

Eco portfolio criteria

Kalmar's eco portfolio criteria are structured in line with the EU Taxonomy

Kalmar's eco portfolio consists of equipment and services that have the potential to support our customers' sustainability targets by reducing emissions and supporting the transition towards a circular economy. The structure and criteria of Kalmar's eco portfolio follows the logic of the EU Taxonomy. **Kalmar's eco portfolio has been defined to include equipment and services that are aligned with the EU Taxonomy or are expected to be aligned in the near future.** Eco portfolio sales is Kalmar's KPI which is reported externally on a quarterly basis.

The EU Taxonomy regulation establishes a classification system to define economic activities that substantially contribute to environmental sustainability. The regulation applies to Kalmar and requires the disclosure of the share of EU Taxonomy eligible and aligned revenue, capital expenditures and operating expenditures. These are reported on an annual basis.

The eco portfolio reflects the two environmental objectives of EU Taxonomy which are currently relevant for Kalmar's products and services: climate change mitigation and the transition towards a circular economy. Our climate solutions significantly reduce GHG emissions during their lifecycle compared to traditional products, whereas our circular solutions contribute to the transition to a circular economy by promoting resource efficiency throughout the value chain.

To prove the substantial contribution of its equipment to the objective of *climate change mitigation*, Kalmar conducts product life cycle assessment (LCA) studies to demonstrate life-cycle greenhouse gas emission savings. The LCAs compare the company's zero-emission or transitional equipment to the best performing alternative, which typically is a diesel-powered version of the same equipment with the same functionality and capacity. The LCA studies are conducted for equipment that is considered representative of the entire product group, so that the results can be generalised. The studies follow the ISO 14067 standard and are reviewed by an independent third party.

Chargers are also included in the eco portfolio. Chargers enable the use of Kalmar's electric equipment and are thus contributing towards climate change mitigation. Chargers are also EU Taxonomy aligned.

To prove substantial contribution to the objective of *transitioning to a circular economy*, covering a range of activities including e.g. repair, refurbishment and the sale of second-hand goods, Kalmar follows the substantial contribution criteria of each of the EU Taxonomy's subtopics. The criteria include a range of themes from extending the life-cycle of the product to contracts made as well as packaging and waste management. Many of the services or business models seen as aligned under the transition to a circular economy are directly extending the life-cycle of the products or increasing the intensity of their usage.



In addition to the substantial contribution criteria the equipment and services included in the eco portfolio need to fulfil EU Taxonomy's do no significant harm (DNSH) criteria. They ensure that economic activities contributing to environmental objectives do not simultaneously harm other environmental goals. Finally EU Taxonomy's minimum safeguards are fulfilled on the Group level. The minimum safeguards ensure that companies pursuing sustainable economic activities also adhere to basic social and governance standards. These safeguards are grounded in international principles and frameworks and are required alongside substantial contribution and DNSH criteria.

Table 1: summary of Kalmar's eco portfolio criteria and contents (aligned with EU Taxonomy's Substantial Contribution criteria)

Substantial contribution to climate change mitigation	
Climate solutions	<p>Climate solutions include:</p> <ol style="list-style-type: none"> 1. Zero-emission equipment 2. Transitional equipment 3. Chargers <p>And:</p> <ul style="list-style-type: none"> - GHG savings of equipment (zero-emission and transitional) are calculated in accordance with ISO 14067:2018 and verified by an independent third party. <p>Definitions:</p> <p><i>Zero-emission equipment:</i> equipment with no tailpipe emissions</p> <p><i>Transitional equipment:</i> equipment that provides GHG emission savings but those savings are insufficient in the context of the 1.5°C pathway until 2030. Transitional equipment are included when considered the best performing solution in lack of better options, given the technological and economic feasibility. The transitional equipment are included in the eco portfolio and seen as EU Taxonomy aligned until the end of 2026 and re-evaluated during that year.</p>
Substantial contribution to the transition to a circular economy	
Circular solutions	<p>Circular solutions include services and used equipment which fall under the following headlines and are aligned or expected to be aligned with the respective substantial contribution and DNSH criteria of EU Taxonomy:</p> <ul style="list-style-type: none"> ● Repair services and parts ● Refurbishment and modernisation ● Rental and leasing services ● Sale of used equipment ● Digital services supporting preventive maintenance and lifetime extension



Table 2: list of Kalmar's zero-emission and transitional equipment

List of zero-emission and transitional equipment	
Zero-emission equipment	Electric Straddle Carrier Electric Reachstacker Electric Heavy Forklift Electric Medium Forklift Electric Light Forklift Electric Empty Container Handler Electric spreaders Electric Medium Terminal Tractor (US)
Transitional equipment	Hybrid Straddle Carrier Eco Reachstacker

