

Tekna has assessed potential eligibility of activities to all relevant environmental objectives, as required by the standard. Climate Change Adaptation and Climate Change Mitigation were assessed and Tekna's activities are eligible only under the latter, ie CCM.

The alignment process involves evaluating the criteria for substantial contribution, do no significant harm (DNSH), and minimum safeguards. During the assessment of the technical screening criteria, we encountered challenges related to interpretations and best practices.

5. Assessments

List of abbreviations:

Abbreviation	Definition
CCM	Climate change mitigation
CCA	Climate change adaptation
W&M	Sustainable use and protection of Water and marine resources The transition to a circular economy
CE	
P&C	Pollution prevention and control regarding use and presence of
B&E	Protection and restoration of biodiversity and ecosystems
DNSH	Do no significant harm

Figure 3: EU taxonomy in a nutshell

Production of additive material powders

Environmental Objective: Climate Change Mitigation

Economic Activity: 3.6 Manufacture of other low carbon technologies

Assessment Eligibility:

"Production of additive material powders" involves the development and operation of proprietary plasma processes to produce and sell spherical powders for application in Additive Manufacturing, Metal Injection Molding and Binder Jetting.

The systems do not release constituents other than the powder itself and the plasma gases which consists of Argon, together with a secondary gas like helium, nitrogen, hydrogen or oxygen. None of these gases are considered critical for the GHG emissions. The Additive Manufacturing powders aim to increase resource efficiency along the value chain reducing GHG emissions related to those resources (materials, manufacturing, warehousing, transportation and the utilization of the finished product).

Substantial Contribution:

Additive Manufacturing (AM) can significantly reduce GHG emissions compared to traditional manufacturing methods by cutting carbon emissions in four key areas: materials, manufacturing, warehousing, and transportation.

Materials: AM uses only the material necessary to create the finished product. It does not generate any significant amount of scrap. For instance, Airbus claims an average fly-to-buy ratio of 10:1[1], while a ratio close to 1:1 is achievable with AM, especially if the unused powder can be recycled.

Manufacturing: AM enable engineers to design parts that are lighter, stronger, and more efficient than their traditional counterparts. This makes products manufactured using AM technologies more efficient in its intended application, e.g. less fuel consumption and associated emissions for any vehicle as it is lighter than its traditional counterpart. This applies especially for small production runs and custom-made parts, provided that design optimization for AM has been achieved.

Warehousing: On-demand production with 3D printing reduces the need for storage space and the associated energy for temperature, humidity, and lighting control, lowering the carbon footprint of logistics, which accounts for 5.5% to 13% of global GHG emissions.

Transportation: Localized production with 3D printers reduces the need for long-distance transportation, significantly impacting GHG emissions, as the transport sector accounts for over 23% of global CO_2 emissions.

Laser powder bed fusion, metal injection molding, electron-beam powder bed fusion and direct energy deposition are considered as equivalent in terms of GHG footprint. These AM technologies are considered as the counterpart of conventional machining. When considering the entire manufacturing chain, AM processes are found to be up to 87 % less ener-

1 Metals and composites: finding the right material for each application | Airbus

Appendix VI: EU Taxonomy Statements (continued)

gy consuming, CO2 polluting and cheaper in respect to environmental cost compared to conventional machining.

It must also be noted that AM can produce parts that conventional machining often cannot, which is accounted for in the comparison. While AM can reduce buy-to-fly ratio by more than 75%, design optimization for AM can reduce parts weight by another 65%.

Currently, Tekna does not have a life-cycle GHG emission savings analysis available. Therefore, the additive powders segment is not considered compliant with the substantial contribution requirement.

Do no significant harm:

CCA: A Physical climate risk assessment has been conducted in accordance with the requirements in Appendix A. The assessment was performed in 2024, and the physical risks listed in appendix A were analyzed at economic activity level.

W&M: A water impact assessment, conducted per Appendix B, ensures that water is filtered before returning to the sewers. Annual quality checks on wastewater from Tekna Advanced Materials Inc's powder production facilities confirm compliance with Sherbrooke's wastewater standards.

CE: Tekna evaluates availability and employs techniques for reusing secondary raw materials, designing for durability, recyclability, disassembly, and adaptability, and managing waste and traceability of substances throughout product lifecycles. Metals, particularly aluminum alloys, have high recyclability, with ingots containing 6% recycled materials. Tekna's next step is to conduct quality tests on recycled feedstock to ensure it meets client standards.

P&C: An assessment per Appendix C confirms that all substances and chemicals used in Tekna's operations comply with regulations. Tekna has compiled a list of controlled and banned substances and verified compliance with the laboratory team and building manager.

B&E: An assessment has been conducted in accordance with Appendix D. This assessment shows that none of Tekna's operation sites are in or near biodiversity-sensitive areas.

Conclusion:

Activity is eligible, not aligned.

Production of turnkey plasma systems

Environmental Objective: Climate Change Mitigation

Economic Activity: 3.6 Manufacture of other low carbon technologies

Assessment Eligibility:

"Production of turnkey plasma systems" involves production of Inductively Coupled Plasma systems, including auxiliary equipment such as power feeders, probes and powder washing systems. The turnkey plasma systems are used to develop new materials and optimize material characteristics (spheroidization). The systems do not release constituents other than the material itself and the plasma gases which consist of Argon, together with a secondary gas like helium, nitrogen, hydrogen, or oxygen. None of these gases are considered critical for the GHG emissions. It is an efficient way of developing advanced materials compared to alternative chemical processes that usually generate byproducts. Advanced materials aim to improve the efficiency of the finished product.

Substantial Contribution:

Induction plasma units sold to customers are designed for different powder-related applications that fall into two categories, i.e. nano powder synthesis or powder spheroidization, and are available in different power levels depending on the throughput required. In all cases, the systems do not release constituents other than the powder itself and the plasma gases which consist of Argon, together with a secondary gas like helium, nitrogen, hydrogen or oxygen. None of these gases are considered critical for the GHG emissions. As an electricity-intensive technology, the energy mix used to power induction plasma units will have a significant impact on carbon footprint of this technology which is otherwise a clean technology. There are no other technologies on the market that can perform the same functions as induction plasma for nano powder synthesis or powder spheroidization. This is confirmed in tender calls, where Tekna are not facing competing technologies but only competitors offering an induction plasma solution similar to ours.

As of today, Tekna does not have a life-cycle GHG emission savings analysis available. Therefore, the plasma systems segment is not considered compliant with the substantial contribution requirement.

Do no significant harm:

Since the economic activity does not fulfill the criteria for substantial contribution, a complete assessment of the DNSH criteria has not yet been carried out.

Conclusion:

Activity is eligible, not aligned.

Production of PlasmaSonic wind tunnels

Environmental Objective: Climate Change Mitigation

Economic Activity: 3.6 Manufacture of other low carbon technologies

Assessment Eligibility:

With "Production of PlasmaSonic wind tunnels", Tekna designs, manufactures, and sells the PlasmaSonic Product line, which is a wind tunnel that simulates hypersonic conditions to enable scientific research, for instance space tourism and hypersonic flight. These wind tunnels allow for material testing in a controlled environment, significantly reducing emissions compared to space testing by avoiding fuel combustion and atmospheric contamination (metal particles creating a greenhouse effect).

Substantial Contribution:

Ground testing facilities, combined with computational models, simulate space re-entry conditions. Their purpose is to develop heat shields made of specialized materials. Different ground testing technologies exist, each with specific operational ranges

Appendix VI: EU Taxonomy Statements (continued)

(temperature, velocity, heat flux, test duration, gas composition, etc.) and minimum overlaps between them (see figure 4). Considering their differences in operational ranges, they can hardly be compared in terms of GHG emissions. Therefore, flight testing is the counterpart of Tekna's Plasmasonic technology in terms of GHG emissions for developing supersonic vehicles.

Flight testing involve launching sounding rockets at very high altitude or even in space. While data on large rockets emissions are available in the literature, sounding rockets are rather niche and very little has been published. Depending on the fuel used, combustion by-products like CO2, soot, NOx and water vapor are generated in various concentrations, along with unburnt fuel expelled.

The fact that important amounts of combustion by-products are released in a short period of time and in a concentrated area up to >15km altitude (in opposition with commercial aircraft making 1000s km flight at <10km altitude) can severely impact wetlands and habitat nearby launching pads. Furthermore, spaceflight is the only direct human cause of pollution above about 20 km altitude. Scientists recently found the stratosphere is peppered with particles containing metals vaporized from the re-entry of satellites and rocket boosters. Also, water vapor released in the stratosphere can act as a greenhouse gas while black soot particles can linger for years, acting like an umbrella, absorbing solar radiation.

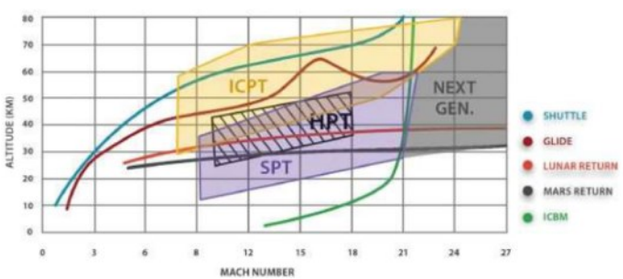

Figure 4: Vehicle trajectories vs PWT technologies, Plasma wind tunnel typical operating range by source.

ICPT: Induction Coupled Plasma (=Tekna); HPT: Huels Plasma; SPT: Segmented Arc Plasma

Plasmasonic wind tunnels are believed to provide substantial life-cycle GHG emission savings compared to the best performing alternative. However, the substantial contribution criteria are not considered met due to the lack of documentation verified by a third party demonstrating life-cycle GHG emission savings.

Do no significant harm:

CCA: A Physical climate risk assessment has been conducted in accordance with the requirements in Appendix A. The assessment was performed in 2024, and the physical risks listed in appendix A were analyzed at economic activity level.

W&M: A water impact assessment has been conducted in accordance with Appendix B. Water is filtered before going back to wastewater in the sewers. Annual quality checks on wastewater from Tekna Plasma Systems facility confirm compliance with Sherbrooke's wastewater standards.

CE: Tekna assesses the availability and adopts techniques that support reuse and use of secondary raw materials, design for high durability, recyclability, disassembly and adaptability of products, waste management and traceability of substances of concern throughout the lifecycle of the manufactured products. PlasmaSonic wind tunnels is a new product, with expected lifespan of more than 25 years. Further, it is estimated that more than 90% of the components can be recycled.

P&C: An assessment per Appendix C confirms that all substances and chemicals used in Tekna's operations comply with regulations. Tekna has compiled a list of controlled and banned substances and verified compliance with the laboratory team and building manager.

B&E: An assessment has been conducted in accordance with Appendix D. This assessment shows that none of Tekna's operation sites are in or near biodiversity-sensitive areas.

Conclusion:

Activity is eligible, not aligned.

(Development and) Production of nano materials for Multi-Layer Ceramic Capacitors (MLCC)

Environmental Objective: Climate Change Mitigation

Economic Activity: 3.6 Manufacture of other low carbon technologies

Assessment Eligibility:

With "development and production of nano materials for Multi-Layer Ceramic Capacitors (MLCC)", Tekna develops and operates its own proprietary plasma to produce and sell nano-sized metal powders for application in MLCC. The systems do not release constituents other than the powder itself (typically the same material as the feedstock or precursor introduced in the system) and the plasma gases which consists of Argon, together with a secondary gas like helium, nitrogen, hydrogen or oxygen. None of these gases are considered critical for the GHG emissions. With its nano-sized materials Tekna enables electrification through MLCC (downsizing electrical components), thereby enabling GHG emission reductions.

Substantial Contribution:

The documentation requirement regarding life-cycle GHG emissions calculation has not been fulfilled, hence the substantial contribution criteria is considered not met.

Do no significant harm:

Since the economic activity does not fulfill the criteria for substantial contribution, a complete assessment of the DNSH criteria has not yet been carried out.

Conclusion:

Activity is eligible, not aligned.

Appendix VI: EU Taxonomy Statements (continued)

Additional assessment against Environmental Objective Climate Change Adaptation (CCA)

Environmental Objective: Climate Change Adaptation

Economic Activity: 3.6 Manufacture of other low carbon technologies

Assessment Eligibility:

See description of the activities *"Production of additive material powders"*, *"Production of turnkey plasma systems"*, *"Production of PlasmaSonic wind tunnels"* and *"development and production of nano materials for Multi-Layer Ceramic Capacitors (MLCC)"* related to activity 3.6 regarding CCM above. A climate risk assessment and roadmap has been carried out, but an expenditure plan that complies with the requirements of Appendix a is currently not in place. As such, the economic activities are not considered eligible under climate change adaptation.

Substantial Contribution & Do no significant harm:

Since the economic activity is not considered eligible for the environmental objective Climate Change Adaptation, no further assessment of technical screening criteria has been carried out.

Conclusion:

Activity is not eligible under the Environmental Objective CCA

6. Minimum Social Safeguards

Minimum safeguard requirements are defined in article 18 of the EU Taxonomy regulation. According to which, an undertaking shall implement procedures to ensure the alignment with:

- The OECD Guidelines for Multinational Enterprises (OECD Guidelines for MNE)
- The UN Guiding Principles on Business and Human Rights (UNGPs), including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work
- The International Bill of Human Rights

The minimum safeguards establish social and governance criteria to ensure that environmentally beneficial activities do not negatively impact broader objectives. Key factors considered in these safeguards include human rights (including labor rights), tax compliance, anti-bribery and corruption measures, and fair business practices.

We are unaware of any significant breaches of business conduct principles and have not faced court convictions or allegations from the OECD National Contact Points or the Business and Human Rights Resource Center. Our assessment indicates that the Group Compliance Handbook and policies meet minimum social safeguards, establishing adequate human rights due diligence processes as per UNGPs and OECD Guidelines. **Therefore, we believe to be compliant with the requirements for minimum safeguards.**

The Compliance Handbook mandates company-wide risk assessments on Responsible Business Conduct, addressing social matters, human rights, anti-bribery, tax, consumer rights, and competition. Tekna's policies are accessible to employees (in Isovision, the company document management system) and stakeholders (www.tekna.com/esg), with onboarding training and whistleblowing channels. Under the Norwegian Transparency Act Tekna also conduct risk assessments and reports on potential adverse impacts.

Tekna's activities adhere to minimum safeguards, respecting human rights and maintaining a zero-tolerance policy for corruption, with no known cases in 2024. The company is committed to fair competition and has not faced significant disputes related to competition law.

The Group's policies, such as the Code of Conduct, the Business Partner Code of Conduct and Human Rights policy can be found on our website. For further details refer to the Human Rights and Transparency section in the Annual report 2024

7. Future work

As we look to increase the share of aligned activities, we will endeavor to find clever, low-cost solutions to obtain the comparative independent studies, which are required to validate our alignment with Climate Change Mitigation.

We will continue retrieving and improving relevant documentation and assessing the technical screening criteria adopted by the EU in June 2023.

We recognize that the EU Taxonomy is continually evolving, and future FAQs and publications from the European Commission may provide new insights that could influence this year's assessment.

Appendix VI: EU Taxonomy Statements (continued)

8. Statements

Accounting policies

Intro

Our accounting methodology for calculating and determining the financial key performance indicators (KPIs) disclosed by the EU Taxonomy Regulation follows the requirements in the EU Commission Delegated Regulation 2178/2021. In line with the regulation, Tekna reports on turnover, CapEx and OpEx for eligible, not-aligned economic activities.

The majority of Tekna's economic activities contribute to an environmental objective and alignment has been assessed against each. For the purpose of allocating financial KPIs to a respective environmental objective, activity-specific considerations have been evaluated, in addition to Tekna's overall ESG strategy. Aligned with Tekna's strategy, Climate Change Mitigation ("CCM") is applicable to our activities.

Double counting

Tekna only qualifies under CCM and has allocated all its eligibility to this objective. No further preventative measures (such as allocation keys) have been deemed necessary to avoid any dual allocation of the numerator of turnover, CapEx, and OpEx, i.e. avoiding double counting.

During 2024, Tekna has not issued new or distributed previously issued green bonds with the purpose of financing Taxonomy-aligned economic activities. Hence, Tekna believes that there is no need for an adjusted turnover KPI to avoid double counting.

Calculation of turnover

The share of eligible, not aligned turnover is calculated as the net turnover derived from products and services associated with eligible, not aligned turnover, divided by the Group's total net turnover, as defined in the EU Commission Delegated Act 2178/2021.

Turnover is defined by IAS 1 paragraph 82(a). For Tekna group and its portfolio companies, IFRS 15 *Revenues from contracts with customers* constitutes the EU Taxonomy turnover. See the Consolidated Income Statement and note 3 of the Financial Statements and the note Turnover for the related line items in the non-financial statement.

All intercompany transactions have been identified and eliminated from the turnover KPI. Governmental grants and revenue from non-current assets held for sale are also eliminated.

Calculation of CapEx

The share of Tekna's eligible, not aligned CapEx is calculated as CapEx associated with eligible, not aligned economic activities divided by Tekna's total CapEx, as defined in the EU Commission Delegated Act 2178/2021.

CapEx covers additions to tangible and intangible assets during the financial year considered before depreciation, amortization and any re-measurement, including those resulted from revaluations and impairments. As such, CapEx covers costs accounted in the following IFRS-standards: IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets*. These standards have served as basis for Tekna's allocation of CapEx to the denominator/numerator. Purchase of PPE and intangible assets are included. Goodwill is not included. See note 10, and note 11 for the related line items in the financial statements and the note CapEx for the related line items in the non-financial statement.

The numerator of the CapEx KPI mostly consists of capital expenditure directly associated with relevant projects (processes and assets) of Taxonomy-eligible/aligned economic activities as defined by letter (a) in the EU Commission Delegated Act 2178, section 1.1.2.2.

Currently, Tekna does not have any material capital expenditures related to a CapEx plan (b) as part of a plan to expand Taxonomy-aligned economic activities or to allow Taxonomy-eligible economic activities to become Taxonomy-aligned under conditions specified in the Delegated Act, nor does it purchase output from Taxonomy-eligible/aligned economic activities (CapEx c).

Calculation of OpEx

The share of Tekna's eligible, not aligned OpEx is calculated as OpEx associated with eligible, not aligned economic activities divided by Tekna's total OpEx, as defined in the EU Commission Delegated Act 2178/2021.

OpEx is defined as direct non-capitalized costs that relate to research and development, building renovation measures, short term lease, maintenance and repair and other direct expenditures relating to the day-to-day servicing of assets to property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

OpEx was determined using specific general ledger accounts related to maintenance and R&D. Allocations were as follow:

For maintenance costs allocation keys were needed to segregate expenses for Materials for Microelectronics (ME) and Additive Manufacturing (AM). Tekna production systems are dedicated either to AM or ME. Allocation was based on hours worked by specific system in 2024, 98.5% to AM and 1.5% to ME. For R&D: No allocation key used as we apply Project accounting. Maintenance cost is included in Operating expenses in the Consolidated Statement of Income of the Financial Statements.

The numerator of the OpEx KPI mostly consists of costs directly associated with processes and assets of Taxonomy-eligible/aligned economic activities, as well as purchase of output from Taxonomy-eligible/aligned economic activities, as defined by letter (a) and (c) in the EU Commission Delegated Act 2178, section 1.1.3.2. Currently, Tekna do not have any material operational expenditures related to a CapEx plan.

Appendix VI: EU Taxonomy Statements (continued)

Turnover

Financial year 2024		Year		Substantial Contribution Criteria						DNSH criteria ("Does Not Significantly Harm")						Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year 2024 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
Economic Activities (1)	Code (2)	Turnover (3)	Proportion of Turnover [2024] (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)				
		CAD	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**			
Of which enabling		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y		E	
Of which transitional		0	0.0%	0.0%						Y	Y	Y	Y	Y	Y	Y			T
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of other low carbon technologies	CCM 3.6	36 786 108	89.9%	EL	EL	N/EL	N/EL	N/EL	N/EL										
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**36 786 108**	**89.9%**	**89.9%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**										
A. Turnover of Taxonomy-eligible activities (A.1. + A.2.)		**36 786 108**	**89.9%**	**89.9%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		4 138 827	10.1%																
TOTAL		**40 924 935**	**100%**																

Figure 5: Qualification per Environmental objective

Contextual information about the KPIs (notes)

Note Turnover

As the activities match our definition of business lines, no assumptions nor allocation keys are needed to determine the KPI's.

Revenue from contracts with customers: CAD 36 .8 M. R&D Income is excluded.

No turnover is used for internal consumption, and all is relevant for the EU taxonomy assessment.

Turnover per objective
Proportion of turnover / Total turnover

Ojective	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.0%	99.0%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
PPC	0.0%	0.0%
CE	0.0%	0.0%
BIO	0.0%	0.0%

Appendix VI: EU Taxonomy Statements (continued)

CapEx

Financial year 2024	Year			Substantial Contribution Criteria						DNSH criteria ("Does Not Significantly Harm")						Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) capex, year 2024 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
Economic Activities (1)	Code (2)	CapEx (3)	Proportion of CapEx (2024) (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)				
		CAD	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**			
Of which enabling		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y		E	
Of which transitional		0	0.0%	0.0%						Y	Y	Y	Y	Y	Y	Y			T
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of other low carbon technologies	CCM 3.6	2 377 240	63.1%	EL	EL	N/EL	N/EL	N/EL	N/EL										
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**2 377 240**	**63.1%**	**63.1%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**										
A. CapEx of Taxonomy-eligible activities (A.1. + A.2.)		**2 377 240**	**63.1%**	**63.1%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		1 392 257	36.9%																
TOTAL		**3 769 497**	**100%**																

Figure 6: Qualification per Environmental objective

Contextual information about the KPIs (notes)

Note CapEx

All capital expenditure is considered eligible, ie CAD 2.9 M. The eligible/not aligned CapEx for 2024 is broken down as follows:

Property, Plant & Equipment: CapEx considered eligible: CAD 2.4M (excluding ROU).

Intangible assets: Capitalized patents and development fees: CAD 0.5M.

CapEx per objective
Proportion of CapEx / Total CapEx

Ojective	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.0%	63.1%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
PPC	0.0%	0.0%
CE	0.0%	0.0%
BIO	0.0%	0.0%

Appendix VI: EU Taxonomy Statements (continued)

OpEx

Financial year 2024		Year		Substantial Contribution Criteria						DNSH criteria ("Does Not Significantly Harm")						Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) opex, year 2024 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
Economic Activities (1)	Code (2)	OpEx (3)	Proportion of OpEx (2024) (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)				
		CAD	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**			
Of which enabling		0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y		E	
Of which transitional		0	0.0%	0.0%						Y	Y	Y	Y	Y	Y	Y			T
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of other low carbon technologies	CCM 3.6	2 539 214	100.0%	EL	EL	N/EL	N/EL	N/EL	N/EL										
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**2 539 214**	**100.0%**	**100.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**										
A. OpEx of Taxonomy-eligible activities (A.1. + A.2.)		**2 539 214**	**100.0%**	**100.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		0	0.0%																
TOTAL		**2 539 214**	**100%**																

Figure 7: Qualification per Environmental objective

Contextual information about the KPIs (notes)

Note OpEx

OpEx was determined using specific general ledger accounts related to maintenance and R&D. Allocations were as follow:

For maintenance costs: allocation were needed to segregate expenses for Materials for Microelectronics (ME) and Additive Manufacturing (AM). Tekna production systems are dedicated either to AM or ME. Allocation was based on hours worked by specific system in 2024: 98.5% to AM and 1.5% to ME. For R&D: No allocation key used as we apply Project accounting.

The total eligible/not aligned OpEx for 2024 of CAD 2.5M is broken down as follows: Additive Manufacturing: CAD 1.2M, Systems: CAD 0.7M, PlasmaSonic: CAD 0.2M and Microelectronics: CAD 0.4M.

OpEx per objective
Proportion of OpEx / Total OpEx

Ojective	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.0%	100.0%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
PPC	0.0%	0.0%
CE	0.0%	0.0%
BIO	0.0%	0.0%

Appendix VII: Human Rights and Transparency | Workers in the value chain [ESRS S2] | Business Conduct [ESRS G1]

Contents

1. Introduction

Tekna Group ("Tekna" or "Group") is subject to the two following legal frameworks, both having the objective of improving respect for fundamental human rights in supply chains and increasing transparency on the topic.

- 1 January 2024, the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act came into effect.
- 1 July 2022, the Norwegian Transparency Act came into effect.

Tekna has reported annually on Human Rights and Transparency since 2022.

Tekna is a world-leading provider of advanced materials, headquartered in Sherbrooke, Canada. Tekna produces high-purity metal powders for applications such as 3D printing serving the aerospace, medical and consumer electronics industries, as well as optimized induction plasma systems for industrial research and production. With its unique, IP-protected plasma technology, the company is well-positioned in the growing market for advanced nanomaterials within microelectronics. Building on 30 years of delivering excellence, Tekna is a global player recognized for its quality products and its commitment to over 200 customers including multinational blue-chip customers.

Tekna Holding ASA and its subsidiaries ("Tekna") consists of ten legal entities, of which three are in Europe ("EU"; including one joint venture in process of dissolution; 18 employees), four are in North America ("NA"; 162 employees) and three are in Asia (5 employees). Manufacturing takes place in Canada, whereas the other entities are sales offices. Refer to the appendix for a full overview of entities and an organisation chart.

Tekna's value chain

In our sustainability journey, we have focused our attention on understanding the impacts of our own operations. However, Tekna has a diversity of interactions across the value chain: suppliers, customers, our own operations and interactions related to the end user and end-of-life process. Our supply chain and geographical footprint are examples of factors that affect the value chain and our impacts, risks and opportunities. Tekna can have a positive or negative impact on the value chain. An example of a positive impact is the enabling strength of our high-quality additive manufacturing ("AM") materials converting more customers to resource efficient AM methods. As a global business, the need for business travel and the related greenhouse gas emissions (GHG) is an example of a negative impact. Raw materials for the manufacturing of metal powders is the area with the highest risk for negative impact in our supply chain.

Community impact	Labor conditions
• Freedom of expression • Digital security/privacy • Access to water and sanitation • Displacement and loss of livelihoods • Environmental degradation • Conflict minerals in the supply chain • Gender equality and women's right • Minority rights • Rights of Indigenous People • Rights of refugees and migrants • Land rights • Security forces	• Freedom of association and the effective recognition of the right to collective bargaining • Forced labor • Child labor • Non-discrimination in respect of employment and occupation • Safe and healthy working environment • Working conditions (wages, working hours)

Figure 1: Potential human rights impacts relevant to Tekna

Appendix VII: Human Rights and Transparency (continued)

Potential risk and impact areas in our value chain

Notwithstanding our commitment to respecting all human rights, the human rights issues most relevant to our business operations are figure 1 on the previous page.

In figure 2 is a simplified overview of the Tekna value chain for the two business units. We have indicated in red the part with the highest potential for negative impact, which materials are on the Critical raw material list, and which are potential conflict materials.

Own operations

To manufacture Tekna's products the following business-specific resources are required for Materials:

- *Production equipment:* plasma systems and peripherals, sieves, blenders, containers, forklifts, storage racking, recycling bins
- *Production enablers:* metals (titanium alloy, aluminum alloys, tungsten, tantalum), process gases (argon, helium), cooling water, packaging (plastic curtec containers, aluminum bottles, pallets, straps, labels), laboratory (test chemicals), OHS (GVP masks, gloves, boots)

And for Systems:

- *Production equipment:* tools, welding equipment, storage racking, recycling bins, specific software
- *Production enablers:* metals, composites, electrical wiring, tubes, pipes, hardware, software, packaging (wooden crates)

Upstream value-chain

(based on unverified assumptions)

To obtain the mentioned "production enablers" the following processes are likely required upstream for Materials:

- *Metal feedstock* (titanium alloy, aluminum alloys, tungsten, tantalum): ore extraction (mining and beneficiation resources) > refining and chemical processing > reduction and metal processing > melting and casting resources > transformation to feedstock (processing (casting and wire drawing or powder production) and packaging resources.

Systems:

- *Stainless steel:* From ore to stainless steel sheet, this process involves mining and ore beneficiation, smelting and alloying, rolling and shaping, and finishing.

We have a general understanding of the potential impacts and risks associated with the upstream value chain and the highest risk is likely to be found in raw material extraction and refining. This may include child labor, forced labor, pollution of land, soil, water and air, perilous working conditions, hazardous workplaces, exposure to hazardous chemicals, conflict and disputes in local communities and GHG emissions.

As a medium sized company we have access to our business partners and are able to inform ourselves about their practices, associated risks and potential impacts. The suppliers of our business partners have proven to be more difficult to assess. Much work remains to be done to complete the understanding.

Risk mitigation

80 per cent of Tekna's global spend comes from suppliers based in the EU or NA, which we deem well-governed by legal standards. The remaining 20 per cent, approximately, is spent on a key raw material, i.e. titanium, supplied by two regularly audited manufacturers in China. Both are well-established and qualified suppliers to major western industrial conglomerates.

REACH, RoHS and potential conflict minerals

Our procurement team has delivered third-party verification guaranteeing our powder products are meeting REACH (toxic chemicals) and RoHS (hazardous substances) requirements.

Tekna is following the Responsible minerals initiative (Conflict minerals reporting) for tungsten and tantalum. Both are sourced exclusively from Conflict-Free material based on OECD due diligence and Dodd-Frank requirements. Tekna has the declaration on conflict-free material, which is made with all the information from partners in the entire supply-chain from smelters up to Tekna.

Value chain (VC)	Upstream value chain	Own Operations (OO)	Downstream value chain (VC)	
Business unit:	Raw materials and supply chain	Production, distribution, marketing	Customers	End-users (& End-of-life-stage)
Materials: for additive manufacturing industry	*Mining and sourcing of raw materials*		*Production of:*	*Utilization:*
	Aluminum, Tantalum[1,2], Titanium[1], Tungsten[1,2]	Production of micron-sized materials (A, Ti, W, Ta).	Tier 1 and Tier 2 Metal part manufacturers	Aerospace, medical implants, consumer electronics, 3D Machine Manufacturers
for micro-electronics industry	Nickel	Production of nano-sized materials (Ni).	Multi-Layer Ceramic Capacitors (MLCC) Original Equipment Manufacturers	Electronics in devices, EVs,
Systems	Production of hardware (Parts and subassemblies)	Production and development of plasma technology	(Materials) Research institutes and companies	Research and small production of (new) materials
General	Transportation associated with above activities. Sourcing of parts, electricity, water	Storage, packaging, transportation and logistics Sales and Marketing, personnel and office		Disposal and end-of-life handling

Figure 2: simplified overview of the Tekna value chain for the two businesses.

1: Critical raw material list. 2: Potential conflict material Tekna's supplier guaranteed material purchased non-conflict.

Appendix VII: Human Rights and Transparency (continued)

2. Guidelines and routines

Several guidelines and routines have been created and communicated for handling actual and potential negative consequences for basic human rights and decent working conditions.

For any concerns about business conduct, or advice regarding the policies and practices for responsible business conduct, the first point of contact internally is the HR department, externally it is the CFO and, alternatively the whistleblowing channel is available if the informant wishes to remain anonymous. Any interaction will be taken into consideration on a continuous basis.

Tekna has established an Ethics and Compliance Committee ("ECC") to ensure we operate fairly across all business operations and engage to not use prohibited practices. This showcases our commitment to do business with diligence. The ECC reports to the Audit Committee and consists of key executives and managers. One of its roles is to ensure adequate up-to-date guidelines and routines are in place and properly implemented and followed.

Code of Conduct

Tekna has embedded responsible business conduct of its employees and officers in its Code of Conduct ("CoC") since 2021. The CoC was updated and approved by the Board of Directors on December 15, 2023. It is available in both English and French to ensure a good understanding with the employees and enable them to use good judgment, and in the case of uncertainty, seek guidance.

At March 31, 2024, 100% of the global employees had signed[3] the CoC. It is also compulsory for new employees to read and sign the CoC as part of their onboarding.

The CoC is available on www.Tekna.com/esg .

Employee training

A CoC training for employees has been developed internally and participation before March 31, 2025 is mandatory for all Tekna employees worldwide. The training addresses Human Rights including forced and child labour, right to occupational health and safety, harassment protection, civility. It also explains the whistleblowing tool and protection as well as the key information on anti corruption and compliance. The training duration is one hour and includes an exam of 20 multiple choice questions that must be completed with 80% score.

The CoC is available in the Document Management System "Isovision" and on the website. It is part of the introduction program of every employee as well as compulsory (re-)lecture when significant updates are done.

Business Partner Code of Conduct

Tekna has embedded responsible business conduct for suppliers in its Supplier Code of Conduct since 2021. It has now been updated to a Business Partner Code of Conduct ("BPCoC"), which was approved by the Board of Directors on November 5, 2024. It is available in both English and French to ensure a good understanding with our supply base.

The BPCoC is available on www.Tekna.com/esg .

Human rights

Tekna's Business Partners shall respect human rights, and always act in line with the rules and principles laid out in the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights, and the OECD Guidelines for Multinational Enterprises. Tekna has implemented a Human Rights policy, approved by its Board of Directors since November 5, 2024.

Prohibition of child labour

Tekna does not accept any form of child labour or that children below the lawful minimum age for admission to employment are engaged in our or our Business Partners' business. If persons below the age of 18 are involved, Tekna demands special precautions to safeguard their health, security and rights. Persons below the age of 18 shall not perform dangerous or night-time labour, and their work shall not inflict damage on their education or development. Tekna and its Business Partners fully support, and will act in accordance with, the UN Convention on the Rights of the Child.

Labour rights, health and safety

Tekna does not accept any involuntary labour and expects all its Business Partners to comply with all fundamental labour rights and applicable laws and regulations. Business Partners shall ensure fair salaries, safe working conditions (including necessary supervision and protection from fire and other dangers), the right to organize, a good workplace environment, and have in place a whistleblowing procedure for the reporting concerns by employees.

Hazardous substances and conflict resources

Tekna and its Business Partners shall comply with applicable laws and regulations regarding the use, prohibition and restriction of hazardous substances and shall avoid the use of conflict materials, i.e. materials that originate from conflict areas and contribute to fund governments and movements which violate fundamental human rights.

Discrimination and harassment

Any kind of discrimination due to gender, ethnicity, national origin, descent, skin colour, language, religion, sexual orientation, family situation or disability is not accepted in Tekna or any of its Business Partners. All people shall at any time be treated with respect and dignity.

3: Signing includes online acceptance on our Document Management System ISOVISION.

Appendix VII: Human Rights and Transparency (continued)

Whistleblowing

Tekna encourages transparency and Business Partners and their employees are expected to report any concerns about potential violations of the CoC and BPCoC or applicable laws and regulations to the Chief Financial Officer without delay.

If our employees suspect any unethical conduct in breach of this Code or other policies and applicable laws, they shall immediately report this to the corporate or local HR department following the internal complaint procedure.

The first point of contact is the HR department, but reports can be made to one of the people listed in the CoC, depending on the nature and content of the report. Violations involving a member of the executive team should be reported directly to a Board member.

If an employee reporting a violation wishes to remain anonymous, all reasonable steps will be taken to keep their identity confidential. Anyone who reports such matters, in accordance with the internal complaint form, will be protected from retaliation. As such, no employee shall be discriminated or retaliated for reporting in good faith a violation of Tekna's policies. However, any employee who intentionally has made a false claim of violation may receive disciplinary actions up to and including, when appropriate, termination of employment.

Tekna will endeavour to protect whistleblowers against retaliation. Tekna may, however, disclose information to competent authorities to the extent appropriate.

In 2023, Tekna established a partnership with Whistleblower Software, enabling us to introduce an anonymous whistleblowing platform to our valued employees and stakeholders. This collaboration marked a significant milestone in our journey towards fostering a culture of transparency, accountability, and ethical conduct. By providing a secure, anonymous and confidential channel for individuals to report concerns, we have strengthened our commitment to maintaining the highest standards of integrity within our organization. Our aim for this new channel is that it will act as a constructive feedback loop within our organization and supply chain, thus helping in identifying, mitigating, and addressing issues.

Handling requests of information

Tekna has published the Routine for processing requests on information according, which solidifies our dedication to transparency by outlining a systematic approach to managing and responding to information requests. The routine follows the legal requirements of the Norwegian law and is deemed adequate and applicable to any information request on the topic. By establishing clear guidelines for information disclosure, we aim to bolster trust among our stakeholders and contribute to a more informed and engaged community.

Upon receipt of a written request for information Tekna will reply within three weeks. Depending on the complexity of the request this will either be the answer to the questions or a request for extension of the time limit with reason of the extension and an expected completion and reply date.

The contact person for questions related to this report, human rights and transparency is disclosed on the website (Tekna.com/esg). At publication of this report Ms. Arina van Oost can be contacted at esg@tekna.com.

Subjects for the Board

The overall management of the Company is vested in the Board and the Executive Leadership Team. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business, ensuring proper organization and allocation of responsibilities and duties, preparing plans and budgets for its activities, ensuring that the Company's activities, accounts, and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

Since 2022, the Board of Directors approves all ESG policies. Important policies publicly available:

- (Employee) Code of Conduct and Ethics (2023)
- Corporate Governance policy (2022)
- Business Partner Code of Conduct (2024)
- Human Rights Policy (2024)
- Routine - Transparency Act (2023)
- Anti-Corruption policy (2023)
- Competition law compliance policy (2023)

Relevant internal policies approved by the CEO:

- Donations and Sponsorships Policy
- Work Harassment policy
- Workers' compensation equity system
- Occupational Health & Safety policy

Appendix VII: Human Rights and Transparency (continued)

3. Risk of negative consequences

Risks of negative consequences resulting from our value chain are identified through a sustainability due diligence process.

Performance

Tekna's first experience with supply-chain due diligence stems from its 2022/23 effort to engage with the top 25 suppliers ranked on the basis of risk of location, location of their supply-chain and or spend. We used a professional tool developed for this purpose, Factlines.com, and after numerous follow-ups we managed to get 9 completed assessments. For results refer to the 2023 report.

80 per cent of Tekna's global spend comes from suppliers based in the EU or NA, which we deem well-governed by legal standards. The highest risk supplier (rank 1/25), based on significance for Tekna for (titanium feedstock), spend (approx. 20 percent of total company spend), and location (China classified as a country with high risk because there is no guarantee of workers' rights), completed the self-assessment, signed the SCoC and was audited on site. They are well-established and a qualified supplier to major western industrial conglomerates.

Therefore, the Ethics and Compliance Committee has decided to use 2024 for implementing the new policies approved in Q4 2023 and 2024 (see Subjects for the Board).

In 2025, we will initiate a second due diligence round to identify, measure and understand the most important risks in our supply chain. We aim to cover topics such as supply chain, risk assessment, management systems, working conditions, social responsibility, environment, anti-corruption, and conflict minerals.

In order to make the most out of the resources we have, we will first focus our efforts on the suppliers with the most improvement potential.

We will pay particular attention to those suppliers that disclose not having a policy against the use of child labour and / or forced labour in line with the UN Global Compact principle 5.

KPI

In 2024, there were no reported incidents of discrimination, anti-corruption or breaches of the BPCoC or CoC. Tekna received three whistleblowing reports involving two (internal) incidents.

See figure 3 for further key performance indicators.

Figure 3: Key performance indicators	2024	2023
Percentage of new suppliers that were screened using social criteria	priority focus on risk suppliers	
Number of suppliers assessed for social impacts		9 (+3 in progress)
Number of suppliers identified as having significant actual and potential negative social impacts		0
Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment	Focus on implementing policies, Due diligence to re-start in 2025	0 (high risk)
Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why		0

Process to remediate negative impacts

To date, Tekna has not detected or been informed of any negative impact to remediate.

In line with our 2024 Human Rights Policy and commitment, Tekna:

- Provides an accessible complaint mechanism provided by Whistleblower Software, which enables Representatives, Business partners and other relevant stakeholders to raise concerns or grievances related to our activities, securely and anonymously;
- Ensures that complaints are handled promptly, impartially, and according to applicable laws and regulations. Our grievance handling team conducts thorough investigations, taking action, and ensuring transparency throughout the remediation process;
- Provides or cooperates in providing prompt and appropriate remediation to address and prevent activities that have caused or contributed to adverse impacts and its recurrence, such as corrective actions, compensation, or changes to our policies.

Appendix VII: Human Rights and Transparency (continued)

4. Measures

Tekna will ensure that all new employees sign the Code of Conduct and undergo training on the most important policies, including the Code of Conduct, Human Rights policy and Anti-Corruption and Competition Law Compliance.

Tekna will renew its efforts with its supply base to

- Improve the percentage of signatories of its updated Business Partner Code of Conduct
- Improve participation in its due diligence process and act on any "high risk" assessments
- Ensure supplier audits include E, S, G topics and climate risk mitigation as standard in the agenda
- Improve its understanding of climate-related risk and support the development of a mitigation plan.

All these measures will reduce the risk of negative consequences and halt present activities that have negative impact.

Progress on Action plan 2024

Supplier audit standard agenda to include E,S,G and climate risk topics ✓	Completed
Increase Supplier SCoC signatories - simplify process	Ongoing
Employee training in CoC— including focus on child and forced labour	Training developed, roll out Q1
Employee training in Anti-Corruption and Compliance	Training developed, roll out Q1
Update and adjust SCoC to specifically address all Business Partners ✓	Completed
Board approval for CoC for Business Partners ✓	Completed
Create Human Rights Policy ✓	Completed
Board approval Human Rights Policy ✓	Completed
ECC to follow due diligence on 25 most critical suppliers	Ongoing

Actions 2025

Employee training in CoC— including focus on child and forced labour, Anti-Corruption and Compliance ✓	Q1
Increase BPCoC signatories - simplify process	Ongoing
Reinitiate Due diligence on 25 most critical suppliers, ECC to track	Q2-Q4

5. Signatures

Board of Directors and CEO

Arendal, 9 April 2025

The Board of Directors and CEO of Tekna Holding ASA

This document was electronically signed.

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