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24

SUSTAINABILITY REPORT



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As of 2024, Firefly is for the first time subject to the requirements of the Annual Accounts Act (ÅRL) for sustainability reporting in the reporting year 2024. The reporting for 2024 is done according to the older wording of the ÅRL, which was valid until 30 June 2024. This marks Firefly's first official sustainability report.

Firefly is a global actor that delivers fire protection solutions for industrial and infrastructure systems. The fire protection systems are designed to detect signs of ignition at an early stage and deal with them before a fire or explosion occurs. This protects processes in a wide range of industries, including board, paper, woodworking, recycling, hygiene, and bioenergy. The company has operations in Sweden, Poland, Italy, and will in 2025 establish operations in the United States.

Most part of the manufacturing is done by subcontractors. Firefly is responsible for configuration, final assembly and functional testing before the goods are delivered to the customer. Firefly is a full-service provider where the customer is offered flexible and customized system solutions, component options and aftermarket offers.

SUSTAINABILITY WORK DURING THE YEAR

In 2024, it was decided to start work with sustainability reporting. A project group was established and external consultants was hired to assist with the sustainability reporting in accordance with the Annual Accounts Act and to conduct a double materiality analysis.

PROCESS FOR IDENTIFYING IMPACTS, RISKS AND OPPORTUNITIES

The work to identify and assess impacts, risks and opportunities started in autumn 2024 and will continue in spring 2025. It includes an analysis of the organisation's current position regarding sustainability and the impact that its activities may have on the environment, people or society, as well as the risks and opportunities that sustainability issues pose to the company's financial position. The entire value chain will be taken into account for analysis.

So far, the following activities have been carried out at a horizontal level to identify the company's material sustainability issues:

- Training the project team in CSRD and sustainability reporting
- Survey completed by the project team for identification of sustainability issues and material impacts
- Mapping of company stakeholders and the value chain

Reporting for 2024 is based on activities completed to date and

describes planned activities going forward. As the materiality analysis is not finalized, areas and material issues may change for future years. Business risks and opportunities related to sustainability have so far only been assessed in a general way based on the regular assessment of material risks.

The preliminary sustainability issues are presented within the sustainability areas of environment, labour and social conditions, respect for human rights, and anti-corruption and bribery.

Through risk assessment, Firefly has identified the risks which the organization is exposed to. All risks are dealt with in the Risk and risk management section on pages 30-31 in Firefly's Annual report for 2024. In addition to these risks, a number of sustainability issues have also been identified that may affect risks and opportunities from a financial perspective. These are highlighted in the section *Business risks, opportunities and sustainability*.

STAKEHOLDERS AND VALUE CHAIN

At this stage, only a general mapping of the company's stakeholders and value chain has been carried out. The company's key stakeholders are likely to be its owners, customers, suppliers and employees. Upstream in the value chain are suppliers for raw material extraction and manufacturing. Downstream are distributors, agents, the company's customers and the local community. Firefly's customers are large global companies and smaller local businesses. Sales are made directly or through distributors around the world, with transport at various stages along the value chain.

CLIMATE CHANGE

The preliminary results indicate that Firefly's largest negative climate impact is likely to occur in connection with transport

and employee business travels. Transport takes place along the entire value chain from manufacturer and delivery of goods to Firefly, to delivery of goods to customers. They are carried out by lorry, boat and flight. Sales and service trips to visit customers' factories are currently made all over the world by air and car.

The energy use along the value chain also has a climate impact. This is linked to the manufacturing process, installation and operation of products, and electricity consumption in Firefly's production and offices. The climate impact of energy use is not currently mapped. In general, the climate impact of energy use depends on the energy mix in electricity production and whether the energy sources are fossil or not.

Firefly's fire protection solutions also have a positive climate impact by preventing and containing fires that would otherwise contribute to the greenhouse effect through the release of carbon dioxide and other greenhouse gases.

For continued work on sustainability issues, a double materiality analysis will be carried out in 2025 to create better conditions for further work on climate change.

POLLUTION

Firefly's biggest impact in terms of pollution is likely to be by air, related to transport of products along the entire value chain and travel made in connection with customer visits. In addition to carbon dioxide, road and air traffic generate environmental and health hazardous emissions such as particulate matter, nitrogen oxides, carbon monoxide and water vapour.

Firefly has a positive impact through its preventive fire protection solutions. Preventing fires prevents the release of pollutants into the air, water and soil.

Based on the sustainability work started and the planned double materiality analysis, the issue will be further addressed in 2025.

CIRCULAR ECONOMY AND USE OF RESOURCES

Firefly offers support to customers during the lifetime of the product, resulting in fire protection systems with a lifetime of over 15 years. By offering commissioning of the system, service visits, maintenance agreements, training and spare parts management, for example by repairing spare parts, the life of the product can be extended and extra costs avoided. This leads to reduced waste generation by the customer and more efficient use of resources. The product sheet for the customer contains recommendations and suggestions for waste management of the product.

In its own operations, the impact is largely linked to the management of packaging the products. Firefly works with recycled packaging material and sorts all waste from production and the office. The inflow and outflow of resources and their significance from a sustainability perspective have not yet been studied. However, transport and logistics are important inputs and services in the business. With a more circular and efficient use of resources, negative impacts on the environment and people can be reduced.

At present, Firefly endeavours to manage resources and waste as efficiently as possible. Based on the sustainability work that has begun and the planned double materiality analysis, the issue will be addressed and further developed in 2025.

STAFF AND SOCIAL CONDITIONS

The employees are the key to the company's development and success, and its own labour force is a key sustainability issue. To be an employer of choice, diversity, health, leadership, personal development and safety are key issues for Firefly. To create a secure employment, To create a secure employment, Firefly is affiliated with a collective agreement and is a member of the employer organization Teknikföretagen.

There are identified risks related to the employees' working environment and health and safety. Many employees are often travelling or carrying out work on customer sites, which can lead to ill health or accidents in the workplace. Therefore, the company provides its employees with protective clothing and carries out regular health checks. In addition, safety training and workplace inventories are carried out regularly. Firefly also has safety representatives and a safety committee in place to create a safe and secure working environment.

The employees are offered the opportunity to work flexible hours and telecommute, and receive wellness and lunch benefits. To ensure that the right skills are available within the company, employees undergo annual internal and external training. Internal skills development is offered through the Firefly Academy training platform. The company also conducts employee surveys and all employees have annual appraisals for development purposes. Salary reviews are conducted in line with the collective agreement. The company also has a salary policy and pension policy that manage and govern these issues.

The company has a Diversity, Equity and Inclusivity group that works on issues related to equality, diversity and inclusion. These issues are also addressed through the company's Ethics Policy and Equality and Discrimination Policy, which state that everyone should be treated equally and that the company's view of humanity entails respect for the integrity and equal value of each individual.

Firefly also has a system in place that allows whistleblowers to report anomalous events. This outsourced service is managed by an external independent party. Further information is available on Firefly's website which is where the reporting gets done.

Firefly's fire protection system also has a significant impact on the customer. A safer workplace for the customer is created by preventing explosions and fires in their production processes, this in turn leads to increased safety for the customer's staff. This also has a financial impact on the customer through reduced damage costs, for example for equipment and premises, and also leads to fewer production stoppages. Preventing fires and avoiding downtime also leads to a positive social impact. The goods produced by the customer, such as food, continue to reach the population while preventing emissions to the surrounding soil, water and air.

In order to maintain a safe and secure workplace, there is a work environment policy and a drug policy. The goal is to create a physically, mentally, socially healthy and developing workplace for all employees. Firefly also has a crisis preparedness policy that includes continuously reviewing and identifying the risk factors that exist in the company.

Firefly is quality certified according to ISO 9001 and according to the quality policy, the company shall deliver innovative fire protection solutions through a quality-assured approach, this is achieved, among other things, by systematically working with continuous improvements and skills development.

RESPECTING HUMAN RIGHTS

Firefly is a global player where the majority of manufacturing is done by subcontractors. Knowledge of workers in the value chain and human rights is currently limited. There is a need to map the supply chain and inventory risks and consequences in order to assess the company's impact.

At present, there is no code of conduct regarding responsibility in the supply chain. Based on the sustainability work that has begun and the planned double materiality analysis, the issue will be further addressed in 2025.

COUNTERING CORRUPTION AND BRIBERY

A corporate culture characterized by openness, commitment and participation is an essential issue for Firefly. By offering support to customers during the life of the product, long-term relationships with the company's customers are made possible. The company strives to be an organization with open and clear communication and transparent and credible marketing by always working with facts. Firefly has a large global presence and operates in countries with different laws and business traditions. Issues related to corporate responsibility, transparency around corruption and conflict of interest, and ethical business principles have been identified as important and affect the entire value chain. This is regulated in the company's ethics policy, which governs good business practice, and an information policy that governs both internal and external communication. Firefly has a system in place that enables whistleblowers to report anomalous events. This contracted service is managed by an independent external party and any reporting is done from the company's website.

BUSINESS RISKS OPPORTUNITIES AND SUSTAINABILITY

Sustainability issues can also present risks and opportunities from a financial perspective. In spring 2025, materiality from a financial perspective will be analysed in more detail. War and geopolitical tensions are currently a highly topical issue that also has an impact on Firefly's operations. Trade wars, tariffs and wars can affect or stop the supply of resources or key components, which makes it difficult or prevents the production of the company's goods.

LOOKING AHEAD TO 2025

Firefly will continue its sustainability work in 2025 and will focus on conducting the double materiality analysis and the GAP analysis. With our continued work on sustainability, Firefly wants to become a more conscious player on the global market. At present, there is no policy for the environment. Based on the ongoing sustainability work and the planned double materiality analysis and GAP analysis, the company's policies will be reviewed and supplemented where sufficient governance is lacking. The double materiality analysis and the GAP analysis also form the basis for further work on selecting and defining relevant KPIs and metrics for sustainability issues for future reporting.

Firefly will continue to monitor the development of the European Commission's Omnibus proposal, i.e. proposals for simplification of sustainability reporting, as this will affect the company's future sustainability reporting. If the proposal presented by the EU Commission in February 2025 regarding simplification of the requirements for sustainability reporting under CSRD through Omnibus I. If the proposal is adopted, it means that Firefly will not be obliged to report from the financial year 2026. Until the decision is made, we will continue to work according to current Swedish legislation, which means that the sustainability report must be prepared in accordance with ESRS.

BOARD OF DIRECTORS' DECLARATION

The undersigned certify that the annual report has been prepared in accordance with generally accepted accounting principles and gives a true and fair view of the company's financial position and results, and that the Directors' Report gives a true and fair view of the development of the company's business, and describes the significant risks and uncertainties facing the company.

Stockholm March 28, 2025

Erik Mitteregger
Chairman of the Board

Anders Lindberg
Board Member

Elisabet Salander Björklund
Board Member

Jan Berntsson
Board Member

Lennart Jansson
Board Member

Our auditor's report was submitted on March 28, 2025
BDO Mälardalen AB

Beata Lihammar
Authorized Auditor

Firefly is a Swedish company that specialises in fire prevention and fire systems for industries all over the world. Since 1973, Firefly has specialised in customised system solutions of the highest technical standard and quality.



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