Eco-Design Plan 2023

Subject: Reducing the use of non-renewable materials

1. Identifying and reducing non-renewable materials: To identify and reduce non-renewable materials in our products, we have implemented the following actions and goals:

Action: Material Assessment and Substitution
We comprehensively assess non-renewable materials used in our portable ACs, dehumidifiers, humidifiers, air purifiers, ozone generators, and hygrometers. We prioritise replacing these materials with sustainable alternatives wherever feasible without compromising product performance or safety. This involves collaborating closely with our suppliers to source eco-friendly materials and exploring innovative solutions to reduce our reliance on non-renewable resources.

Action: Life Cycle Analysis
We perform life cycle analysis (LCA) for our products to evaluate the environmental impact of different materials used throughout their life cycle. By conducting LCAs, we gain insights into energy consumption, greenhouse gas emissions, and resource depletion associated with specific materials. This analysis helps us identify opportunities for reducing non-renewable materials by optimising product design, manufacturing processes, and packaging choices.

Goal: Reduce Non-Renewable Material Content
Our primary goal is to steadily reduce our products' overall non-renewable material content by a specific percentage over the next five years. Through ongoing research and development efforts and collaboration with our suppliers, we aim to identify alternatives to non-renewable materials and implement changes in our manufacturing processes accordingly. This goal aligns with our commitment to sustainable practices and reducing the environmental impact of our products.

2. Streamlining the quantities of materials and components used: To streamline the quantities of materials and components used in our products, we have implemented the following actions and goals:

Action: Design Optimisation
We employ design optimisation techniques to minimise material waste and maximise efficiency throughout product development. By adopting modular designs and standardising components across different product lines, we reduce the variety of materials needed and simplify the manufacturing process. This streamlining approach ensures that the quantities of materials and

components are optimised without compromising product quality or functionality.

Action: Supplier Collaboration:
We collaborate closely with suppliers to explore material consolidation and component standardisation opportunities. By working together, we aim to identify common materials and components that can be used across multiple product categories, thereby reducing the required quantity of materials. This collaboration also helps streamline our supply chain and simplifies inventory management.

Goal: Material Quantity Reduction
Our goal is to significantly reduce the overall quantity of materials used in our products over the next three years. This includes the reduction of PE bags used for power cords and manuals. By optimising design, adopting standardised components, and implementing lean manufacturing practices, we aim to minimise material waste and improve resource efficiency. This goal supports our eco-design objectives and contributes to cost savings and a more sustainable manufacturing process.

Subject: Increasing the use of recycled materials

1. Maximising the incorporation of recycled materials: To maximise the incorporation of recycled materials in our products, we have implemented the following actions and goals:

Action: Material Research and Sourcing
We actively research and identify recycled materials that meet our product requirements and quality standards. This involves collaborating with material suppliers and engaging in extensive market research to source high-quality recycled materials. Additionally, we are aiming to increase the percentage of recycled materials used in our portable ACs, dehumidifiers, humidifiers, air purifiers, ozone generators, and hygrometers, thereby reducing our reliance on virgin materials.

Action: Product Redesigns and Adaptation
We continuously evaluate and adapt our product designs to facilitate the integration of recycled materials. By reengineering product components, optimising manufacturing processes, and exploring innovative solutions, we aim to maximise the incorporation of recycled materials without compromising product performance, safety, or aesthetics. This approach ensures that our products contribute to the circular economy and reduce waste.

Goal: Recycled Material Utilisation
We aim to progressively increase the utilisation of recycled materials in our product range, with a target to evaluate our products, given their differences, category by category, throughout the next twelve months.

Through ongoing research and development, supplier collaborations, and customer feedback, we strive to identify opportunities for incorporating recycled materials at various product lifecycle stages. This goal aligns with our commitment to sustainability and resource conservation.

2. Identifying suppliers and setting up partnerships: To identify suppliers and establish partnerships for the procurement of recycled materials, we have implemented the following actions and goals:

Action: Supplier Assessment and Selection
We conduct rigorous assessments of potential suppliers to evaluate their capability to provide recycled materials that meet our quality standards and specifications. This includes reviewing their recycling processes, certifications, and compliance with environmental regulations. By partnering with reputable suppliers who share our commitment to sustainability, we ensure a reliable and consistent supply of recycled materials.

Action: Collaboration and Supplier Development
We actively collaborate with suppliers to foster a sustainable supply chain. This involves sharing our eco-design principles, providing guidance on material requirements, and encouraging suppliers to invest in research and development of recycled materials. By working closely with our suppliers, we aim to drive innovation, improve the availability of recycled materials, and support the growth of the recycled materials market.

Goal: Supplier Integration and Collaboration
Our goal is to establish long-term partnerships with key suppliers who can consistently provide high-quality recycled materials. Through these partnerships, we aim to strengthen the integration of recycled materials into our product manufacturing processes. Additionally, we strive to collaborate with suppliers on initiatives such as waste reduction, closed-loop systems, and continuous improvement in sustainability practices. This goal reflects our commitment to driving positive environmental change through collaboration across the supply chain.

Subject: Increasing the recyclability of products

1. Choosing recyclable materials: To increase the recyclability of our products, we have implemented the following actions and goals:

Action: Material Evaluation and Selection

1. To identify recyclable options, we thoroughly evaluate materials used in our portable ACs, dehumidifiers, humidifiers, air purifiers, and hygrometers. Our goal is to prioritise using materials that can be easily recycled at the end of their life cycle. We work closely with our suppliers to source recyclable materials, such as plastics with high recycling rates, and ensure they meet our quality and performance requirements.

2. As part of this ongoing effort, we have made a strategic decision to manufacture all our products in Sweden using sheet metal hulls primarily sourced from recycled materials. *(See attachment "210711-AOD DISTRIBUTION Master.xlsx" for specifications)* By opting for sheet metal instead of plastic, we not only increase the lifespan of our products but also significantly reduce our environmental footprint.

This conscious choice allows us to contribute to the circular economy by promoting the reuse and recycling of materials. This initiative aims to set a positive example in the industry and provide our customers with durable, long-lasting solutions prioritising performance and environmental stewardship.

Goal: Increased Recyclable Material Usage
Our primary goal is to significantly increase the utilisation of recyclable materials in our product manufacturing. Over the next three years, we aim to achieve an increase of recyclable materials used in our product range. This goal reflects our commitment to sustainable practices and supports the transition towards a circular economy by reducing waste and promoting resource conservation.

1. Considering the separability of the items: To enhance the separability of our products for recycling purposes, we have implemented the following actions and goals:

Action: Design for Disassembly
We prioritise the design of our products with disassembly in mind. This involves designing components that are easily separated and removed at the end of the product's life cycle. By incorporating features such as snap-fit connections, standardised fasteners, and modular design principles, we enable efficient disassembly and the extraction of recyclable materials.

Goal: Improved Disassembly and Recycling Efficiency
Our goal is to enhance our products' disassembly and recycling efficiency continually. By designing products that are easy to disassemble, we aim to streamline the recycling process and promote the recovery of valuable materials. This goal aligns with our commitment to sustainable resource management and supports the efforts of recycling companies and our service department.

2. Restricting/reducing the presence of recycling disruptors and substances of concern: To minimise the presence of recycling disruptors and substances of concern in our products, we have implemented the following actions and goals:

Action: Material Compliance and Substitution
We closely monitor and assess the materials used in our products to ensure compliance with relevant regulations and industry standards. Our goal is to restrict or eliminate the use of substances that hinder recycling processes or

pose environmental risks. We proactively substitute such materials with safer, more recyclable alternatives without compromising product performance or safety.

Goal: Minimisation of Recycling Disruptors
To eliminate or significantly reduce the presence of recycling disruptors and substances of concern in our products is a goal for us. By adhering to strict material compliance guidelines and collaborating with our suppliers, we aim to create safe and efficient recycled products, minimising environmental impacts and promoting a sustainable recycling ecosystem.

3. Streamlining the diversity of materials and components: To streamline the variety of materials and components used in our products, we have implemented the following actions and goals:

Action: Material and Component Standardisation
We actively pursue material and component standardisation across our product range. We are actively reducing complexity and improving recyclability by identifying opportunities to consolidate materials and components. This approach also simplifies inventory management, reduces waste, and enhances the efficiency of the recycling process.

Goal: Streamlined Materials and Components
Our goal is to streamline the diversity of materials and components used in our products. Through ongoing design optimisation and collaboration with suppliers, we aim to reduce the number of materials and components used while maintaining product quality and functionality. This goal aligns with our commitment to sustainable manufacturing practices and supports a more efficient and effective recycling process.

Subject: Designing products to extend their useful life

1. Developing upgradeable products suitable for upgrades, reconditioning, and remanufacturing: To design products that can be easily upgraded and refreshed, thus extending their useful life, we have implemented the following actions and goals:

Action: Modular Design and Component Compatibility
We adopt a modular design approach, ensuring our products have interchangeable components that can be easily upgraded or replaced, including filters. By developing standardised interfaces and compatible parts, customers can enhance the functionality or performance of their products without having to replace the entire unit. This approach promotes resource efficiency and reduces waste.

Goal: Enhanced Product Upgradability

We are working to provide customers with upgradeable products that can be refreshed or reconditioned throughout their lifecycles. We aim to develop a range of compatible upgrade options, such as filter replacements, serviced/reconditioned units, and software updates when applicable. This goal aligns with our commitment to sustainable consumption and the circular economy.

2. Standardising materials, items, and components: To extend the useful life of our products, we have implemented actions and goals to standardise materials, items, and components:

Action: Material and Component Standardisation
We strive to standardise materials, items, and components used across our product range. By reducing the diversity of materials and components, we simplify the manufacturing process, improve inventory management, and facilitate repairs and replacements. Standardisation also enables us to stock spare parts more efficiently and better support our customers.

Goal: Streamlined Standardisation
Streamlining the standardisation of materials, items, and components across our product lines is a priority for us. This includes working closely with suppliers to identify common materials and promoting standardised parts. By achieving greater standardisation, we enhance the availability of spare items and ensure that our products have a longer lifespan through efficient repair and maintenance processes.

3. Designing for multiple uses to facilitate second life: To extend the useful life of our products and facilitate their second life, we have implemented the following actions and goals:

Action: R&D
Wood's is currently developing the 3rd generation of one of our flagship products. This new iteration aims to significantly reduce energy consumption over time while simultaneously enhancing ventilation capabilities and effectively purifying indoor ambient environments.

Goal: R&D
Through research, design improvements, and rigorous testing, we strive to deliver this solution to our customers in the coming year, hoping to surpass customer expectations while actively reducing energy consumption and promoting cleaner indoor air quality.

Action: Multi-Functionality and Versatility
We incorporate multi-functionality and versatility into our product designs, allowing them to serve various purposes and adapt to different user needs. We now have some products that are dual functioning, such as an AC and heat pump. This can also be seen in our laundry dryers, which are also dehumidifiers. By enabling our products to have multiple uses or applications,

they can continue to be utilised even after their initial intended purpose or eliminating the need to acquire an additional product. This approach promotes sustainability and reduces the need for premature product replacement.

Action: Multi-Purpose Products
Wood's Cortina Silent 12K Duo is an example of a portable AC that can serve multiple purposes, as it can function as a heat pump during colder months. This feature allows the unit to accumulate heat from the air and generate more heat and energy than it consumes, with a **3:1 ratio of energy and power.**

Action: Energy Savings Dehumidification
excess moisture in the air can cause the temperature in your home to feel colder than it actually is.

Using a dehumidifier to remove excess moisture from the air, consumers can raise the perceived temperature in a home, allowing them to set the thermostat at a lower temperature while still feeling comfortable. This can help consumers save energy by reducing the amount of energy needed to heat their homes to a comfortable level.

Wood's has developed a concept to help consumers choose the right dehumidifier designed for the corresponding space in their homes.

Goal: Increasing Communication
In continuing to communicate this concept with our retailers and consumers, we are helping them choose the most beneficial and energy-efficient product for their space. This avoids unnecessary consumer spending on energy bills and experiencing significant energy savings.

Goal: Facilitating Second Life
Our goal is to design products that can seamlessly transition into a second life through repurposing or finding new users. This is prevalent within our professional division, where older units are reconditioned to be used again by new customers. By considering the potential applications beyond the original intent, we aim to maximise the value and lifespan of our products. This goal aligns with our commitment to the circular economy and reducing waste generation.

4. Maximising robustness and reliability: To maximise the robustness and reliability of our products, we have implemented the following actions and goals:

Action: Rigorous Testing and Quality Control
We conduct rigorous testing and quality control procedures throughout the product development process to ensure that our products meet high durability and reliability standards. This includes testing for mechanical stress, environmental conditions, and long-term performance. By employing these

measures, we aim to create products that can withstand extensive use and have a longer useful life.

Goal: Extended Product Lifespan
Our goal is to maximise the lifespan of our products by ensuring their robustness and reliability. We reduce the need for frequent repairs or replacements by providing durable and dependable products. This not only benefits our customers but also contributes to the reduction of waste and the conservation of resources.

It is important to emphasize to our customers the value of registering their products with us. By registering their products, they are not only taking advantage of the benefits of our filter change reminders and **extended warranties**, but they are also contributing to the longevity and sustainability of the product, reducing energy consumption and minimizing waste.

By registering their products, we are better able to keep track of the products and their maintenance needs. This allows us to provide more personalized and efficient customer service while reducing the need for unnecessary replacements and repairs.

5. Ensuring reparability (disassembly, information, and spare items): To promote reparability and facilitate product maintenance, we have implemented the following actions and goals:

Action: Design for Disassembly and Accessible Information
We prioritise the design of our products for easy disassembly, ensuring that components can be accessed and replaced without excessive effort. Additionally, we provide comprehensive product information, including user manuals, repair guides, and troubleshooting resources, to empower customers and service technicians with the knowledge needed to perform repairs effectively.

Action: Spare Parts Availability
We maintain a stock of spare parts for our products, ensuring their availability to customers and service technicians. By offering a range of spare items, such as fans, motors, filters, or control panels, we enable timely repairs and replacements. This proactive approach extends the lifespan of our products and reduces unnecessary waste.

Goal: Enhanced Reparability and Maintenance Our goal is to ensure that our products are highly repairable and maintainable throughout their lifecycle. By designing for disassembly, providing accessible information, and ensuring spare parts availability, we aim to minimise the frequency of product replacements and maximise the potential for repair. This goal aligns with our commitment to resource efficiency and customer satisfaction.

Subject: Services and support to extend the useful life of products

1. Raising the user's consciousness about the maintenance of the product: To raise user consciousness about the importance of product maintenance, we have implemented the following actions and goals:

Action: Educational Materials and Guides
We provide comprehensive educational materials, including user manuals, maintenance guides, and online resources, to inform customers about our products proper care and maintenance. These resources highlight the benefits of regular maintenance, such as improved performance, energy efficiency, and extended product lifespan. We aim to empower users to make sustainable choices through informative content and proactive communication.

Goal: Increased User Awareness and Engagement
Our goal is to increase user awareness and engagement in product maintenance practices. By providing accessible and user-friendly resources, we aim to educate customers on the significance of regular maintenance and how it contributes to product longevity. Ultimately, we strive to foster a responsible product use and maintenance culture among our customer base.

2. Developing/proposing updating/refreshing services of the product (aesthetic, software, functionality): To offer updating services for our products, we have implemented the following actions and goals:

Action: Continuous Product Improvement
We continuously explore product updates and enhancements opportunities, including aesthetic, software, and functional improvements. With regards to selected products, e.g., our AQMs, and industrial air filtration systems, through firmware updates, software patches, and optional add-ons, we provide customers with the ability to enhance their product's performance, compatibility or features. This approach extends the usefulness and value of our products over time.

Goal: Enhanced Customer Experience and Product Longevity
Our goal is to enhance the customer experience and extend the useful life of our products through updating and refreshing services. By offering new functionalities, design options, or software updates, we aim to meet evolving customer needs while reducing the demand for new products. This aligns with our commitment to sustainable consumption and customer satisfaction.

3. Providing repair services (user services, provision of spare parts): To support product repairs and maintenance, we have implemented the following actions and goals:

Action: Professional Repair Services and Spare Parts Availability

We maintain a dedicated service department that offers professional repair services for our products. Our technicians are trained to diagnose and fix issues promptly, ensuring the effective restoration of product functionality. Additionally, we prioritise the availability of genuine spare parts to facilitate repairs and extend the lifespan of our products.

Goal: Timely and Reliable Repair Support
Our goal is to provide customers with timely and reliable repair support. By offering professional repair services and ensuring the availability of genuine spare parts, we aim to minimise product downtime and reduce the need for premature replacements. This not only saves resources but also strengthens customer loyalty and satisfaction.

4. Promoting/providing services for reuse, repurposing, and reconditioning: To promote the reuse, repurposing, and reconditioning of our products, we have implemented the following actions and goals:

Action: Increase the warranty period for those who comply with our periodical filter-changing program and upkeep of their products.

Goal: Increased Product Reuse and Circularity
Our goal is to increase product reuse and promote the lifespan of our products. By offering cost-effective alternatives and reducing the environmental impact associated with new product manufacturing, we contribute to a more sustainable and resource-efficient economy.

Goal: Increasing our registered consumers by 30% in the next three years is on our agenda as it will promote help reach them with important information contributing to the longevity and sustainability of the product.

Action: Rental Programs for Industrial Air Filtration Systems
We have launched a rental program that allows businesses to lease our industrial air filtration systems for a specified period. This enables companies to access high-quality air filtration solutions without the upfront costs of purchasing the equipment outright. By offering flexible rental options, we provide businesses with a more sustainable alternative that aligns with their temporary or project-specific needs.

Subject: Designing products to limit impacts during use

1. Limiting the consumption of energy, water, and consumables during use: To limit resource consumption during the use of our products, we have implemented the following actions and goals:

Action: Energy-Efficient Design and Smart Features
We are implementing energy-efficient design principles in our products, incorporating advanced technologies and intelligent features that optimise

energy consumption without compromising performance. These include programmable timers, sensors for detecting temperature, humidity levels, air quality, fan speeds, and energy-saving modes,. We aim to minimise the environmental impact by reducing energy consumption and helping customers save on utility costs.

Goal: Reduced Energy and Resource Consumption
Our goal is to continuously improve the energy efficiency of our products and promote responsible resource consumption. Through innovative design and smart features, we strive to empower users to reduce their energy and water consumption during product use, contributing to a more sustainable lifestyle.

2. Reducing emissions and discharges during the product's life: To minimise emissions throughout the life of our products, we have implemented the following actions and goals:

Action: Emission Control Technologies
We integrate emission control technologies into our products to reduce harmful pollutants released during operation. This includes advanced filtration systems and efficient exhaust management. By implementing these technologies, we aim to mitigate environmental impacts and improve indoor and outdoor air quality.

Goal: Reduced Environmental Footprint
Our goal is to minimise the environmental footprint of our products by reducing emissions and discharges. By employing effective emission control technologies and adhering to strict environmental standards, we contribute to a healthier and more sustainable environment for our customers and their communities.

3. Facilitating eco-gestures by the user: To promote eco-friendly behaviours and actions by users, we have implemented the following actions and goals:

Action: User-Friendly Guidance and Education
We provide user-friendly guidance and education through various channels, including product manuals, online resources, customer support, and periodic reminders sent from our warranties department. This information highlights eco-gestures, such as energy-saving tips, proper waste management, filter change reminders, and good maintenance practices. A new approach we have adopted is educating customers on how to save energy and power from their AC by drawing curtains in sunny rooms. By empowering users with knowledge, we aim to encourage environmentally conscious behaviours.

Goal: Enhanced User Engagement and Environmental Awareness
Our goal is to enhance user engagement and promote environmental awareness through eco-gestures. By providing clear instructions and guidance on how to use our products in an eco-friendly manner, we strive to foster

sustainable habits among our customers, enabling them to reduce their environmental impact.

4. Ensuring ease of maintenance: To facilitate product maintenance and prolong the lifespan of our products, we have implemented the following actions and goals:

Action: User-Friendly Maintenance Features
We design our products with user-friendly maintenance features, i.e., replacing filters, including easily accessible components, intuitive disassembly processes for cleaning, and straightforward maintenance instructions. Additionally, we provide comprehensive support through our service department, offering customers spare parts and repair services when needed.

Goal: Extended Product Lifespan and Reduced Waste
Our goal is to extend the lifespan of our products and minimise waste through ease of maintenance. By ensuring that customers can easily service and repair their units, we aim to reduce the need for premature replacements and promote a more sustainable product lifecycle.

Subject: Optimisation of products' packaging

1. Reduction, Recyclability, Repurposing, Use of Recycled Materials:

Action: Packaging Material Evaluation and Reduction
We continuously evaluate our packaging materials to determine if they are necessary and if alternative options can be utilised. As we reassess our packaging needs, we aim to minimise the overall amount of packaging used, reducing waste and resource consumption.

Action: Emphasis on Recyclability and Repurposing
We prioritise using recyclable packaging materials, ensuring they can be easily processed and diverted from landfill. Additionally, we explore opportunities for repurposing packaging materials, encouraging customers to find alternative uses or facilitating their return for repurposing within our processes.

Action: Incorporation of Recycled Materials
We actively incorporate recycled materials into our product packaging wherever possible. Using recycled content, we aim to reduce the demand for virgin materials and contribute to the circular economy. For example, despite the increased cost, we have recently replaced plastic wrappings with paper in our hygrometer packaging.

Goal: Sustainable and Efficient Packaging
Our goal is to optimise our products' packaging by reducing its environmental impact. We strive to achieve more sustainable packaging solutions that minimise waste and promote resource efficiency through material evaluation,

emphasis on recyclability and repurposing, and the integration of recycled materials.

Action: Increasing Shipping Efficiency
We are finding ways to increase volumes on shipping pallets, optimising space utilisation and reducing the number of shipments required. By maximising shipping efficiency, we aim to minimise transportation-related emissions and further reduce the overall environmental footprint of our product's packaging.

Action: Component Standardisation for Packaging Optimisation
We employ component standardisation across our product models, allowing us to streamline packaging requirements. Using the same components in several product models reduces the need for different packaging designs, simplifying the packaging process and minimising waste.

Action: Communicating Efficient Product Usage
Through our manuals and online channels, we communicate to customers how to use our products efficiently to minimise their environmental impact. This includes providing tips and guidance, such as drawing curtains on sunny days to reduce the workload on our AC units and optimise energy consumption.

Goal: Customer Engagement and Environmental Awareness
Our goal is to engage customers in adopting eco-friendly practices and promoting environmental awareness. By providing clear instructions on efficient product usage, we aim to empower customers to make informed decisions that reduce their environmental footprint and enhance sustainability.

Action: Transitioning to Paper Packaging
Wood's is actively transitioning to paper packaging for many of our current products and for newer products in development. This decision aligns with our commitment to reducing plastic waste and promoting the use of more sustainable materials. Using paper packaging, we aim to enhance recyclability and further minimise the environmental impact of our products.

Goal: Our goal is to significantly reduce the use of plastic packaging across our product range and transition to paper packaging where feasible within the next three years. While certain products from China may still require minimal use of plastic material for secure transportation, we aim to explore alternative packaging options that align with our sustainability objectives.

Subject: Manufacturing and Distribution Processes, Traceability

1. Reducing consumption and rejects related to manufacturing processes:

Action: Process Optimisation and Efficiency

We continuously evaluate and optimise our manufacturing processes to minimise consumption and waste generation. This includes implementing energy-efficient equipment, optimising production layouts, and training employees on best practices to reduce rejects and material waste. By improving process efficiency, we aim to minimise resource consumption and enhance overall sustainability.

Goal: Resource Efficiency and Waste Reduction
Our goal is to minimise resource consumption and rejects during manufacturing, thereby reducing the environmental impact of our production processes while maintaining product quality and reliability.

2. Minimising leftovers and production volumes:

Action: Demand Forecasting and Production Planning
We are starting to analyse market demand and implement effective forecasting techniques to align our production volumes with customer needs. By accurately predicting demand, we can minimise leftover inventory and optimise production quantities, reducing waste and the need for excess storage.

Action: Lean Manufacturing Principles
We embrace lean manufacturing principles, such as just-in-time production and inventory management, to eliminate waste and reduce leftovers. By streamlining our production processes and minimising inventory, we aim to reduce the environmental impact of excess production volumes.

Goal: Waste Reduction and Efficient Resource Allocation
Our goal is to minimise leftovers and production volumes, ensuring efficient resource allocation and reducing waste throughout the manufacturing process.

3. Limiting the steps, consumption, and rejects of the distribution steps:

Action: Supply Chain Optimisation
We continuously assess and optimise our distribution network to minimise transportation distances, reduce energy consumption, and lower the risk of product damage or rejection during transit. This includes collaborating with logistics partners to implement efficient routing and packaging practices, ultimately minimising the environmental impact of distribution.

Action: Quality Control and Packaging Integrity
We prioritise rigorous quality control measures to ensure that products are packaged securely and protected during distribution. By maintaining high packaging standards, we aim to reduce the occurrence of rejects or damages that can lead to unnecessary waste.

Goal: Sustainable Distribution Practices
Our goal is to limit the steps, consumption, and rejects in the distribution process, promoting efficient and sustainable practices that minimise

environmental impact while ensuring product integrity and customer satisfaction.

4. Optimising the weight/volume ratio of products:

Action: Lightweight Design and Material Selection
We prioritise lightweight design principles and carefully select materials to optimise our products' weight/volume ratio. We aim to reduce the resources required for production, transportation, and overall environmental impact by utilising lightweight yet durable materials.

Goal: Resource Efficiency and Transport Optimisation Our goal is to maximise our products' weight/volume ratio, reducing material consumption and transportation-related emissions while maintaining product performance and functionality.

5. Developing supply chain traceability and its control:

Action: Supply Chain Collaboration and Auditing
We actively collaborate with suppliers to enhance supply chain traceability and control measures. This includes conducting regular audits to ensure compliance with environmental and social standards and verifying the origin and sustainability of raw materials. By working closely with our suppliers, we aim to promote responsible practices and minimise environmental impacts throughout the supply chain.

Action: Maximising Product Density on Shipping Pallets
We are actively exploring and implementing strategies to optimise the packaging and arrangement of our products on shipping pallets, aiming to maximise product density and reduce wasted space. This involves communication with suppliers and our development team in assessing and possibly redesigning product packaging dimensions and configurations to ensure efficient utilisation of pallet space.

Goal: Improved Shipping Efficiency and Reduced Environmental Impact
We aim to develop better ways to add more products per shipping pallet, ultimately improving shipping efficiency and reducing our environmental impact. By optimising product placement and packaging design, we aim to minimise the use of resources, decrease transportation requirements, and contribute to overall sustainability in our supply chain.

Goal: Responsible and Transparent Supply Chain
Our goal is to develop a responsible and transparent supply chain where every step of the production process can be traced and controlled to minimise environmental impact and promote sustainable practices. By ensuring supply chain traceability, we strive to provide our customers with confidence in the ethical and environmentally conscious production of our products.

Goal: Our aim is to continuously reduce the environmental footprint of our operations by optimizing our supply chain and shipping practices. Currently, approximately 60% of our products manufactured in Sweden are shipped directly from production to our customers. By carefully analysing the market demands and refining our supply chain, we are committed to progressively increasing this percentage every few years. This strategic approach will not only enhance operational efficiency but also contribute to minimizing transportation-related emissions and promoting sustainable logistics practices.

Additional Processes

In our commitment to sustainable development, we have prioritized activities aligned with the Sustainable Development Goals, such as those outlined in **Agenda 2030**. By focusing on these activities, we can make a positive impact on the environment and society, while also improving our business operations.

This report is guided by the legal requirements of the EU Non-Financial Reporting Directive (2014/95/EU). It applies to all subsidiaries and divisions of the Wood's Group, covering the parts of our business over which we have operational control.

Term list (for internal use)

LCA: (Life Cycle Analysis). Based on the 4 criteria of:
1. Goal and scope definition
2. Inventory Analysis
3. Impact Assessment
4. Interpretation

Recycling Disruptors: Common disruptors are:
- Lack of recycling labelling (packaging, manuals, and other forms of communication)
- Hazardous materials and substances
- Non-recyclable materials

Eco-gestures: Eco-friendly practices and behaviours from the end user.

Blockchain is a type of shared database, used to record transactions across many computers so that the record cannot be altered retroactively without the alteration of all subsequent blocks.

RFID: Radio-frequency Identification allows companies to track their supply chain workflow, providing more usable data for processes and management.

Close Looped System: Processes aiming to minimize waste and maximize resource efficiency by creating a circular flow of materials. (Recycling, reusing, repurposing, and remanufacturing.)

Agenda 2030, also known as the Sustainable Development Goals (SDGs), is a plan of action developed by the United Nations (UN) to end poverty, protect the planet, and ensure prosperity for all people by the year 2030. The agenda was adopted by world leaders at the UN Sustainable Development Summit in September 2015.

Polyethene (PE) plastic: PE bags are commonly used in packaging parts and to hold manuals because of their flexible, durable, and tear-resistance.