Supporting the sustainability transition

Sustainability Report 2023

NYNAS

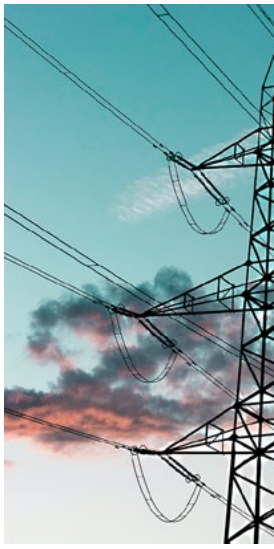
Contents

Nynas is committed to lowering its own environmental impact and the aim is to become climate-neutral by 2050*.

* In accordance with the EU aim to have an economy with net-zero greenhouse gas emissions

THIS IS NYNAS






THIS IS NYNAS






Nynas' products can be found in all kinds of applications that we come into contact with every day. From the roads we drive on, to the electricity we are so dependent upon, our products are improving the lives of millions of people. We continue to make it possible for customers to reduce their energy and carbon emissions. Simply put, our heart and soul go into supporting **the sustainability transition.**

NAPHTHENIC SPECIALTY PRODUCTS

1.25

billion people use Nynas oil-assisted electricity, every day.

NAPHTHENICS

Nynas' highly refined products contribute to longer lifetime and enhanced environmental performance for end users. As a market leader in **naphthenic specialty products,** we offer a wide range of products that can lubricate, dissolve, or insulate and cool in countless applications – all compliant with stringent environmental requirements. Some examples of our latest R&D efforts for the sustainability transition are highlighted on the following pages.

Lubricating

Nynas' base products are used as a main component in cutting fluids for metalworking, greases and other industrial lubricants. Our NYBASE® product range has been specifically engineered to provide a high-performance alternative to the dwindling supply of Group I oils and also contribute to longer lifetime in our customers' products.

Dissolving and plasticising

The high solubility of Nynas products is an advantage when manufacturing inks, various types of synthetic rubber, compounds used to make tyres, and more. Our naphthenic NYTEX tyre oils lead to lower rolling resistance, improved fuel economy and a reduction in CO_2 emissions, while at the same time having very low PAH levels.

Insulating and cooling

Transformer fluids are used in electrical applications for the insulation and cooling of power and distribution transformers. Nynas offers a variety of transformer fluids, including NYTRO® super grade oils used for Ultra-High Voltage (UHV) equipment. Selecting the right transformer fluid for each application ensures longer transformer life with less maintenance required.

NAPHTHENIC SPECIALTY PRODUCTS

70%

Over its lifetime NYTRO RR 900X can offer a reduction of more than 70% in greenhouse gas emissions compared to a virgin transformer oil. NYTRO® RR 900X is a circular transformer fluid based on highly powerful and effective re-refining technology. It ensures excellent performance and complies with the most demanding quality standards.

100%

The biobased hydrocarbon NYTRO® BIO 300X is based on vegetable and waste feedstock and is still a premium transformer fluid. It is virtually 100% biobased hydrocarbon and has best-in-class cooling performances combined with an exceptionally low carbon footprint.

NAPHTHENIC SPECIALTY PRODUCTS

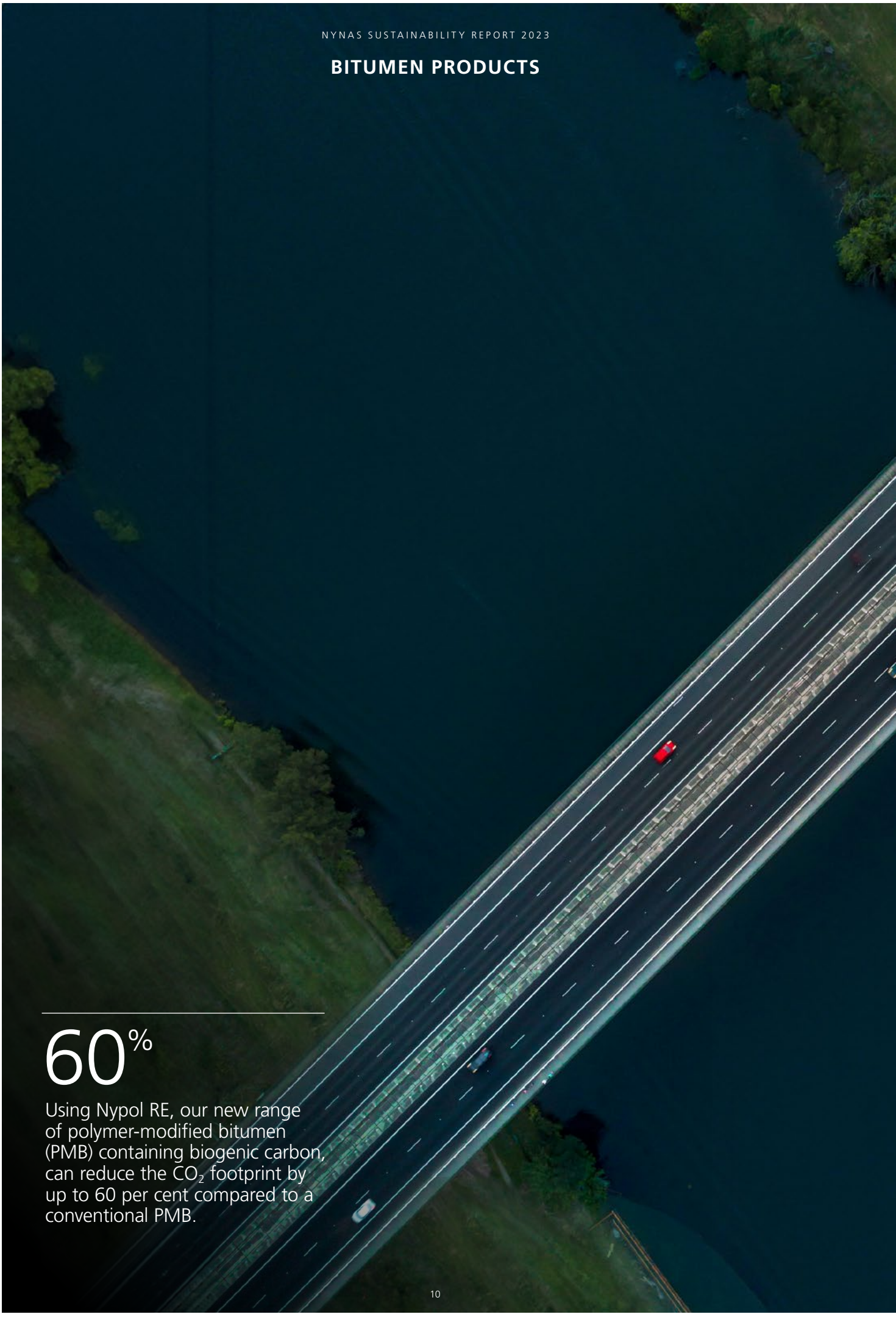
5%

Tyre compounds containing NYTEX 4700 demonstrate a 5% reduction in rolling resistance, consequently enhancing fuel economy, while upholding traction performance at the highest level.

No 1

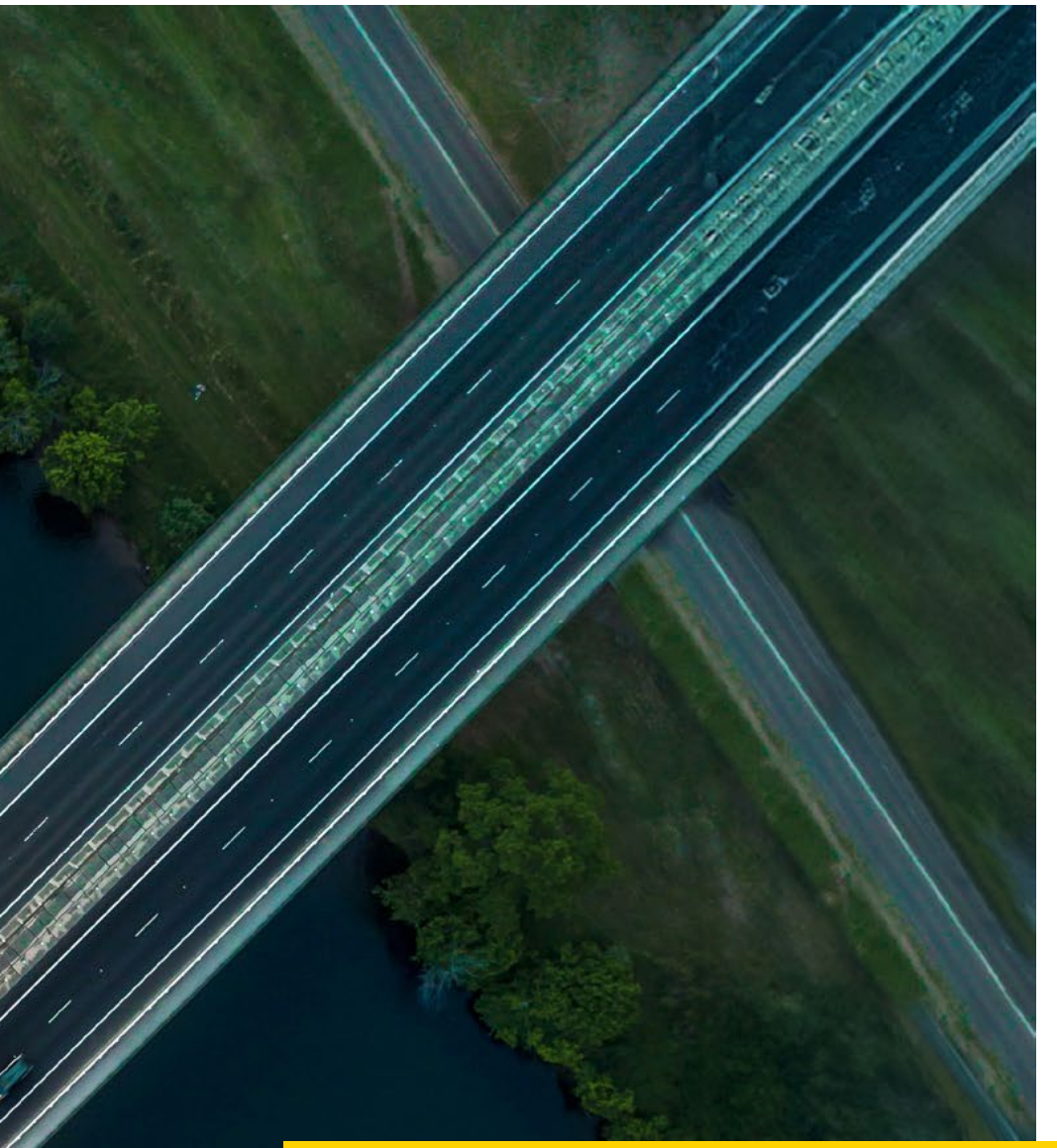
Nynas biobased tyre oil NYTEX BIO 6200 was awarded as the top chemicals and compounding innovation of 2023 at Tire Technology Expo, held in Hannover, Germany.

BITUMEN PRODUCTS



60%

Using Nypol RE, our new range of polymer-modified bitumen (PMB) containing biogenic carbon, can reduce the CO_2 footprint by up to 60 per cent compared to a conventional PMB.



BITUMEN

Nynas supports society's infrastructure development with its wide range of **high performing bituminous products.** Used to build and maintain roads, bridges and airport runways as well as protecting roofs, our products make it possible to **increase durability, lower CO_2 emissions**, and **reduce energy consumption and noise.** Bitumen is 100 per cent reusable in asphalt, its main application.

Binding

Binders are used for asphalt applications in the construction and maintenance of roads, runways and bridges. Nynas offers high quality products and solutions that help extend service life and improve our customers' sustainability performance.

Protecting

Our bitumen products work as protective insulation against moisture, heat, sound and vibrations in many industrial applications. They have fire-retardant properties and are ideal for use in roofing felt and various anti-corrosion applications such as pipe coating.

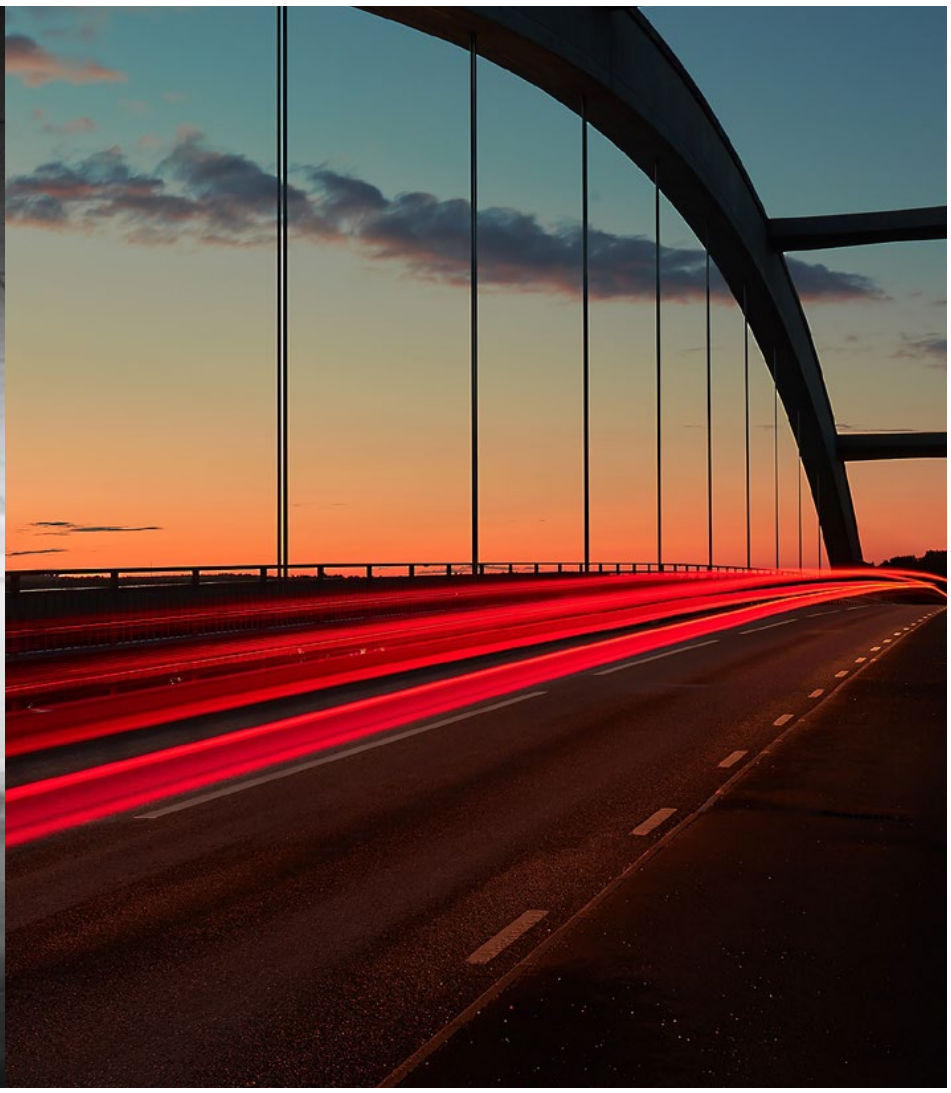
BITUMEN PRODUCTS

1.5 Roads equivalent to 1.5 times the Earth's circumference are resurfaced with Nynas bitumen every year.

40% A remarkable 40% reduction in carbon dioxide emissions was achieved by using Nymuls CP 50 in a cold asphalt binder course on a high-speed single carriageway in the UK.

BITUMEN PRODUCTS

100% Asphalt is 100 per cent reusable. Nynas offers several products and solutions that facilitate adding more reused material in asphalt.



100 yrs With nearly 100 years in the bitumen business, Nynas understands how to supply long-term, cost-effective and functional solutions.

Strategically placed to serve our customers

Our long-lasting, high performance specialty products are designed to meet customers' stringent requirements as they transition into new, more sustainable solutions within energy, infrastructure, and other segments. Our production and distribution activities are ideally situated to support customers on this path.

We rigorously hydrotreat our distillates to remove sulphur and nitrogen while also reducing aromatic content. The result is a very clean product that meets stringent demands in terms of function and health properties and is ideal for many customer applications. We produce bitumen from straight-run distillation for consistent product quality.

To serve our customers, our supply network in Europe and other selected markets ensures customers prompt and reliable deliveries. Through our sales and technical network, we ensure close customer cooperation and support for a wide variety of activities from technical support to collaboration in product development.

Bitumen

Production sites: Nynashamn, Gothenburg and Eastham Depot system to cover the Scandinavian and UK markets.

- Manufacturing site
- Depot

Naphthenics

Production sites: Nynashamn
Main blending facility in Antwerp.
Depot system to cover our core market in Europe, and selected markets in South America, South Africa, India and Singapore.

- Hub
- Depot
- Manufacturing site

OPERATIONS

PRODUCTION SITE NYNÄSHAMN, SWEDEN

The site was established in 1928 in Nynäshamn, close to Stockholm. Here all Nynas product categories are manufactured for the Nordic market and for export. The production site has played a key role in Nynas' focus on specialty products. In the shift between the 80s and 90s significant investments were made to increase bitumen capacity and advance the production of naphthenic specialty products. Investments have since then continued with a focus on quality, reliability and sustainability.

- The largest production site in the Nynas Group.
- The largest supplier of bitumen for roads in Sweden and the Nordic countries.
- One of the largest producers of naphthenic specialty products in the world.
- In 2004, the production site became the first of its kind in the world to run mainly on biomass, as all steam is generated by a cogeneration plant fueled by wood chips and other biomaterial.

PRODUCTION SITE GOTHENBURG, SWEDEN

The site produces bitumen for the Nordic market. It was established in 1956 close to the Gothenburg harbour, in western Sweden. The production unit is kept up to date through strategic investments focusing on product quality and sustainability. Recent investments in new gas heaters have resulted in major emission reductions.

- The site is focused on the production of bitumen and specialty products such as polymer modified bitumen, bitumen emulsions and oxidised bitumen.
- The process to modify bitumen with polymers aims at making the binder more flexible at low temperatures, necessary for long lasting pavements for demanding conditions.

PRODUCTION SITE EASTHAM, UK

The site is operated as a 50/50 joint venture between Nynas and Shell. It is located on the River Mersey in north-western England.

- The site produces bitumen for the UK market.
- At the site, Nynas operates an upgrading plant (Special Products Plant or SPP) producing polymer modified binders and emulsions.

SUPPORTING THE SUSTAINABILITY TRANSITION

Important steps towards climate neutrality

Our longstanding commitment to sustainability is rooted in the very applications on which we focus. As countries develop their economies, Nynas is there to support them, contributing to key infrastructure and clean energy applications that are vital for society.

Accelerating electrification is a critical step in the energy transition that is needed to limit global warming to the 1.5 °C Paris Agreement goal. Nynas transformer fluids primarily insulate and cool electrical transformers. They are found in other electrical equipment too, such as high voltage switches and circuit breakers. Our products allow for a longer transformer life with less maintenance. They are fully recyclable and some of them are fully biodegradable. They are already part of the circular economy. Thousands of transformers in power grids around the world contain Nynas oil. The need for our transformer fluids will continue to grow along with the expansion of grids to allow for wider electrification.

Bitumen is another crucial ingredient in the world's infrastructure. Our bitumen is used to build and maintain roads, bridges and airport runways and, because it is 100 per cent reusable, it contributes to the circular economy too.

Building on this legacy, our approach to sustainability is holistic as reflected in our focus areas encompassing environmental, social and governance dimensions. Sustainability stands at the core of our strategy and culture, shaping what we want to do and how we want to do it:

- We are committed to continuous improvement by evaluating and improving sustainability practices based on data, feedback, and emerging best practices.
- We foster a culture of innovation that encourages the development of new sustainable technologies and practices within our markets.
- We contribute to building a sustainable value chain and aim for closer partnerships with suppliers, customers, investors and local communities.
- We assess and manage sustainability-related risks, which include climate change, other environmental impact, and resource scarcity.

Managing sustainability-related risk

Most of our products do not emit greenhouse gas in their use phase. Nynas products increase the lifetime of customers' applications and support the reduction of environmental impact. With close proximity to our customers, we can shorten lead times and the distances that our goods must travel, thereby reducing their carbon footprint.

Nynas is committed to lowering its own environmental impact and our aim is to become climate-neutral by 2050. We will monitor all our operational emissions based on the Greenhouse Gas Protocol. Since 2017, and through our transformation, we have reduced our own absolute Scope 1 and 2 GHG emissions by more than 50 per cent. We continue to invest to reduce the carbon intensity of our sites.

Nynas' products through their lifecycle have a positive impact, helping save carbon and energy compared to the next best available product. Nynas initiated a study led by a team of reputable academics via Future Earth Analytics LLC, to independently assess these features of Nynas products.

As we continue to develop for the future, our focus – and our responsibility – is to reinforce our role as a key player in the transition to a more sustainable society. We will continue to develop sustainable products and solutions that offer our customers longer life and greater circularity.

All of the above translates into our sustainability goals. Progress is monitored and reported through time-bound sustainability KPIs.

Activities in 2023

In 2023, we identified the operational levers needed to bring our production sites to carbon neutrality by 2050. We now have a clear roadmap. Scope 1 and 2 GHG emissions were significantly reduced, keeping us ahead of our anticipated trajectory to carbon neutrality.

SUPPORTING THE SUSTAINABILITY TRANSITION

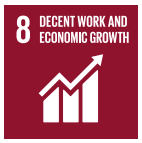
Nynas is committed to lowering its own environmental impact and our aim is to become climate-neutral by 2050.

Sustainability governance

VISION AND STRATEGY
Our vision for Nynas is to leverage our role as the industry's innovation leader to support the transition to a sustainable society. As an organisation, Nynas will be focused, profitable and sustainable in every way.

The Nynas sustainability strategy is based on four focus areas:
- Sustainable Products
- Health and Safety
- Enivronment and Climate
- People and Society

Sustainability governance
Our ambition supports all UN sustainable development goals. We have identified four goals that are particularly relevant for our products, operations, and most importantly, our ambition to contribute to a sustainable society.



SDG 8 decent work and economic growth
Nynas aims to be regarded as a positive force in society and an attractive and equal opportunity employer. We have a strict policy against harassment in the workplace and ensure that no basic human rights are abused. Nynas will never knowingly tolerate slavery or forced labour on behalf of the company or its partners. Nynas has health and safety procedures in place to protect employees from both physical and psychological harm.

SDG 9 industry, innovation and infrastructure
We provide and develop long-lasting, high quality products that contribute to sustainable value in society for example through our bitumen products, which are a key component in road paving, and through our transformer oils in electricity distribution. We are continuously conducting research and development to improve product lifetime, recyclability, product health and safety, and other aspects contributing to sustainable development.

SDG 12 responsible consumption and production
Nynas strives to increase the energy efficiency in all aspects of operation, transportation and product use. We closely monitor all emissions from operations and work diligently to continuously lower the emissions to air, sea and land through production facilities that employ waste management and treatment operations.

Nynas maintains a rigorous concept of process safety measures to minimise the risk of loss of primary containment. We have a response organisation that takes measures to maintain our high standards. We continuously assess the health, safety and environmental aspects of our products and do our utmost to ensure long lifetime and circularity through recycling and reuse. Nynas provides guidance for safe use of all its products, such as training on the handling of hot bitumen.

SDG 13 climate action
We aim to be climate neutral by 2050 and monitor our greenhouse gas emissions (GHG) according to the Greenhouse Gas Protocol. We have established a 2030 target to reduce our Scope 1 and 2 GHG emissions by 50% compared to our baseline of 2017. We continuously work to improve energy efficiency and reduce greenhouse gas and other emissions from our operational activities. Our focus is on developing high quality products that enable longer service life, reduce greenhouse gas emissions and increase energy efficiency.

We have identified four focus areas based on these SDGs and a materiality assessment. An update to the materiality assessment was conducted in 2023.

Within these four key areas we have defined ambitions and strategies for 2030.

SUSTAINABILITY REPORT

Governance
The Nynas commitment to sustainability is reflected in the company's business governance and through the Group-wide sustainability policy. This policy is linked to a number of other policies that collectively steer our corporate responsibility approach by addressing environmental, economic and social aspects.

The policies are as follows:
- The Code of Conduct
- Competition Compliance
- Global Anti-bribery and Anti-corruption
- Health, Safety, Security, Environment and Quality (HSSE&Q)
- People and Human Rights
- Procurement

The Nynas operations are certified according to ISO 9001, ISO 14001 and ISO 45001.

Organisation
Overall sustainability is the responsibility of the Board, whose decisions are carried out by the Nynas Executive Committee. A dedicated full-time Group Sustainability Manager leads a working group made of representatives from all business areas and functions ensuring progress on sustainability initiatives under the supervision of the Nynas Executive Committee.

SUSTAINABILITY KPIs

The following sustainability KPIs were established in 2023.

Health & Safety
- Total Recordable injury Frequency (#/mil work hrs)
- Process Safety Accidents Tier 1 (#/mil work hrs)
- Transport accidents (#)

Climate and Environment
- Scope 1 and 2 emissions (ktonne CO_2 eq)
- Reduction of Scope 1 and 2 emissions compared to base year 2017 (ktonne CO_2 eq)
- Environmental permit noncompliance (#)

People and Society
- Sick leave (%)
- Engagement index (%)
- Employee turnover (%)
- Diversity (%): age, gender, gender in managerial roles
- Critical Suppliers assessed for sustainability (%)
- Undertaking – compliance with competition, anti-bribery, anti-corruption and trade laws (% signed by employees)

Sustainable Products
- Research and development projects with sustainability as a key driver.

CSRD Corporate Sustainability Reporting Directive

Nynas has begun its efforts to address the impending Corporate Sustainability Reporting Directive (CSRD), which entered into force in 2023. Nynas must comply with CSRD reporting from 2026 based on the financial year 2025. Our dedication to sustainability touches crucial areas, including the environment, social responsibility, and the development of sustainable products. Our CSRD efforts began with CSRD training sessions conducted in 2023 across our various functions, including new reporting according to European Sustainability Reporting Standards (ESRS). Subsequently, a project has been initiated to align Nynas reporting with ESRS practices.

As a crucial initial step in this project, Nynas conducted a Double Materiality Assessment (DMA) to identify material topics and subsequently report on them in accordance with the new requirements. The overall goal is to produce a comprehensive and meaningful report that encompasses the environmental, social, and governance (ESG) dimensions.

The DMA project resulted in the categorisation of various topics and subtopics based on CSRD. For Nynas, several subjects were identified as material topics, including Climate Change, Own Workforce, Pollution, and Governance. The next phase involves conducting a gap analysis and preparing a report in alignment with various standards within the ESRS framework.

In the context of addressing climate change through mitigation and adaptation efforts, Nynas has worked on projects aimed at monitoring CO_2 emissions, covering not just scopes 1 and 2, but also scope 3. The current scope 3 project includes the ongoing identification of emission sources in alignment with the Greenhouse Gas Protocol (GHG protocol). The classification of 15 categories of emissions is currently in progress, with a specific emphasis on actively monitoring emissions for crucial categories during the initial phase. These categories include purchased goods, business travel, and transportation, and also use and end-of-life of products.

Nynas and the EU Green Deal

Several recent policies are having an impact on our sustainability approach, for example, the European Green Deal, which is the roadmap for making the EU economy sustainable. A number of strategies and actions under the Green Deal umbrella are relevant for Nynas, including the following:

European Green Deal actions	Nynas response:
The European Climate Law sets a legally binding target of zero greenhouse gas emissions by 2050, for countries where Nynas operates* and a reduction of 55 per cent by 2030 compared to 1990 on the EU level. This increases pressure to reduce emissions of greenhouse gases from our operations.	Scope 1 and 2 GHG emissions are mapped, targets have been set and we have a road map to get to carbon neutrality by 2050. Our scope 3 mapping project will be completed in 2024, and a roadmap for reduction will follow.
The Circular Economy Action Plan includes initiatives along the entire life cycle of products. It promotes circular economy processes, fosters sustainable consumption, and aims to ensure that the resources used are kept in the EU economy for as long as possible.	We are constantly assessing the entire product life cycle especially regarding climate impact and lifetime/durability and we have introduced a range of innovative products with enhanced circularity. Additionally, we're engaged in research and development projects focused on expanding our portfolio of circular products and exploring new circular feedstocks.
The Chemicals Strategy for Sustainability aims to achieve a toxic-free environment and increased protection of human health and the environment against hazardous chemicals.	We continuously assess the hazards of our products and work to minimise their impact. We provide guidance on safe use for all of our products.

*)The target is for the country and not for Nynas.

Focus area — Sustainable Products

Our focus is on developing high-quality products that enable longer service life, reduce greenhouse gas emissions, increase energy efficiency in their production and use and support the circular economy. Nynas will continue to provide and develop products that contribute to sustainability when used in customer applications.

Ambition 2030

Our ambition for 2030 is to increase the share of Nynas products that are in circular product flows and to continue to develop renewable products where there is a possibility and value in doing so. Nynas will continue to supply crude-based products going forward. In most cases, this is simply because the performance of these products is unrivalled by alternative solutions at hand today and in the near term. These products also offer sustainability benefits such as a longer service life, reduced emissions in their use phase, and reduced use of resources.

We aim to demonstrate continuous improvement within sustainability and will also continue supporting the market with information on the sustainability benefits of our products. Our research, development and innovation efforts focus on improving product lifetime, product use phase, raw materials, efficiency, reusability/recyclability, product health and safety, and the product's contribution to social and infrastructure development.

Some of the strategic efforts and activities to help us achieve our 2030 ambition for sustainable products are described as follows.

Develop circular product flows

An important basis for our strategy is the that we assess and account for the expected impacts over the entire life cycle of our products, especially regarding climate impact and durability during their use, and we continue to explore and develop circular product flow solutions in dialogue with customers and other stakeholders to innovate for the future.

Our focus on circular solutions has resulted in the re-refined premium transformer fluid NYTRO® RR 900X, which meets the most stringent IEC 60296 (2020) requirements and offers performance equal or superior to those of virgin mineral transformer oils. Produced from end-of-life mineral oil-based transformer oils, the product can replace virgin oil in new transformers and thereby contribute to resource efficiency and a substantially reduced transformer fluid carbon footprint. Its introduction has been well-timed considering the increasing attention within the electrical industry on circular and other sustainable materials. A cornerstone in the circular solution for the electrical industry is the Nynas partnership with Stena Recycling to collect and re-refine end-of-life transformer oils.

There are further applications where our specialty oils are fully recyclable at the end of their service life. In some other cases, the compositions which they are a part of are recyclable. It is also well-established that bitumen products in road applications are 100 per cent reusable and make it possible for customers to recycle asphalt.

Sustainable feedstocks

NYTRO® BIO 300X is a biobased, renewable and biodegradable hydrocarbon and, like all Nynas transformer fluids, is a fully recyclable product. This high-performance transformer fluid offers superior heat transfer and exceptional cooling due to its ultra-low viscosity. To date. 350 MVA 400kV transformers have been commissioned with this product. The biobased and biodegradable fluid has received recognition for its exceptional thermal performance aspects and the fact it can advantageously be used in transformers designed for mineral oil-based fluids. It can even provide an opportunity for a more efficient and optimised transformer design. Checks of transformers commissioned with NYTRO BIO 300X over the past few years show good operational data. For instance, dissolved gas analysis (DGA) follow-ups have, over the first two years, shown very low gas formation as compared to twin transformers filled with synthetic ester.

In work published by Koncar on instrument transformer dielectric lifetime expectancy and internal arc performance testing, all tested liquids (mineral oil, synthetic ester and NYTRO BIO 300X) exhibit the same performance in the arc test, but NYTRO BIO 300X exhibits superior features in many of the other categories related to lifetime expectancy.

Our tyre and rubber oil, NYTEX BIO 6200, is produced using partly renewable feedstock. It delivers the same high quality and performance of all Nynas tyre oils, but further contributes to higher sustainability through a lower raw material carbon footprint.

SUSTAINABILITY REPORT

We aim to demonstrate continuous improvement within sustainability and will also continue supporting the market with information on the sustainability benefits of our products.

SUSTAINABILITY REPORT

NYTEX BIO 6200 remains in the *European Rubber Journal's* Elastomers for Sustainability (E4S) listing as one of the top 10 most important sustainability projects in the elastomers/rubber industry right now. The product also received the Tire Tech Compounding and Chemicals innovation award in 2023.

Extensive studies have been made with NYTEX BIO 6200, ranging from numerous compound types such as bicycles, winter and summer tyres, with both carbon-black and silica fillers. The results, including both the performance and compound processability, as well as wear properties have been excellent, both in studies conducted at Nynas' fully equipped rubber compounding lab and in those confirmed by customers and leading brands in the sector.

NYNAS BIO products NYTEX BIO 6200 and NYTRO BIO 300X have received ISCC Plus certification. ISCC Plus is a voluntary, globally recognised sustainability certification scheme which allows companies to demonstrate the sustainability credentials of their bio-based, bio-circular and circular materials. The certification scheme provides traceability across the value chain.

On the bitumen side, our Nypol RE portfolio of polymer modified bitumen (PMB) products containing a biogenic component has received a positive response from the market and technical durability studies indicate good results. This high-performance PMB increases pavement life compared to unmodified bitumen but has a smaller carbon footprint than other PMB products. Choosing PMB supports society by making our road assets last longer.

Innovate for sustainability

Quality, performance and environmental impact, steer our research, development and innovation efforts. To stay in the forefront, we conduct our own inhouse testing and development work in our well-equipped application laboratories, and work with external partners. We work with customers and other leading industry actors as well as with well-reputed universities and research institutes. Much focus is put on performance testing and the development of new solutions as well as into understanding basic mechanisms. Through our ReSolution framework, Nynas directs its customers towards products and solutions that help them achieve sustainable performance. More information on ReSolution is found on pages 28–29.

Some examples of products from a traditional raw material base within the ReSolution framework include Nynas bitumen products that enable customers to produce and pave asphalt at lower temperatures. These contribute to reduced energy consumption and lowering of greenhouse gas emissions and reduced occupational expsoure. We strongly believe warm-mix and cold-mix technologies have an important role to play in the sustainable transition. A very good example from 2023 is a road project in the UK combining a Nynas cold-mix solution with recycled aggregates. Three thousand tonnes of cold asphalt was installed on an eight kilometre road using 100 per cent recycled aggregates and Nymuls CP50. This reduced the CO_2 emissions by 54 tonnes, resulting in a 40 per cent reduction compared to using conventional asphalt on the same road.

Road maintenance is important for society and the economy. Surface dressing is a preventive way to extend pavement life and reduce traffic disturbance from potholes. Studies show that preventive maintenance provides great savings compared to reactive maintenance which involves fixing pavements and potholes after they have already occurred. Nynas has extensive experience in surface dressing and offers high-quality polymer-modified bitumen emulsions with a proven track record of providing excellent durability under the most stressful traffic conditions.

The products in our NYTEX® portfolio are a good example of how our specialty oil solutions contribute to sustainability. They provide compliant alternatives to creosote in wood treatment now when the EU has announced a ban on creosote use in wood material for fences and marine structures. The formulations developed with these oils offer a safer alternative to creosote, a toxic and carcinogenic substance that has been used for years as a wood preservative to protect against external elements, as well as termites and other pests in industrial applications. The NYTEX oils provide the technical and aesthetical effects desirable in industrial wood treatment.

In 2023, projects on the bitumen side have, for example, looked into Nypol RE durability and aging performance and correlations between lab and field aging testing in general.

Naphthenics projects have, for example, concerned sustainable material compound concepts in tyre and chemical industry contexts where the studies have both looked at alternative fluid solutions as well as

SUSTAINABILITY REPORT

how they work in broader contexts when the entire formulations are constructed with polymers, fillers, and so on, from sustainable feedstocks. These studies have resulted in a number of publications and conference presentations.

To promote sustainable development, we follow a KPI with R&D projects having sustainability as the main driver. For 2023, 46 per cent of our R&D projects had sustainability as the main driver.

Market dialogue

Nynas provides guidance for the safe use of our products, and we continuously assess their health, safety and environmental aspects, doing our outmost to minimise all risk. We have the challenging task of educating the market on the sustainability benefits of products based on our oils and are developing and sharing information to support these efforts.

Nynas continued to work actively in Eurobitume's Bitumen Sustainability Steering Group, whose mission includes promoting the sustainable use of refined bitumen in road, industrial and building applications.

Nynas is a member of the UEIL, Union of the European Lubricants Industry's Sustainability Committee that, among other things, aims to provide guidance to define, develop and measure sustainability in the European lubricants industry. Nynas is also active in the ELGI Sustainability Consortium for which the focus is sustainability aspects in the lubricating grease industry. We have been pleased to see the steps taken during the year to improve coordination and the establishment of a common platform between different lubricants associations. The product carbon footprint model developed jointly between UEIL, ATIEL and ELGI is a fruit of the joint efforts.

Nynas is also a contributing member in the electrical industry's joint industry project to develop a standard approach across the value chain to power transformer sustainability. One aim is to generate a standard Life Cycle Analysis (LCA) approach and methodology for the industry.

Nynas bitumen products enable customers to produce and pave at lower temperatures, which contributes to lower energy consumption.

ReSolution – a contribution to sustainable development

Sustainable development is now a high priority in most industries. Some stakeholders believe this can only be achieved with a transition to bio-based or perhaps circular solutions, away from traditional crude-based products. It is, however, often not that simple.

Sustainability can be many things, but what are often key aspects when it comes to products, are energy consumption and greenhouse gas emissions related to their use. Many companies, and also our customers, have started to assess their greenhouse gas emissions in their entire value chain. In several key applications for Nynas products the downstream scope 3 GHG emissions, or the use phase, has been identified as where the main impact is found. For example, for power transformers the electrical losses during use contribute strongly. For tyres, it is the effect they have on vehicle rolling resistance and fuel economy.

To mitigate emissions in the use phase of fuels and energy products, improvements may be best achieved with a change in raw material or energy source. But with specialty products such as Nynas specialty oils and bitumen, it is more complex. When it comes to products that have a long useful life, the most positive effects are likely achieved by properties such as quality, performance, lifetime and the possibility for circular product flow rather than just looking at the raw material.

ReSolution is the Nynas framework to highlight products that can contribute to our customers' sustainability efforts. Originally introduced for Nynas' bitumen products to convey sustainable performance, the framework has now been expanded to also cover concerned specialty oils and applications.

RESOLUTION

THE ROAD TO SUSTAINABLE PERFORMANCE

REDUCE **REINFORCE** **RECIRCULATE** **RENEW**

- **REDUCE** — ENERGY, EMISSIONS, TEMPERATURE and OTHER RAW MATERIAL
  The achievement of the different types of reductions in the product uses translate into benefits such as reduced CO_2 emissions and less use of energy, electricity, fuels, other raw materials or/and exposure to health and environmentally hazardous components.
- **REINFORCE** — DURABILITY, PERFORMANCE and LIFETIME
  A reinforced durability, performance or lifetime translates into benefits such as more efficient use of materials and longer product life cycles. More from less.
- **RECIRCULATE** — MATERIAL
  Reusing and recycling products to new life after their primary (earlier) lifecycles translates into benefits such as reduced use of virgin material and reductions in net CO_2 emissions over the product lifecycle.
- **RENEW** — MATERIAL
  Using renewable raw material translates into benefits such as avoided depletion of non-renewable resources and reductions in net lifecycle CO_2 emissions through the CO_2 sequestration of biogenic material.

Focus area — Health and safety

Our goal is for everyone to return home at the end of the day at least as safe and sound as when they arrived at work. Line management is responsible for promoting a strong health and safety culture, while all employees and contractors are responsible for contributing to health and safety in their work activities. Health and safety awareness programmes and training, along with Nynas policies, support these efforts.

Ambition 2030
Nynas has the firm ambition to perform better than the industry on safety, and we are in progress of implementing actions to ensure consistently in achieving this.

The following are some of the strategic efforts and activities to help us achieve our 2030 ambition for health and safety.

A safe and healthy workplace
When it comes to safety, we place high demands on all levels within the organisation and believe that everyone has the right to a safe and healthy workplace and an obligation to contribute to it. Nynas has implemented a number of Group minimum requirements on health and safety, and we continue to update and expand the scope of these.

Nynas maintains a rigorous concept of process safety measures within manufacturing to minimise the risk of a loss of primary containment (LOPC) and also has a response organisation and measures to prevent escalation. It is compulsory for all employees and contractors to participate in the Observe, Think and Act programme, which focuses on safe behaviour, being observant of potential risks and knowing how to mitigate them. The programme includes many efforts such as cascaded Health, Safety, Security, Environment (HSSE) meetings at all levels, safety workshops and newsletters translated into local languages.

We encourage transparency and the reporting of incidents through a "no blame" approach. We are eager to learn from all incidents and train many employees in thorough investigation techniques to be able to capture root causes and define corrective actions. This contributes not only to safety improvements, but also fosters a culture of learning and knowledge sharing.

Implementation of the Nynas Code of Safe Conduct continued in 2023 with supporting training material. Further activities to support the implementation will follow in 2024.

Nynas monitors safety performance monthly with KPIs in three main areas – Personal Safety and Health, Process Safety and Transport Safety.

Health and Safety performance
Our performance was impacted in Q1 2023 by five TRI and one process safety incidents and a unplanned shutdown at the Nynashamn manufacturing site. An in-depth analysis of this Process Safety Accident has been run and the lessons learnt implemented. The turnaround at year-end was conducted without any major HSSE incident. Intensive training had been rolled out with the staff in order to minimise such events. Now, this training is being rolled out at our other facilities.

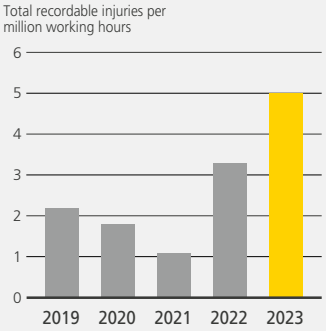
Over the past few years, Nynas has implemented a number of measures to improve its Total Recordable Injury rate (TRIF) such as holding extra safety meetings, updating our minimum safety requirements and sharing best practices. Despite these efforts, performance in 2023 was not as good as we wanted it to be. In order to ensure consistency in high safety performances, an initiative called Step Change for Safety has been launched together with an external company specialised in improving safety performance and culture, at our manufacturing sites. The programme was launched with the turnaround at the Nynäshamn site and will be implemented in Gothenburg in 2024. Managers have been trained in safety walks and visible leadership. Process operators and maintenance personnel have been trained in risk awareness.

The initiative is expected to be a catalyst for increased safety awareness and performance and refocuses on already implemented initiatives such as Observe, Think and Act, Take two and the Nynas Code of Safe Conduct.

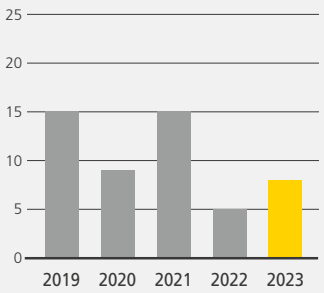
Incidents are reported within the Synergi Life system. We follow our transport incidents, take them very seriously and strive to reduce their number year on year. Transport Accidents improved significantly, with eight cases, which is below the target of ten.

SUSTAINABILITY REPORT

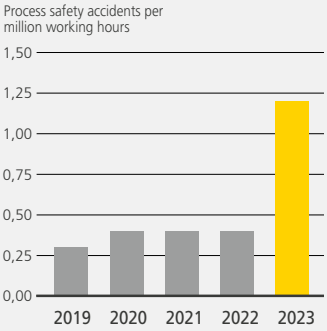
TOTAL RECORDABLE INJURY FREQUENCY (TRIF)



TRANSPORT ACCIDENTS



PROCESS SAFETY ACCIDENTS RATE (PSA)



Code of Safe Conduct

The overall objectives of the Nynas Code of Safe Conduct are to improve both personal and process safety, as well as the company's safety culture.

The Code of Safe Conduct aims to support everyone who works at, and for Nynas, to act in a way that helps to achieve even better results in both personal and process safety. Similar safety efforts have been in the industry for some time, and we were therefore able to assess what works well and what doesn't when it came time to launch our own Code of Safe Conduct. The work focuses on applying a safety focused Code of Conduct with personal safety and process safety as the main themes. This is an important step in creating a safe workplace and ensuring that situations that could result in personal injury, damage to the environment or damage to equipment, are quickly recognised and acted upon. This in turn is based on there being clear descriptions regarding how everyone should act, for example when working at height, during instances of heavy lifting, working in confined spaces, and when it comes to process safety. It primarily concerns communicating about these issues and stimulating further reflections and continuous work throughout the company to improve on all the areas covered by the Code.

PERSONAL SAFETY

Focus on what I need to do in order to act and behave in a safe manner.

PROCESS SAFETY FUNDAMENTALS

Focus on what we need to do in order to preserve a safe operation.

SUSTAINABILITY REPORT

Looking after our employees' health and safety is our top priority.

Focus area — Environment and Climate

We aim to provide our customers with high quality products that also help them reduce their climate impact and energy consumption. Within our own operations we have a long legacy of working to reduce our climate impact, improving our energy efficiency and being a responsible neighbour by taking corrective actions on legacy issues, such as the remediation of contaminated soil and water.

Ambition 2030 and 2050

Nynas strives to continuously improve its energy efficiency and reduce climate impact in production, operations and transportation through various programmes. We will monitor and make improvements on applicable environmental aspects and communicate clear targets for the reduction of greenhouse gas (GHG) emissions. Below are some of the strategic efforts and activities to help us achieve our 2030 ambition for environment and climate.

Reducing climate impact

We aim to lower our environmental impact and emissions to air, sea and land, and will monitor all emissions from our operations based on the Greenhouse Gas Protocol. In 2022, we defined scope 1 and 2 GHG emissions reduction targets for 2030 and 2050 with the aim to become climate-neutral by 2050. Our reduction target for 2030 is to lower our Scope 1 and 2 GHG emissions by 50% versus our base year 2017 (including emissions at Harburg). In 2023 we started to map Nynas scope 3 emissions with the initial objective to identify the significant categories of scope 3 emissions in Nynas' value chain.

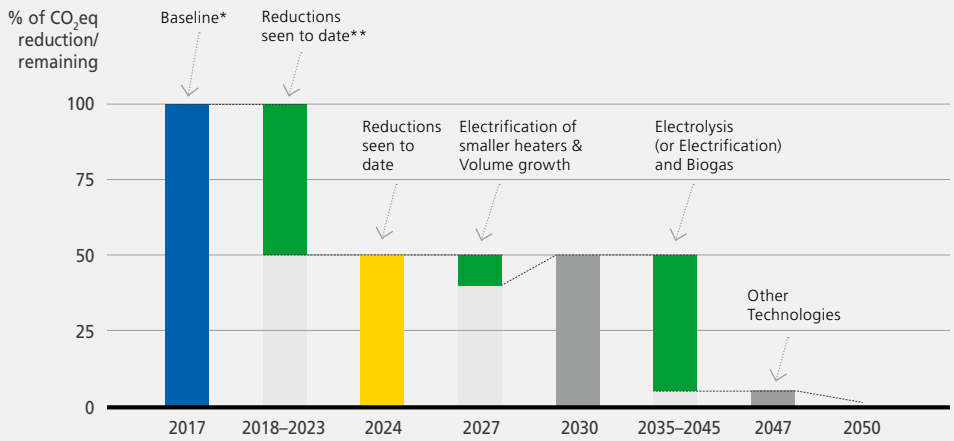
The Swedish manufacturing sites are fully compliant with the Industrial Emissions Directive (IED).

Environmental programmes

We have ongoing programmes to improve the energy efficiency at all our sites. Within all of our operations we are introducing options for energy sources with a lower climate impact, such as transitioning to natural gas from fuel oil.

Within the framework of our long-term Capex and asset plan, a number of important life-prolonging projects have been executed to upgrade some key process units at our Nynäshamn facility such as the crude heater and the main steam reformer. We also have projects to upgrade safety-critical instrumentation in our hydrogenation units and a programme

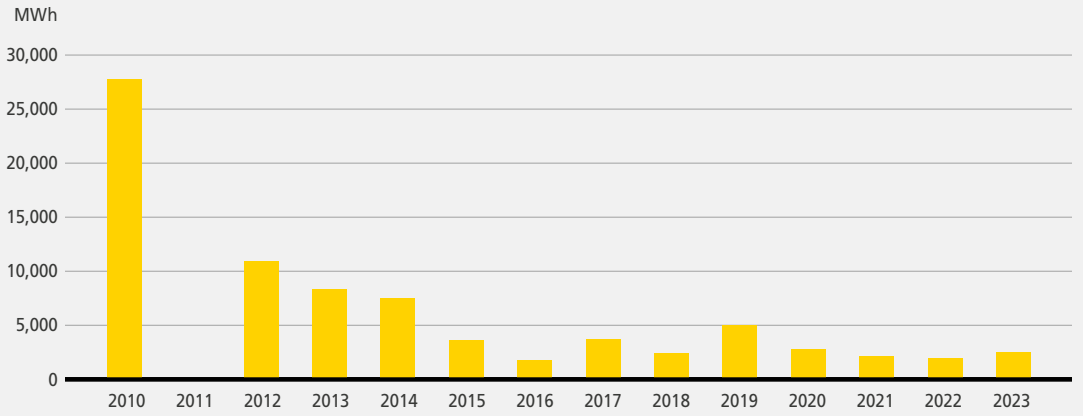
GREEN HOUSE GAS REDUCTION – NYNAS' OPERATION ROADMAP TO 2050



* Reduction target to 2030 is 50% compared to 2017. The base year emissions is 513 kton CO_2eq.
** Closure of Harburg manufacturing site. Energy saving programmes.

SUSTAINABILITY REPORT

ANNUAL ENERGY LOSS FROM STEAM TRAPS (MWh/year)



Steam savings have reduced the amount of annual energy lost from 27,762 MWh in 2010 to just 2,535 MWh in 2023. At the time of energy saving program introduction, a control interval of 2 years was chosen. This was revised to a 1-year interval from 2012.

for piperack upgrades and upgrades to other important infrastructure facilities at the harbour in Nynäshamn.

In 2021, we inaugurated two natural gas heaters at the Gothenburg bitumen manufacturing site that reduced carbon dioxide (CO_2) emissions by approximately 4,000 tonnes for 2023 compared to a year with similar throughput. Emissions of nitrogen (NOx) and sulphur oxides (SOx) have been reduced by approximately 10 tonnes (NOx) and 5 tonnes (SOx) annually. The heaters have also been adapted to run on biogas.

At our Nynäshamn manufacturing site, which manufactures bitumen and naphthenic specialty oils, we have been monitoring steam losses from steam traps through a programme started in 2010. Since then, we have managed to dramatically reduce the amount of steam lost, from 37,017 tonnes in 2010 to 3380 tonnes in 2023. The steam savings have reduced the amount of annual energy lost from 27,762 MWh in 2010 to just 2535 MWh in 2023.

Remediation activities

Much has changed in our industry since Nynas was founded in 1928, not the least the world's knowledge and the regulations related to environmental impact. Today, Nynas maintains rigorous process safety measures at all three manufacturing site to minimise the risk of loss of primary containment. We have well-kept production facilities with waste management and treatment operations, and a response organisation and measures to prevent escalation.

Around our manufacturing sites, remediation activities are underway related to soil and water issues, such as the capping of contaminated sediments on the seabed outside the Nynäshamn manufacturing site. The contamination likely originated from a fire at the manufacturing site in 1956, affecting a total area of approximately 80,000 m^2. Remediation of the contaminated area is ongoing in line with a decision by the Land and Environment Court in 2018. Monitored Natural Recovery (MNR) is applied for the area at greater depth with consultation with the County Administrative Board. In 2023, the final decision was received from the Land and Environment Court for capping of the area at shallow depths of 5–18 metres, as required by the court decision in 2018. Capping will be performed in the next turnaround, which is in 2027. In 2021 we submitted a plan to the Land and Environment Court for final treatment of contaminated sediments at J3/J4 that was in operation at the Nynäshamn plant up until 1975 and we received the court decision in 2022. Remediation of the area is challenging due to the potential to release toxic gas (SO_2) in the process. Nynas has been investigating the area for many years and we expect to begin clean-up efforts on the contaminated area at J3/J4 in 2025 and complete remediation in 2046 in line with the court decision.

2023 marks the final stage in the Landfarmen landfill covering and decontamination project, which has been running for some 30 years. In 2017, a plan was developed for the final covering, situated at the Nynäshamn manufacturing site and approved by the local County Administrative Board in 2020. That work began in 2021 and was completed in 2023. Contaminated sediments from the safety dam (P) have been dewatered in geobags since 2018. During 2023 these were sent offsite for remediation in

SUSTAINABILITY REPORT

Our Nynäshamn facility was the first of its kind in the world to run mainly on biomass.

SUSTAINABILITY REPORT

accordance with a decision from the Land and Environment Court. At our Harburg manufacturing site we reached an agreement with the local authorities on a decontamination/groundwater cleaning project of PFAS, which was included in firefighting foams in the past. Since December 2023, we have been running a pilot unit to determine the optimal activated coal and necessary pre-treatment of groundwater for achieving the most effective cleaning results. The installation of permanent units is scheduled for the autumn of 2024.

Exploring alternative energy

We continue to assess the opportunities to use renewable energy and less greenhouse gas-intensive energy sources in production, operations and transportation, and explore how we can reduce climate impact through emerging technologies.

In 2004, the Nynäshamn production facility became the first of its kind in the world to run mainly on biomass, as all steam is generated by a cogeneration plant fuelled by wood chips and other biomass. The switch from oil and electricity to biofuel and waste heat recovery has resulted in annual reductions at Nynas of 35,000–60,000 tonnes of carbon dioxide emissions. Particulate emissions have also been lowered substantially. Additionally, in a long-term collaboration with local energy supplier Adven, residual heat is recovered from the manufacturing site and used for the region's district heating network. The residual heat is equivalent to 35 GWh and sufficient to heat 1,750 houses a year.

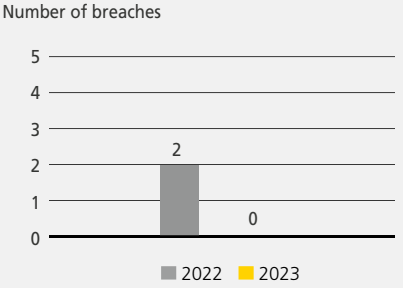
SCOPE 1 AND 2 GHG EMISSIONS*

	2017	2020	2021	2022	2023
TOTAL SCOPE 1 & 2 (kton CO_2eq)	**513**	**422**	**445**	**295**	**218**
MANUFACTURING (kton CO_2eq)	429	344	381	239	168
SHIPPING (kton CO_2 eq)	58	58	46	41	33
OPERATIONS (kton CO_2eq)	26	20	18	15	17
SCOPE 1 (kton CO_2eq)	**414**	**336**	**340**	**239**	**196**
SCOPE 2 (kton CO_2eq)	**99**	**86**	**105**	**56**	**22**

* Established according to the GHG Protocol Corporate Standard, and they constitute the complete Scope 1 and 2 GHG emissions accounted under Nynas operational control.

Nynas plans to reduce our Scope 1 and 2 GHG emissions with 50% by 2030. Data for 2023 is partly affected by lower production levels at some of the sites, lower energy consumption in our Nordic depots and decreased emission factors for Swedish electricity.

ENVIRONMENTAL PERMIT NON-COMPLIANCE



Number of breaches of permit conditions at manufacturing sites, special products plants and depots.

Test batches successfully produced at new PMB unit

High performance Polymer Modified Bitumens (PMB) have been produced at the Eastham facility for over 30 years at a Special Products Plant operated by Nynas.

The Eastham facility has served Nynas well, producing a wide range of successful products but using a traditional batch process which requires large dedicated production vessels and long batch cycle times

In 2022, Nynas decided to invest in a new in-line PMB production unit at Eastham which was constructed during 2023 alongside the existing plant. This new facility is far more compact and was designed to produce PMB at a higher rate, use significantly less energy per tonne, and require less cleaning and maintenance. With this investment, Nynas will be able to continue to compete in a very competitive UK market. The unit is now in place, with test batches of PMB successfully produced and staff training underway, ready for the 2024 season.

Focus area — People and Society

Nynas is a responsible member of the community and aims to be an attractive employer. We offer competitive salaries, career opportunities, international work experience and training, along with an open-minded culture.

Ambition 2030
Nynas aims to be recognised for having a strong employer brand and culture with excellent leadership. Nynas should be seen as a good neighbour and partner in the local business environment. The following are some of the strategic efforts and activities to help us achieve our 2030 ambition for people and society.

Attractive employer
Employer branding
Our recruiting challenges are to attract employees with high technical competencies and to make our industry more attractive. Our focus on employer branding and sustainability is therefore essential. In 2023, we put a lot of focus on employee engagement, leadership development and talent acquisition. We have and will continue to focus on in-house recruitment and visibility in social media. We will persist in developing and promoting our own talents.

Encouraging diversity and inclusion
An inclusive culture is part of Nynas' fundamental values. Everyone has a shared responsibility to see opportunities in each other's differences and to treat each other with respect. We continuously strive for a diverse workforce and an increased number of female managers, both through internal promotions and focused recruitment efforts.

We have an employee average age of 47 years old and a gender distribution of 29 per cent women and 71 per cent men, compared to 2022 when the gender distribution was 27 per cent women and 73 per cent men. We have increased the ratio of female managers from 25 per cent in 2022 to 28 per cent in 2023. In 2023 we welcomed two new female members to the Nynas Executive Committee. We have also promoted several women to managerial positions.

Programs and career development
To continue delivering excellency and best practices, several events have been arranged throughout the year, for example the Leader Forums, Safety Days and Nynas Manager Training.

To secure qualified staff for our highly technical chemical operations, Nynas offers a specialist career programme for engineers and scientists, a technical development programme for operators, as well as leadership programmes and other development opportunities.

We promote employee growth and yearly development plans for each employee are set up in our annual performance appraisal process.

For newly graduated students we offer a trainee programme, NyEx, to secure future talents with engineering expertise, while providing work opportunities to engineering graduates. We have our own Production Academy, an apprentice programme that provides onsite training for new operators.

Leadership
Strong leadership is key to our future success, and we offer various leadership programmes for our managers. These programmes have been running for many years and contribute positively to Nynas leadership. Nynas also offers individual coaching and leadership forums to continuously develop and strengthen leadership among our managers.

Compass Survey
Nynas conducts an employee survey to identify areas indicating a need for improvement. As of 2023, the survey will run every year, with quarterly follow-ups on the Engagement and Leadership Index.

Responsible member of the community
Good neighbour
Being a good corporate citizen is important for Nynas. At our production sites in Nynäshamn and Gothenburg we want to be considered as a partner in the local community. We are achieving this through high HSSE standards, transparency, proactive communication, and engagement. In Nynäshamn, where we have been operating since 1928, Nynas is the largest private employer. With the "Good Neighbour" initiative we have established a dialogue with politicians, municipality officials, teachers and other members of the local community. It is important for Nynas to inform the local community of what is happening on the site by publishing information in the local newspaper on a regular basis. Nynas is also a member of the local business committee.

SUSTAINABILITY REPORT

Our main recruiting challenges are to attract employees with advanced technical competencies and to make our industry more attractive.

Nynas offers university students and graduates internships through collaborations with universities located near its facilities, such as the KTH Royal Institute of Technology in Stockholm and Chalmers University of Technology in Gothenburg, Sweden. In addition, Nynas is partnering with Campus Nynäshamn which offers Vocational Training Programmes.

CSR

Corporate social responsibility (CSR) can encompass a wide variety of activities. These may include philanthropy, volunteering by employees, ethical labour practices, and improving the environmental footprint.

Companies often look to the wants and needs of different stakeholders in their respective countries of operation. Companies operating in Europe may prioritise climate change while companies operating in Asia, Africa and the Middle East pay more attention to the social issues facing the surrounding communities.

India, for example, is the first country to have corporate social responsibility (CSR) legislation. Businesses with annual revenues of more than 10bn INR (110m EUR) must give 2 per cent of their net profit to charity. India's policymakers said the law would release much-needed funds for social development. Areas they can invest this money in include education, alleviating poverty, gender equality and nutrition.

Vikas Tiwari, General Manager Sales and Marketing India says: "Our CSR journey in India commenced with a vision to bolster the nation and foster positive societal change. Recognising children as the architects of the future and women as pivotal influencers, Nynas India has been unwavering in its commitment to child and women welfare. We support NGOs dedicated to child education, nutrition, and the empowerment of women."

Supply chain

We believe that responsible supply chain management and selecting good partners is essential to upholding a stable and secure operation and being a reliable partner to our customers. All of our suppliers are expected to comply with the Nynas Code of Conduct and policies as stated in the terms and conditions of their agreements. Ideally, suppliers can show they have a similar set of codes and policies. Our processes guide the supplier selection on goods and services by assessing potential suppliers based on their quality and sustainability practices. Active "critical" and "important" suppliers are regularly evaluated for performance regarding both business and sustainability aspects. In 2022 we started to assess our critical suppliers and in 2023 we also started to map and assess important suppliers.

SUSTAINABILITY REPORT

Critical suppliers are our major suppliers with significant impact on our business, for example raw material suppliers. Important suppliers are still important from a business, operational and risk perspective, but on a lower priority level.

Our target in 2023 was to have all our critical suppliers assessed for sustainability. We managed to achieve this with 75 per cent of the critical suppliers. We recognise the need for vigilant pre-qualification and follow-up of suppliers and aim to assess and have dialogues with the most important and other concerned suppliers on a continuous basis.

Ethics

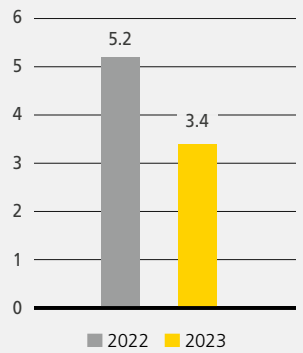
Nynas aims to be regarded as a positive force in society and an attractive and equal opportunity employer. The Nynas Code of Conduct clearly establishes the rules of ethical business behaviour for all Nynas employees and partners in relation to bribery, corruption, conflicts of interest and other areas where there could be business and sustainability risks. All information must be managed in compliance with the General Data Protection Regulation (GDPR) for data protection and privacy.

New employees are introduced to the company through an onboarding process that also includes training on the Nynas Code of Conduct and ethical behaviour. There is mandatory recurring training on special business ethics topics for employees who in their work might be exposed to specific risks, such as anti-bribery, anti-corruption, competition and trade regulations, along with other policy compliance training. The identified employees are required to sign an annual undertaking confirming they will comply with the Nynas Code of Conduct and its underlying policies. In 2023 we have reached 100 per cent of targeted employee that have signed it. With the alleviation of pandemic restrictions and face-to-face meetings at exhibitions and fairs being resumed, the training in 2023 focused on ethical behaviour in interactions with competitors and customers.

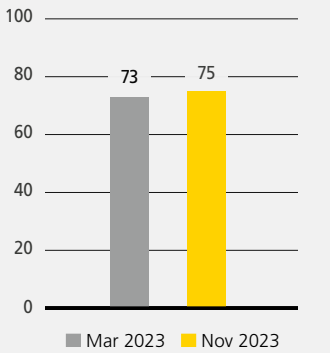
The Code of Conduct has supporting policies for competition, procurement, anti-bribery, anti-corruption and trade, among others. See Governance, on pages 20–21.

Non-compliance issues are handled through a whistleblowing system that was launched in an updated form in June 2022 to meet the requirements of the Swedish Whistleblowing Act. This updated whistleblowing system enables anonymity and accessibility for both internal and external parties wishing to report issues. Nynas complies with the laws and regulations in every jurisdiction where it operates, including the UK Bribery Act and the Foreign Corrupt Practices Act, EU and US competition laws, and EU, US and UN sanction regimes.

SICK LEAVE, %



ENGAGEMENT INDEX, %



Competence Development comes in many forms

Sharing learnings
To continue delivering excellence and best practices, several events were arranged throughout the year: The Leader Forums, the Safety Days and Nynas Manager training. In September, the Nynäshamn manufacturing site also hosted a visit from KTH Royal Institute of Technology engineering students, who got to see how a manufacturing site is run and the types of work you can have as an engineer.

In addition to an overall presentation of the site and its operations, the visitors were given guided tours in both the process area and pilot plant with an opportunity to meet and talk to engineers on the site.

Leadership Forums
Core values, as with a company's leadership profile, must be discussed and reflected upon constantly to be well understood, have meaning for everyone and serve their purpose. Therefore, our leaders spend time discussing these important topics in Leadership Forums.

It is crucial that all leaders in the organisation are role models, reflecting the Nynas core values and fostering the right behaviours in the organisation.

EU Taxonomy

The EU taxonomy is a classification system, establishing a list of environmentally sustainable economic activities. The Taxonomy Regulation was published in the Official Journal of the European Union on 22 June 2020 and entered into force on 12 July 2020. The Taxonomy Regulation establishes six environmental objectives:

1. Climate change mitigation
2. Climate change adaptation
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

The sustainable activities are defined by technical screening criteria for each environmental objective which is adopted through delegated acts. A first delegated act, outlining technical screening criteria for sustainable activities for climate change adaptation and mitigation objectives, was adopted in June 2021. A second delegated act for the four remaining objectives was published in 2023.

Nynas conducted a gap analysis to assess eligibility against the two climate objectives as regulated today. All activities and technical criteria were screened against the EU taxonomy sustainable activities for climate change adaptation, in order to map possible eligible activities.

	Total in MSEK	Proportion of Taxonomy eligible activities (%)	Proportion of non-Taxonomy eligible activities (%)
Turnover	15,261 (17,833)	0	**100**
CapEx	603 (294)	0	**100**
OpEx	217 (344)	0	100

As a second step, a more in-depth analysis was done for activities which have potential eligibility. In 2023 a second gap analysis was performed to assess eligibility for the technical criteria of the four remaining environmental objectives.

Nynas continues to work actively to reduce its climate impact and support the circular economy. Furthermore, Nynas products are, in many instances, used in activities which are expected to become part of the technical criteria for some of the remaining environmental objectives. An example is our bitumen, which is 100 per cent reusable when used as asphalt in roads. Nynas also has a number of bitumen binders that allow for lower temperature applications and improved infrastructure durability. Additionally, Nynas transformer oils are important for electrification, and work is ongoing to integrate them into a circular loop (see focus areas Environment and Climate and Sustainable Products).

Investing in sustainability

Nynas is fully committed to a more sustainable future and in 2024, our sustainability efforts will intensify further. This is in line with our ambitions, commitments, and stricter demands from key stakeholders and investors, along with new reporting measures in accordance with the Corporate Sustainability Reporting Directive.

Adherence to new requirements

As of the financial year 2025, Nynas will be subject to stricter sustainability reporting requirements through the Corporate Sustainability Reporting Directive (CSRD) and will have to increase the quality of reporting, traceability, and comparability between companies, which leads to computability between companies. This work is under development and will be based on requirements and standards such as EU taxonomy, the GHG Protocol, Global Reporting Initiative (GRI) and the Task Force on Climate-Related Financial Disclosures (TCFD).

Sustainability reporting is mandatory according to the Annual Accounts Act (ÅRL). To strengthen our data collection and reporting work, Nynas will use the Stratsys ESG tool. We will identify ESG KPIs in the business and how these can be integrated into the management of sustainability risks in relevant processes.

The credible reporting of sustainability informs credit ratings and refinancing. As a supplier of mainly crude oil based products, we recognise the need to report on our products from an ESG perspective and compare them with alternative products to show the advantages. At the same time, we have extended our portfolio with biobased and circular products and will broaden this portfolio further in the future.

Continuous energy improvements

Prior to investing in our own operations, we must include ESG related information such as water and energy usage, circularity and life expectancy, in the Investment Request to indicate the level of impact before making a final selection.

Our focus on improving energy efficiency at Nynas will continue. We have already begun buying atmospheric distillation residue that we upgrade to bitumen, which means diverting components from the fuel pools into a circular loop. This reduces scope 3 emissions, and we will continue to search for further benefits from this activity.

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