2021

EU Taxonomy Progress Report (extract **Sustainability Report**)

TEKNA

External frameworks

EU taxonomy (reporting in preparation)

What is EU taxonomy and why is it important [20]?
The EU taxonomy is a classification system, establishing a list of environmentally sustainable economic activities. It may play an important role in helping the EU scale up sustainable investment and implement the European green deal.

The EU taxonomy would provide companies, investors and policymakers with appropriate definitions for which economic activities can be considered environmentally sustainable. Therefore, it should create security for investors, protect private investors from greenwashing, help companies to become more climate-friendly, mitigate market fragmentation and help shift investments to where they are most needed.

How it works (simplified)?
Step 1: The company determines what activities are in scope of the EU taxonomy. These are called Eligible activities.
Step 2: Applying 3 groups of criteria, namely 1) Sustainably contribute, 2) Do no significant harm and 3) Minimum safeguards a company determines its Aligned activities.

The activities are reported in Revenue, Opex and Capex.

Eligibility study Tekna: 96% of revenue 2021 is eligible!
In a first assessment assisted in methodology by EY and AFK, Tekna has found that 96% of its revenue today is eligible in the following category:

Activity:	Manufacture of other low carbon technologies
Environmental objective:	Climate mitigation
Description:	Manufacture of technologies aimed at substantial GHG emission reductions in other sectors of the economy.
Type of activity:	Enabling

Production of metal Additive Manufacturing powder
- Tekna produces metal powders that significantly reduce the metal consumption in product manufacturing processes. Metal consumption is a power and emission intensive process and hence the production of additive manufacturing powder reduces GHG emissions compared to conventional production methods. All metals that Tekna produces are considered relevant in this category.
- FY 2021: 100% eligible

Manufacture of machinery for metallurgy: Plasma systems
- The plasma technology efficiently produces metal powders, hence lowering the GHG footprint of metal production by reducing the total raw material consumption in the production process
- The plasma machines themselves should be more energy efficient compared to other alternatives for similar production processes for the criteria to apply
- Taxonomy for circular economy may be applicable once developed (2022)
- FY2021: 89% eligble

Methodology and assumptions
- Business activities and relevant NACE codes have been reviewed trough the climate risk project.
- Identification of relevant taxonomy-activities and mapping to business activities have been discussed in separate workshops to ensure correct taxonomy-activity and thereby eligibility.
- Each business activity is assessed for taxonomy eligibility and alignment through a simplification of the criteria given in the taxonomy regulation and draft delegated acts to provide the essence of each criterion.
- Estimated share of eligible activities may change as a result of the final publication and guidance from the EU, as well as the Norwegian government's adaptation of the legislation.

Next steps:
- Control and validate reported 2021 numbers for eligible activities
- Alignment assessment and report on alignment in 2022 report
- Evaluate the strategic opportunity to increase the share of eligible and aligned activities.

96% of 2021 revenues deemed eligible!

[20] Source: https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-activities_en

Part 1 | This is Tekna

About Tekna

Tekna is a world-leading provider of advanced materials to industry, headquartered in Sherbrooke, Canada. Tekna produces high-purity metal powders for applications such as 3D printing in the aerospace, medical and automotive sectors, 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 the electronics and batteries industries. Building on 30 years of delivering excellence, Tekna is a global player recognized for its quality products and its commitment to its large base of multinational blue-chip customers. Tekna's powder products increase productivity and enable more efficient use of materials, thereby paving the way towards a more resilient supply chain and circular economy.

Established organization with world-wide reach

- **Founded in 1990**
- **Listed Euronext Growth OSLO 2021**
- carbon neutral **aspiration 2030**
- **Headquartered in Quebec, Canada**
- **200 employees**
- **90 active patents**
- **3 production facilities**
- **2 research facilities**
- **7 subsidiaries**
- **1 joint venture**

Tekna Holding AS
Langbryggen 9
4841 Arendal
Norway

Headquarter:
2935 Boul. Industriel
Sherbrooke, Québec
J1L 2T9 Canada
+1-819-820-2204

esg@tekna.com
www.tekna.com/esg

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