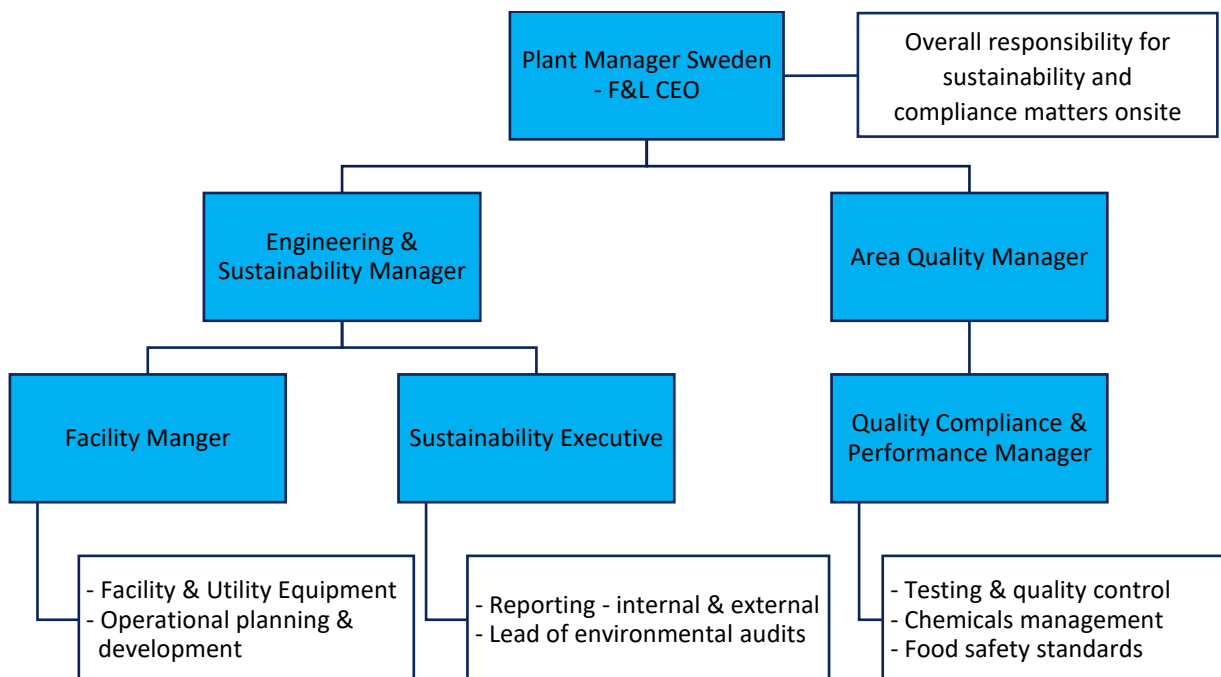


## BAT Fiedler & Lundgren - Progress Towards Good Water Stewardship 2024

In line with its aspirations to continue the improvement of sustainability, Fiedler & Lundgren AB (F&L) has gone through the AWS certification process in 2023. The Alliance for Water Stewardship (AWS, <https://a4ws.org/>) is a global membership collaboration comprising businesses, NGOs, and the public sector. Its members contribute to the sustainability of local water resources through their adoption and promotion of a universal framework for the sustainable use of water – the International Water Stewardship Standard, or AWS Standard – that drives, recognizes, and rewards good water stewardship performance.

F&L began preparing for certification in Q4 2022 by gathering documentation and conducting a gap analysis. The documentation was submitted to AWS in December 2022. In January 2023, the result was obtained with an action plan to achieve certification. Dedicated resources worked to close the gaps and prepare for the audit, which took place in September during three days on-site visit. In November 2023, the initial report from the audit was issued. It contained two major non-conformities that needed to be closed within 90 days and 11 minor non-conformities that needed to be answered with a corrective action plan within 30 days in order to obtain the certificate. The company submitted corrective actions and updated documentation, which were approved and in December F&L received the certification. To ensure continued maintenance of the certification and continuous improvement in water stewardship, surveillance audits will be conducted annually and re-certification is required every three years.

Accountability for water-related governance and compliance at F&L resides in first instance with the Engineering & Sustainability Manager, directly reporting to the CEO, whilst Quality team is responsible to conduct and document regular water testing. Regular reviews on all Sustainability metrics including water are integrated as part of the monthly Factory Leadership team as well as quarterly Safety Committee meetings. Targets for water savings are updated annually and in a five-year plan for sustainability, and results are reported to the group monthly. A more detailed breakdown of the responsibility governance of sustainability and quality control is presented below.



## **Water Stewardship Strategy**

Our vision is to achieve long-term sustainable water management for our business, our stakeholders and people. Our mission is to establish, support and promote good water stewardship and practices aligned to the AWS framework. F&L has set three main strategies and summarized progress towards associated key targets below.

### ***1. Minimize impact of our business through increased governance, adherence to legislation and building awareness***

In September 2022, F&L commissioned a new wastewater treatment plant with sedimentation tank, which led to significant improvements on particles, pH and Cadmium levels. This was also presented to the Environment Department for the City of Malmö during their supervisory visit in October 2022. To improve its water balance, F&L installed submeters on all relevant production equipment. These will be fully integrated to the technical facility system and used to set and monitor specific targets for water consumption in production in 2024. In terms of continuous improvements, F&L invested in external education for spill management and procured additional spill kits for the site. Through its work with the AWS standard, F&L has started to map and engage stakeholders on its efforts to create awareness and promote good water stewardship.

### ***2. Contribute to long-term sustainable drinking water supply by continued optimization of our water consumption and/or reduced water intensity***

F&L targets a 30% reduction in water withdrawn (and/or water intensity) and a 10% water recycling rate for its operations by 2025 (vs 2020 baseline year). By 2023, F&L has reached 19% reduction in water withdrawn (22% reduction in water intensity) and 4 % water recycling rate. Through monitoring of the new water meters, opportunities for water recycling are identified and implemented. Recycling of treated process wastewater for flushing in the waste water treatment plant on site was implemented in January 2024. Continuous focus is on identifying further opportunities for water savings and water recycling.

### ***3. Ensure equitable and sustainable access to Water, Sanitation and Hygiene (WASH)***

Since April 2022, F&L provides free menstrual health products onsite, supporting best practice on WASH as well as our commitment to promoting a diverse & inclusive workplace. F&L further aims to install a UV filter in 2024 for all incoming water to ensure continued access to safe drinking water onsite. The equipment was procured, and installation is planned for summer 2024.

*Fiedler & Lundgren AB's work with the AWS standard and its progress towards good water stewardship is also shared in the Sustainability section of the organization's annual report.*