

Sustainability report 2025





Table of Contents

Introduction	3-5	Reporting on Our Sustainability Work	19-29
Introduction	3	Glossary	19
Chairman of the Board	4	Stakeholder analysis	20-21
President and CEO	5	Material topics and significant risk areas	22-29
Company Information	6-17	Sustainability Performance, Targets and Risk Assessment	32-54
About Inducore	6-7	Environment	32-37
The foundation of our business model	8	Social	38-43
Key markets	9	Business	44-47
Group structure and governance	10	Risks and opportunities	48-54
Business areas	11	Appendix 1: GRI-Index	55-57
Group and company management	12		
Organisation of sustainability work	13-15		
Highlights 2025	16-17		



Introduction

At a time when global expectations for transparency, accountability and long-term responsibility continue to increase, sustainable development has become an increasingly important part of our business. This Sustainability Report is therefore not only a summary of our results for 2025, but also an expression of our commitment to contributing to a more sustainable future, both today and for future generations.

Our ambition is to be a business that acts responsibly, courageously and progressively. This means not only monitoring our development, but also being transparent about the areas for improvement. Over the past year, we have continued to strengthen and develop our work within environmental, social and economic sustainability.

This report provides an overview of Inducore’s operations and organisation, our sustainability objectives, key initiatives, key performance indicators and how we work with employees, customers and partners to contribute to a more sustainable future.

A word from the Chairman of the Board:

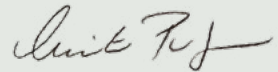
We operate in a turbulent and uncertain world that affects our business environment. Rapid geopolitical developments are creating new conditions for our customers, suppliers and for us as a Group. At the same time, expectations are increasing for companies to take greater responsibility for their impact on people, the environment and society. To continue building for the long term, we therefore need to manage both growing uncertainty and a business climate shaped by trade barriers and shifting global agreements.

What we can influence is our ability to adjust and adapt. The business plans and strategic initiatives that are now established within each of our business area and subsidiaries are central to our continued development.

An important success factor is safeguarding entrepreneurship within the subsidiaries through strong management teams, close collaboration and

an active exchange of knowledge and experience. The strategic initiatives implemented across the Group provide us with a stronger platform for more concrete dialogue around strategies and action plans within our decentralised structure. This position enables us to better capture opportunities and reduce risks in a rapidly changing world.

Despite the uncertainty, I look ahead to 2026 with confidence. We have a clear plan to strengthen profitability and continue developing our sustainability work in order to reinforce the Group's long-term competitiveness.



Christer Parkengren

“The ability to adapt is a key sustainability factor”





“Our values remain stable in a changing world”

A word from the CEO:

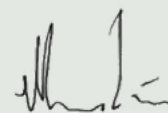
As a Swedish family-owned industrial group, we are characterised by openness and agile decision-making. This culture enables our companies to act quickly, innovate and develop. Long-term thinking and entrepreneurship are central to Inducore. At a time when our industry and the world around us are changing rapidly, our values remain stable. We believe in responsibility, resilience and building businesses that endure over time. For this reason, sustainability is a natural and integral part of our Group strategy.

Our decentralised way of working, built on trust and close customer relationships, creates engagement and involvement throughout the organisation. The independence of our companies,

combined with a strong culture of collaboration, allows us to benefit from the expertise within each business while continuing to grow together as a Group. Our subsidiaries are the heart of Inducore – when they grow, the Group grows with them.

I am proud of our 20 subsidiaries and the commitment they demonstrate in driving sustainability initiatives forward within their respective operations.

Sustainability is not only important for our competitiveness today – it is essential for our future.



Magnus Biesse

About Inducore

The Group is committed to the long-term development of entrepreneur-led industrial and manufacturing companies with strong local roots.

The vision of building a Swedish industrials group emerged within the Vannesjö family in Västerås in the late 1990s. The ambition was to create a group where companies could grow and develop while retaining their unique identities and strengths. Over the years, this vision has evolved into a strong Swedish-owned industrial group operating in a global market – introducing, Inducore.

The original idea that each company should continue to develop through its own unique strengths still defines the Group's business model today. Subsidiaries retain their own identities and brands while being united by a common set of values. Inducore acquires well-managed companies with a focus on long-term ownership, without an exit on the horizon. Our subsidiaries are partners to both the Group and one another. Together, we create added value through sustainable and high-quality manufacturing, long-term customer relationships and

close collaboration where profitability, environmental responsibility and social considerations go hand in hand. This creates a sustainable Group characterised by openness, trust, agile decision-making and close cooperation between the companies.

We operate within truck bodies, system solutions and component manufacturing. However, the Inducore brand represents more than high-quality products and technical expertise. Together with our subsidiaries, we actively strive to be a positive force in the local communities where we operate by creating pride among employees and owners and by taking responsibility for ethical, transparent and sustainable business practices.

These perspectives guide how we act towards customers, suppliers, employees, colleagues and other stakeholders.

Our vision

We shape the industry of the future. Sustainable, profitable and with pride at every step.

INDUCORE AB

2025

FOUNDED

1997

OWNERSHIP

Privately owned industrial group

SUBSIDIARIES

20

REVENUE

SEK 2,3 billion

EMPLOYEES

957

PROFIT

SEK 41 million

2025 ACQUISITIONS

Presona AB

Our values

Inducore's values form a shared foundation for all subsidiaries and for the Group as a whole. Our values describe how we want to work, act and develop, both today and in the future. They guide our decisions, shape our culture and create a stable and sustainable direction for all companies within the Group.

Entrepreneurship, Long-term and Efficiency are more than just words to us. Together, they form a clear direction: to think long term in our relationships and investments, to drive innovation and responsibility through entrepreneurship, and to use our resources responsibly and efficiently in order to create long-term value.

Entrepreneurship

With a focus on the customer, honest and sound business practices, we create added value for our customers and a strong market position. We encourage entrepreneurship and commitment to the task. It's about taking your own initiative and seeing opportunities to improve and develop. An entrepreneurial approach where new ideas and continuous development ensure that our customer always gets the best solution.

Long-term

We continuously invest in our employees and our business. Our customer relationships are a long-term partnership. We encourage a long-term approach where customers and stakeholders feel secure in that we have the strength to act in the market for a long time to come. It is fundamentally about utilising the knowledge and commitment of each employee to stimulate organisational learning - which in the long term develops and strengthens our overall competitiveness in the market.

Efficiency

Constant refinement and development of working methods, materials, accessibility and a professional and engaging approach. We encourage efficiency and optimal work processes. It's about challenging ourselves, always doing our best and asking ourselves every day what we can do better. We consistently seek the root cause of shortcomings and deviations in order to deliver the highest perceived customer value every day.

The foundation of our business model

We build for the long term. Acquisitions are a natural and important part of Inducore's growth strategy, and we believe in long-term ownership without any exit horizon. Our companies operate with a high degree of local autonomy through

a decentralised business structure – a model that promotes growth, innovation and employee engagement. The model is built on independence, entrepreneurship, collaboration and market leadership.

Our mission

We enable companies and people grow together.

Four reasons to become part of Inducore

Long-term and stable ownership

We build our business on long-term thinking, stability and sustainable business practices. When you sell to us, your company becomes part of a group that invests for the future, thinks in generations and values long-term relationships with employees, customers and the market.

Proven ability to create growth

Inducore has a long history of successful acquisitions. Through active collaboration between company CEOs, business area management and Group functions, acquired companies have been supported in their growth journeys. Together, we have created synergies, strengthened competitiveness and implemented improvement initiatives that have generated healthy growth and profitability over time.

Investing in people, technology and the environment

We develop our companies by investing in technology, machinery, energy efficiency, safety, skills development and leadership. Through Inducore, companies gain the right conditions to grow and remain competitive when navigating future requirements within the manufacturing industry and sustainability.

Preserving your company's identity

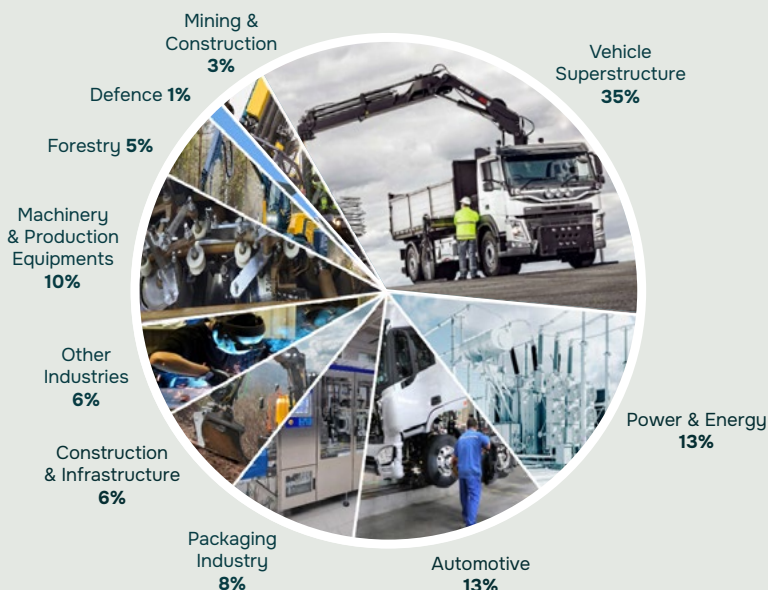
At Inducore, acquired companies continue to operate with local leadership, entrepreneurial drive and their own unique identity. At the same time, they gain access to the Group's collective expertise, resources and network.

Market segments

Inducore’s business portfolio combines broad product expertise with a strong geographic presence. This creates a solid foundation for stable, sustainable growth.

By operating across multiple customer segments and geographic markets, the Group reduces its dependence on individual industries and market cycles. This provides a diversified and balanced risk profile, increasing resilience to changing market conditions.

Together, these factors strengthen the Group’s ability to achieve its strategic business and sustainability goals.



Key markets

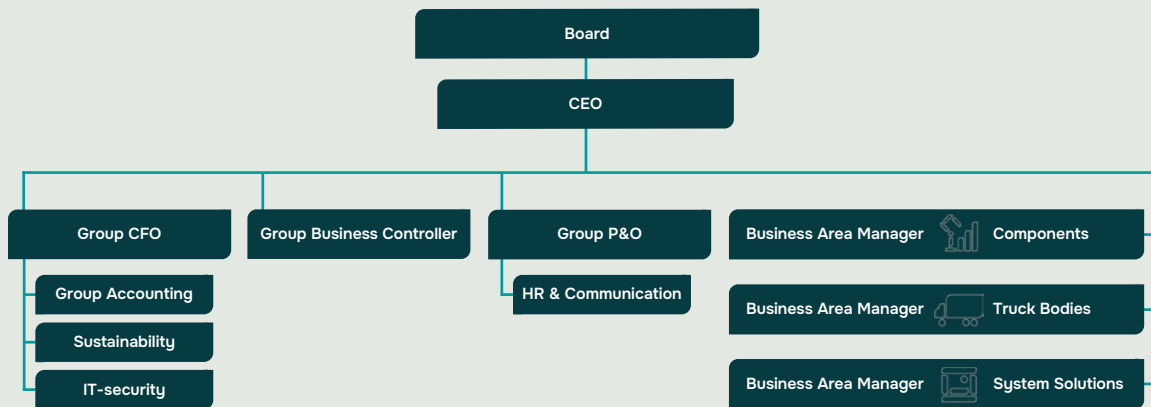


Group Structure and Governance

As an industrial group, our role is to strengthen each individual subsidiary while maintaining the business areas as collaborative platforms that create operational and commercial synergies.

Group-wide functions are therefore organised

to provide complementary resources such as expertise, processes and specialist knowledge that strengthen the capabilities of each subsidiary. This structure fosters the right conditions for each business to reach its full potential without unnecessary overhead costs.



i INDUCORE'S APPROACH TO GOVERNANCE

Inducore's organisation is built on the conviction that the best decisions are made by those working closest to the customer and the business. This is where needs, processes and opportunities are most clearly identified.

We strive to maintain a flat decision-making culture within our subsidiaries in order to strengthen their ability to adapt quickly to local needs and market conditions. This is an important success factor and a key driver of engagement, accountability and entrepreneurship.



Business areas

Our operations are organised into three business areas, with each area focused on being the best possible supplier and partner within its customer segment.

Together, we cover the entire chain from the customer's initial idea to a finished solution, with a high degree of commitment, efficiency, technical expertise and innovation.

Truck Bodies



Truck Bodies includes some of the Nordic region's leading manufacturers for trucks and trailer superstructures. We develop and deliver tailor-made solutions for construction, contracting, distribution and long-haul transport, while also offering brand-independent service. Through our own production capabilities and technical expertise, we create sustainable solutions with the customer at the centre.

Components



Components is a value-creating industrial partner focused on innovative manufacturing processes and technical solutions. With extensive expertise and modern technology, we deliver everything from individual components to complete system solutions in machining, welding, assembly and surface treatment. We work in close, long-term collaboration with our customers.

System Solutions



System Solutions develops and delivers proprietary products, services and technical solutions in close collaboration with customers in selected niche markets. From idea to finished product, we create innovative system solutions with high functionality and quality. By combining technology, industry expertise and customer focus, we deliver solutions that make a real difference.

A Part of Inducore



NTB NORGE AS
NORDIC TRUCK BODIES



SERVICE
NORDIC TRUCK BODIES



Group and Company Management

Governance and the Responsibility of the Board of Directors

The Group's governance is based on the requirements of the Swedish Companies Act (Aktiebolagslagen; ABL) regarding the Board's responsibility for organisation, administration and control, as well as the Swedish Annual Accounts Act (Årsredovisningslagen; ÅRL) governing external financial reporting.

The Board of Directors is responsible for the overall strategic direction, risk management and long-term development of the business, where sustainability issues are integrated into governance through ownership directives.

At company level, each subsidiary has its own Board of Directors responsible for managing

operations within the framework of the Group's governance model and policies. This includes responsibility for ensuring sound internal control, relevant risk management and sustainability work aligned with Group requirements and applicable regulations.

This structure creates a clear division of responsibilities where the Group Board sets the direction and subsidiary boards are responsible for operational implementation.

The Board of Directors, including the CEO and Chairman, is evaluated annually regarding working methods, efficiency, expertise and completed work.



DIGITAL REPORTING UNDER CSRD

From the 2026 financial year onwards, sustainability reporting will be required to be submitted in a digital, machine-readable format (XHTML/iXBRL). This means companies must publish their sustainability reports in a structured digital format. The purpose is to increase transparency, improve comparability of data and simplify analysis for investors and other stakeholders.

Organisation of Sustainability Work

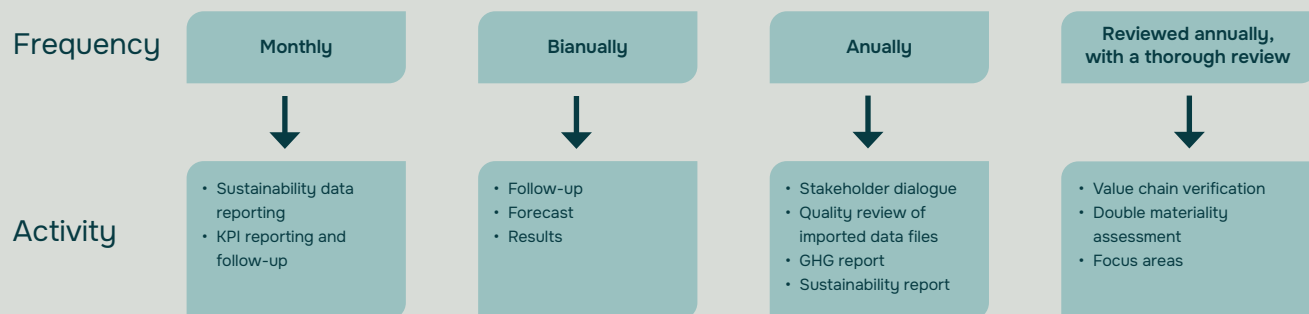
The Group has established a Group-wide Sustainability Council that initiates, drives and coordinates sustainability initiatives together with Group Management, which acts as the steering group. The Council is responsible for coordinating the Group’s sustainability work, including sustainability reporting and support to subsidiaries in operational sustainability matters.

At least twice per year, the Sustainability Coordinator conducts reviews together with each subsidiary’s management team in order to ensure that sustainability is integrated from business strategy into day-to-day operations. The CEO of each subsidiary is responsible for implementing decided sustainability initiatives within their respective operations.

The Sustainability Council consists of the Sustainability Coordinator together with sustainability representatives from across the Group, combining broad expertise and specialist knowledge in sustainability related to our operations. The Sustainability Coordinator is part of Inducore’s Group Management team.

Follow-up of Sustainability Activities

The Sustainability Council is responsible for ensuring that sustainability reporting is developed in line with the Corporate Sustainability Reporting Directive (CSRD) and structured in accordance with European Sustainability Reporting Standards (ESRS).



The subsidiaries report sustainability data monthly, while the Sustainability Council is responsible for ongoing review and validation of reported data, including reconciliations against invoice documentation and other supporting information.

Sustainability Strategy

Inducore views sustainability as a natural and integrated part of the Group – from strategic direction to day-to-day operations. Through clear focus areas, measurable objectives and continuous follow-up, awareness and gradual improvement are driven throughout the organisation. This creates a natural integration of sustainability at both Group and company level.

The sustainability objectives that guide our work are based on the Group's double materiality analysis* (DMA), the UN Sustainable Development Goals** and the 3P sustainability model.

The Group's decentralised structure also enables subsidiaries to conduct local sustainability initiatives alongside Group-wide activities.

Each subsidiary's Board of Directors and CEO are responsible for ensuring compliance with applicable regulations and integrating decided sustainability initiatives into operations. A Group-wide Sustainability Council acts as a guiding, supporting and monitoring body through expertise, training initiatives, common policies, continuous reporting follow-up and more.

Group-wide objectives, progress, risk analyses and opportunity assessments relating to areas such as climate impact, resource efficiency, social responsibility, business ethics and governance are compiled and communicated by the Sustainability Coordinator. A Sustainability Report is published annually.

(* conducted in accordance with the EU's CSRD directive;
**and the UN's Agenda 2030)

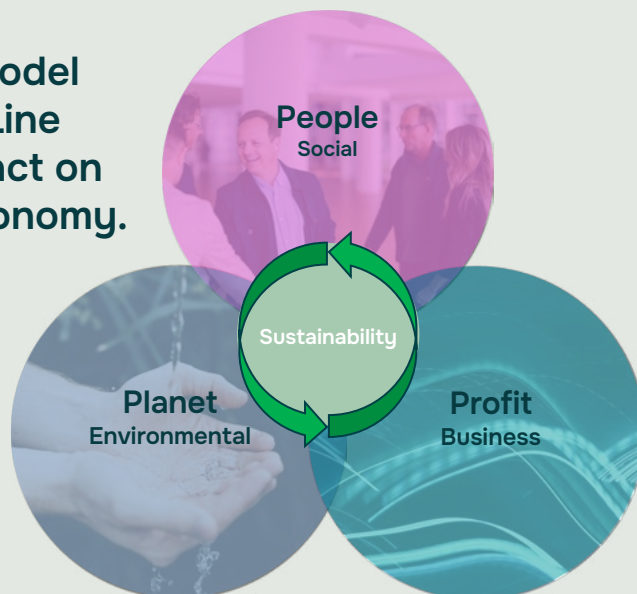


Sustainability Model: 3P

Through the People, Planet, Profit model – also known as the Triple Bottom Line – we take responsibility for our impact on people, the environment and the economy.

The model highlights the balance between these three areas. True success depends on how well social responsibility, environmental consideration and economic viability work together to support healthy growth. Sustainable operations create positive effects across all three areas.

At Inducore, we refer to these areas as Social, Environment and Business when discussing our sustainability work.



Social (People)



Social responsibility is about protecting and respecting all people affected by our operations. This includes good working conditions, equality, safety, fair wages and rights.

Our contribution to ESRS S1 Own Workforce:

- We have a zero-accident vision
- Continuous training develops both employees and the organisation, with an average target of 20 training hours per employee per year
- To support the development of the business, women should make up at least 25% of employees by 2030

Contribution to the UN Sustainable Development Goals:



Environment (Planet)



Environmental sustainability means reducing negative impacts on nature by using resources efficiently, reducing emissions, protecting ecosystems and supporting the transition to a circular economy.

Our contribution to ESRS E1 and E5 Climate Change and Circular Economy:

- Reducing direct CO₂ emissions from transport and own heating
- Reducing resource use by increasing our share of self-generated and renewable energy
- Reducing waste

Contribution to the UN Sustainable Development Goals:



Business (Profit)



Economic sustainability is not only about profit, but about creating a stable, long-term economy that benefits both companies and society. This means growing in a sound way that does not come at the expense of people or the planet.

Our contribution to ESRS G1 Responsible Business:

- We apply and follow up on ethical business principles and work to prevent corruption in the supply chain
- Management teams, sales employees and purchasers are trained to identify and prevent corruption and bribery
- Environmental considerations are included in business decisions to support long-term value creation

Contribution to the UN Sustainable Development Goals:



2025 Highlights

Our business and our employees continue to develop, and much has taken place during the year. It would be impossible to capture every initiative and achievement in a single report, but here we highlight a selection of activities from 2025 that contributed to our sustainability journey.

GROUP FUNCTIONS

IT Security Manager

During the year, Inducore appointed a Group-wide IT Security Manager. The role strengthens the Group's work on internal control, risk management and data protection, directly supporting ESRS G1 requirements relating to business conduct and corporate governance.

HR & Communications

The Group was strengthened through the establishment of an HR & Communications function operating at both strategic and operational level. The function supports several ESRS-related requirements through processes linked to skills development, internal communication and improved transparency and reporting quality, while also supporting Inducore's decentralised business model.



Sustainability Award 2025: Björkö Mekaniska Verkstad

In 2025, we introduced an internal Sustainability Award to recognise and encourage initiatives where industrial production is combined with active sustainability work.

Björkö Mekaniska Verkstad received the 2025 award following long-term investments and strong results within energy efficiency, reuse of residual materials and occupational health and safety.

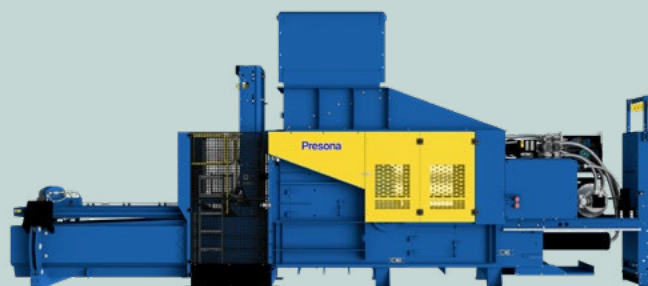
It's shown here by the CEO, Tony Nilsson.

ACQUISITIONS

Presona

Recycling compression system

During the summer of 2025, Presona AB in Tomelilla, Sweden, became part of Inducore. Presona is a leading global manufacturer of balers with pre-press technology for efficient handling of materials such as paper, plastic and household waste. The company also offers compactors, shredders and air transport systems. The company has delivered solutions in more than 65 countries and generates annual turnover of approximately SEK 135 million. The acquisition is in line with Inducore's inorganic growth strategy through proprietary products and solutions.



TRAINING AND SKILLS DEVELOPMENT

Anti-corruption and Bribery

In 2025, mandatory anti-corruption and anti-bribery training was introduced for all employees in senior positions and for employees with customer and supplier responsibility.

ERP System

During the year, recurring Group-wide ERP training sessions were carried out for subsidiaries to strengthen knowledge and improve access to sustainability data.

This contributes to improved transparency, traceability and data quality across the Group.

Energy Efficiency Through a New Powder Coating Facility

During the year, Främme stadverken invested in a new powder coating facility that improves energy efficiency and resource utilisation.

The new technology reduces energy consumption through upgraded pumps and improved system sealing with lower air leakage. Powder waste is also reduced through efficient recycling, decreasing the need for touch-up painting and other energy-intensive reprocessing.

The investment is an important step in the company's ongoing energy-efficiency work, where one objective is to significantly reduce scrap rates and thereby save energy and materials.



Reporting on Our Sustainability Work

This section presents Inducore’s stakeholders, the process used to identify material topics and material risk areas, and the reporting of results from the sustainability data and analyses for the 2025 financial year.

The report is based on CSRD and ESRS requirements and reflects the Group’s impact on people, the environment and society, as well as the sustainability matters most relevant to our operations and value chain.

It presents environmental, social and governance-related matters and aims to provide a transparent and balanced overview of our sustainability work, including priorities, objectives and future direction.

Glossary	19
Stakeholder analysis	20-21
Material Topics and Key Risk Areas	22-29



Our Sustainability Vision

Building a sustainable and profitable Group with stable long-term growth that employees and owners alike can be proud of.

Sustainability Glossary

The following section of the report provides a more detailed overview of Inducore’s sustainability work and results. To support accessibility and understanding for all stakeholders, we have compiled a short glossary explaining selected sustainability-related terms and abbreviations used throughout the report.

CSR D

The CSRD is an EU directive that includes ESRS and aims to ensure that companies report the environmental and social impacts of their operations. For Inducore, this means clear requirements regarding:

- The contents of the report
- How the reporting should be carried out

Scope 1, 2, 3

Scope 1: Direct emissions from owned or controlled sources

Scope 2: Indirect emissions from purchased energy

Scope 3: Other indirect emissions within the value chain (e.g. transport, purchased goods/services)

Value Chain

The value chain includes all stages from the sourcing of materials to the delivery of finished products or services, including all parties involved along the way.

By analysing the value chain, we can identify where our greatest environmental and social impacts occur and work more effectively with sustainability improvements.

UN Sustainable Development Goals

The UN Sustainable Development Goals (SDGs) provide a global framework for protecting ecosystems, preserving biodiversity and reducing the environmental impact of human activities. The goals provide a common framework for global sustainability efforts.

ESRS

ESRS is a European framework for sustainability reporting that defines reporting requirements and the information companies must disclose. The aim is to increase transparency and comparability in sustainability reporting.

GHG Emissions

Greenhouse gas (GHG) emissions are gases released into the atmosphere that contribute to global warming and climate change. By reducing these emissions, we can help limit climate change and protect ecosystems.

Stakeholders

Stakeholders are groups and individuals affected by, or with an interest in, the business, such as customers, employees, suppliers and local communities. Through dialogue and analysis of stakeholder needs, we can prioritise initiatives that strengthen our sustainability work and long-term value creation.

Due diligence

Due diligence involves systematically identifying and assessing risks and impacts linked to the company’s supply chain, business relationships and internal processes. This process helps prevent negative impacts and supports responsible and transparent business decisions.

DMA (Dual Materiality Analysis)

DMA is a process in which companies identify and prioritise the most material sustainability matters from two perspectives:

- Inside-out: how the company impacts people, society and the environment
- Outside-in: how sustainability-related matters affect the company’s financial performance and strategy

DMA is a key requirement under the CSRD and forms the basis for identifying sustainability-related risks and opportunities.

IRO (Impacts, Risks & Opportunities)

IRO is a core ESRS concept used to identify, analyse and report material sustainability matters. It also forms an important part of the double materiality analysis.

- Impact: How the business affects people and the environment – positively or negatively
- Risk: How sustainability-related matters may affect the company’s development, strategy and financial position
- Opportunity: Sustainability-related business opportunities that can strengthen competitiveness or reduce risk

GRI Index (Global Reporting Initiative)

GRI is an international framework for sustainability reporting that helps organisations report their environmental, social and economic impacts in a structured and comparable way.

Inducore Stakeholder analysis

Customers

Our subsidiaries operate close to our customers' value chains, where expectations for quality, delivery reliability and access to climate-related data continue to increase.

PRIORITY ISSUES

- Quality and delivery capability
- Climate and material data, including traceability in the supply chain
- Growing demand for more sustainable materials, including low-carbon, recycled and lightweight alternatives
- Social responsibility, strong business ethics and data security within the supply chain
- Alignment with EU sustainability regulations & requirements

ENGAGEMENT CHANNELS

- Customer surveys (led by subsidiaries)
- Regular customer meetings
- Annual sustainability report
- Code of Conduct (CoC)
- Product specifications
- Certifications

Employees

A safe and healthy working environment, equal opportunities, skills development and transparency are central priorities.

PRIORITY ISSUES

- Job security
- Health and safety
- Attractive workplace
- Diversity
- Fair working conditions and collective bargaining agreements
- Skills development
- Employee engagement

ENGAGEMENT CHANNELS

- Annual employee survey
- Annual performance appraisals
- Ongoing dialogue with trade unions
- Ongoing internal communications and screen displays

Suppliers

Suppliers are important long-term partners expected to meet our requirements regarding quality, working conditions, environmental responsibility and business ethics.

PRIORITY ISSUES

- Sustainable supply chains
- Traceability and material data
- Certifications
- Transport optimisation
- Quality assurance
- Business ethics
- Healthy working conditions

ENGAGEMENT CHANNELS

- Annual supplier evaluations and audits
- Supplier Code of Conduct
- Operational reviews

Strong Confidence in the Group's Owners Made the Decision Easy

When a change of ownership became relevant for the family-owned company GEHAB, it was important to find a buyer that respected the company's culture and values while also being able to support its continued development. For the former owners, Peter and Monica Sundell, the opportunity to remain involved in and continue developing the business after the sale was a key consideration.

Inducore therefore became the clear choice. It's a Group

they were already familiar with and knew would allow the companies to retain their identity and way of working.

As part of Inducore, GEHAB has gained new opportunities through collaboration with other subsidiaries and access to a stronger leadership network. Monica now works at Group level as Sustainability Coordinator, reflecting the increasingly strategic importance of sustainability within the Group.

Owner / Board of Directors

Ownership directives and the Board's work focuses on achieving the targets set out in the business plan.

PRIORITY ISSUES

- Profitability
- Long-term growth
- Governance
- Investments
- Sustainability follow-up and prioritisation

ENGAGEMENT CHANNELS

- Board meetings at company and Group level
- Target follow-up and KPI reporting
- Regular sustainability reporting
- Transparent reporting
- Group-wide policies

Potential Acquisitions

Companies seeking a long-term, sustainable industrial owner that safeguards the company's identity.

PRIORITY ISSUES

- Long-term ownership
- Sustainability expectations and sustainability data requirements
- Business ethics
- Group resources
- Financial targets
- Fair employment conditions
- Safe and healthy working environment

ENGAGEMENT CHANNELS

- Owner and broker dialogues
- Due diligence processes
- Customer and supplier references

Local Communities

We are part of the communities in which we operate and continue to contribute through employment opportunities and know-how. We are simultaneously expected to take

PRIORITY ISSUES

- Industry attractiveness
- Education partnerships
- Local environmental impact
- Local engagement

ENGAGEMENT CHANNELS

- Local business forums
- Municipalities
- Study visits
- Local networks
- Education authorities and vocational training providers



Peter's advice to other entrepreneurs:

”For us, the sale was never just about the numbers. If it’s equally important for you to find a buyer that allows you to continue running the business with the same culture and approach to people, then Inducore is the right choice.”
- Peter Sundell

Material Topics and Material Risk Areas

Process for Identification and Selection

Under the CSRD and ESRS frameworks, companies are required to report material sustainability-related risk areas. To identify these, Inducore has carried out a double materiality analysis (DMA) supported by an IRO assessment (Impacts, Risks and Opportunities). The

assessment considered how the Group impacts people, society and the environment. The results of the DMA and IRO assessment form the basis for the material topics and material risk areas presented in this Sustainability Report.



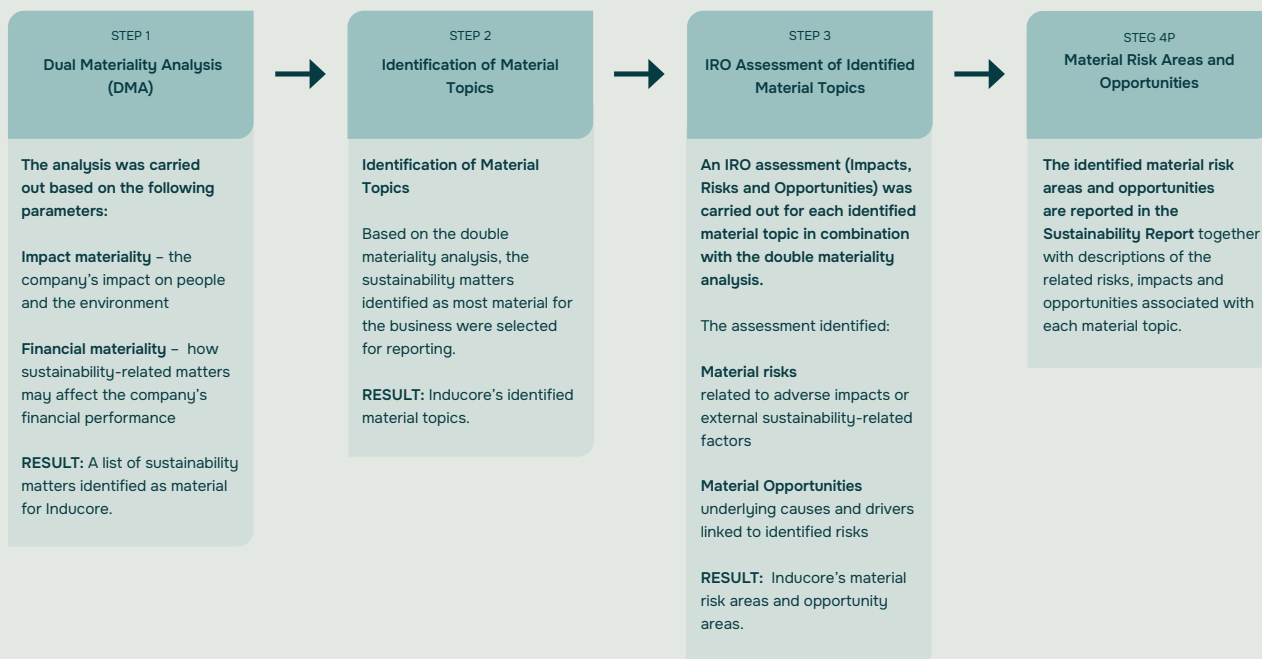
What Is the Difference Between Material Topics and Material Risk Areas?

Material Topics are identified through the double materiality analysis in accordance with CSRD requirements. These relate to the sustainability matters considered most significant based on the company's impact on people and the environment and how sustainability-related matters may affect the company's financial position.

Material risk areas are linked to each material topic and describe the key risks that may arise, either because the business may cause negative impacts or because external sustainability-related factors may affect the business. The material risk areas therefore clarify the most critical challenges to manage within each material topic and form a central part of the company's risk management in line with ESRS requirements.

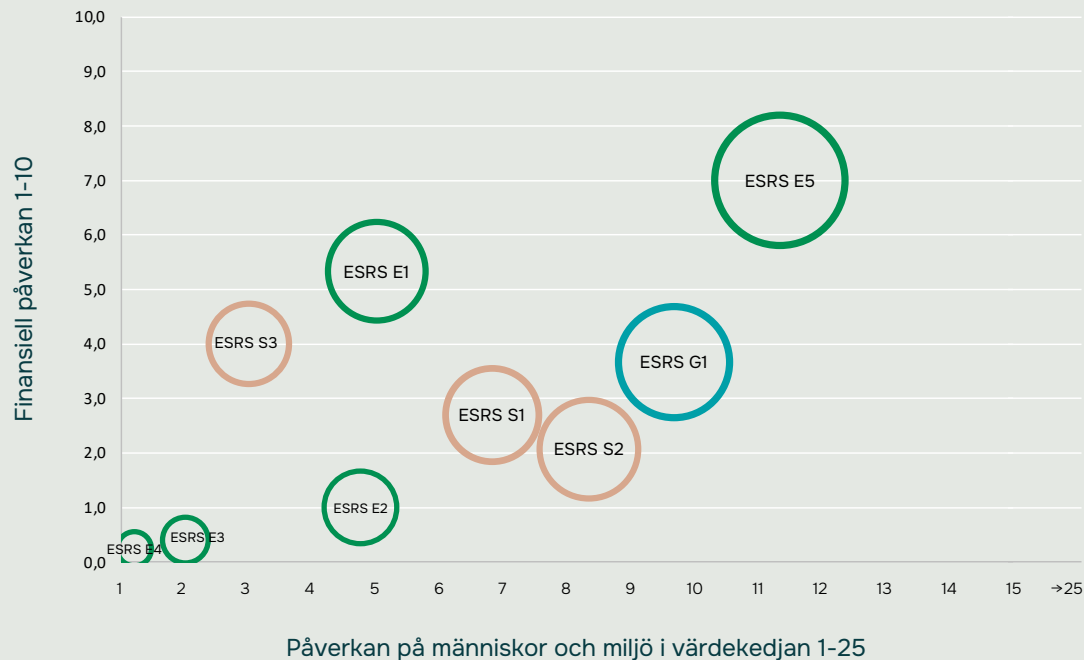


Process map for identification and selection



Step 1

Analysis and Assessment Results



Interpretation of Inducore's Double Materiality Analysis (DMA)

The chart illustrates the results of Inducore's double materiality analysis (DMA), where each sustainability matter has been assessed from two perspectives:

- the extent of the company's impact on people and the environment (X-axis)
- the extent to which the sustainability matter may affect the company's financial development (Y-axis)

The topics positioned highest and furthest to the right in the chart have been assessed as the most material and form the basis for Inducore's continued sustainability targets, KPIs and reporting in accordance with ESRS.

Our Role in the Value Chain

As a Group, we have a responsibility and commitment to act ethically and sustainably throughout the entire value chain – from raw materials to the end customer.

This work is complex and places high demands on the business, but we believe it is necessary to create

meaningful long-term change.

The journey towards more sustainable operations is ongoing, making collaboration with customers, suppliers and other stakeholders increasingly important.

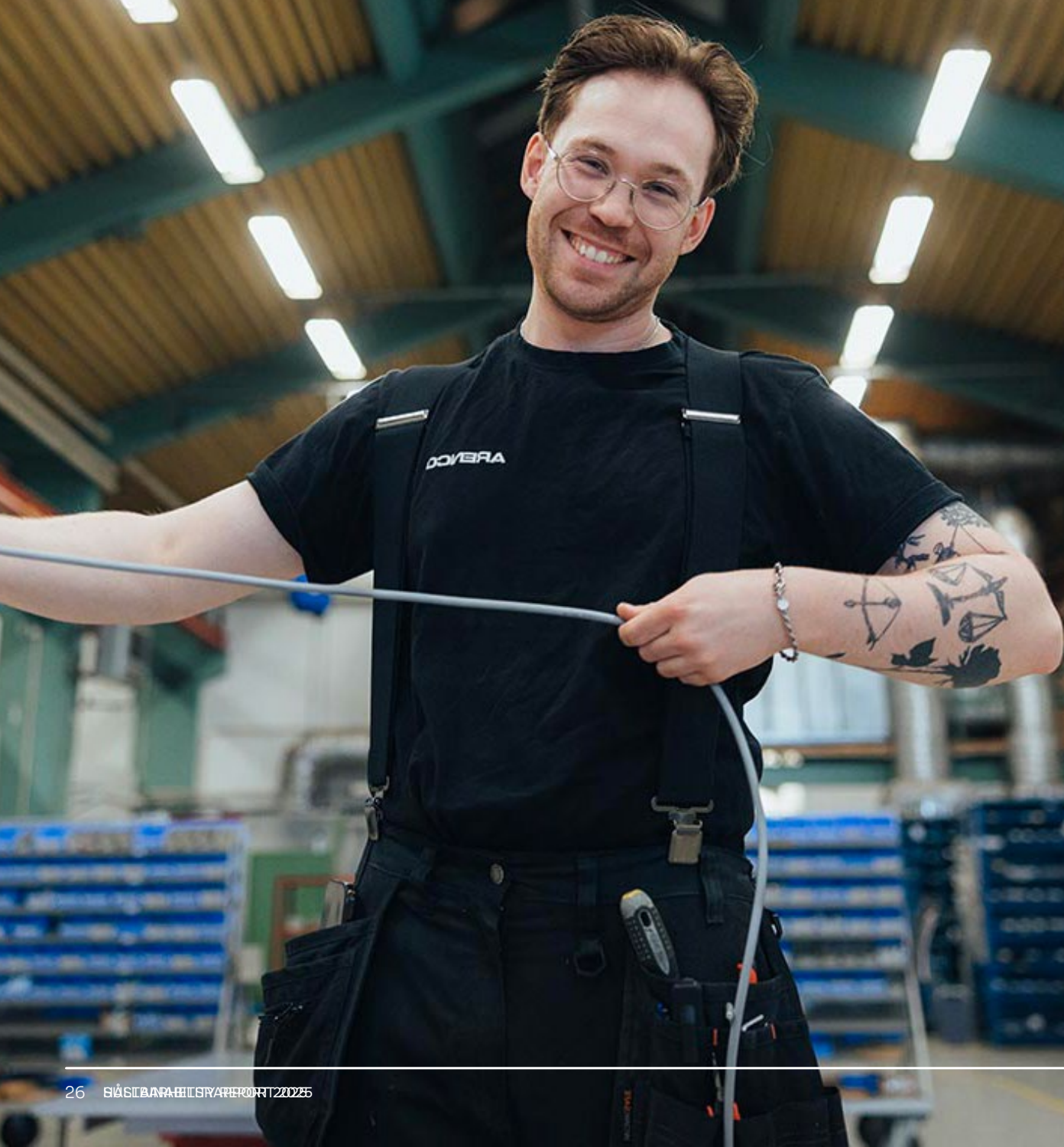
Inducore's Value Chain

The identification of material topics covers all parts of the Group's value chain. This perspective is therefore incorporated into the double materiality analysis.

Upstream - Activities that take place before the Group's own operations.

Downstream - Activities that take place after the product or service leaves the company.







Step 2 Identification of Material Topics

Based on the double materiality analysis, the following topics have been

- Climate Change
ESRS E1
- Circular Economy
ESRS E5
- Own Workforce
ESRS S1
- Responsible Business
ESRS G1

Why These Topics Are Material

The selected material topics reflect Inducore's most significant environmental and social impacts, as well as the business-critical risks and opportunities identified through the double materiality analysis (DMA).

Climate Change is material as energy supply, transport and cost levels may be affected by climate-related developments. At the same time, improved energy efficiency and renewable energy solutions create significant opportunities for an energy-intensive industrial group.

Circular Economy is material because material flows and waste account for a significant share of our

environmental impact. Reducing scrap and increasing recycling contribute to both lower climate impact and improved resource efficiency, in line with customer expectations and regulatory requirements.

Own Workforce is material as our operations involve occupational health and safety risks, while skills supply, safety and diversity are critical to quality, long-term competitiveness and sustainable growth.

Responsible Business is material because a strong culture, clear ethical guidelines and effective anti-corruption measures reduce risk and strengthen trust throughout the value chain.

Step 3

IRO Assessment of Identified Material Topics

Based on the identified material topics, corresponding material risk areas were identified through an IRO assessment (Impacts, Risks and Opportunities). A material risk area refers to the key risks that may arise either because the business itself may cause negative impacts or because it may be affected by external

sustainability-related factors. These risk areas clarify Inducore’s most critical sustainability-related risks within each material topic. A detailed description of each identified risk area is provided in Appendix 1 in accordance with the disclosure requirements of the ESRS.

IRO Assessment within the Double Materiality Analysis (DMA)

The IRO assessment was carried out through:

Value chain analysis to identify where the Group has the greatest actual and potential impacts, from purchased materials and logistics to internal processes and customer use

Structured stakeholder dialogue and management workshops to assess impacts and financial materiality

Prioritisation and validation by Group Management and the Board of Directors

Data-driven follow-up through a common reporting structure and database

Governance and control processes, including the Code of Conduct, whistleblower policy, certified management systems and supplier evaluations



Fakta om IRO

IRO (Impact, Risks & Opportunities)

- Impact** How the business affects people and the environment
- Risks** How sustainability issues can pose risks to the business
- Opportunities** Opportunities linked to sustainability work

IRO is used in the dual materiality analysis, which assesses both the impact *from* the company and the impact *on* the company. Significant risk areas are the result of this analysis

Significant risk areas are the result of this analysis
 = the issues that are so significant that they must be reported according to ESRS. They determine which information, KPIs and governance descriptions should be included in the sustainability report.

Step 4 Identification of Material Risk Areas

Inducore's Material Risk Areas

Based on the double materiality analysis and IRO assessment, Inducore has identified the following material risk areas for monitoring and reporting in accordance with ESRS.

Climate Change

(ESRS E1 – Emissions, Energy and Transport).

Reducing greenhouse gas emissions, increasing the share of renewable energy and improving energy efficiency.

Circular Economy

(ESRS E5 – Resource Inflows and Waste).

Reducing waste relative to turnover, increasing recycling and reuse, and establishing future measurement of recycled material content in key material categories.

Own Workforce

(ESRS S1 – Secure Employment, Health and Safety, Training and Diversity).

Promoting a safe and healthy workplace, strengthening skills development and supporting diversity and long-term access to competence.

Responsible Business

(ESRS G1 – Anti-Corruption and Business Ethics).

Code of Conduct, whistleblowing system, supplier assessments, and anti-corruption training for management, sales personnel, and procurement staff.







Sustainability Performance, Targets and Risk Assessment

Environment	32-37
Social	38-45
Business	46-49
Risks & opportunities	50-56

This section presents Inducore’s sustainability performance, targets and ongoing initiatives across the areas of Environment, Social and Business.

The reporting includes both quantitative data and qualitative assessments, providing a transparent overview of the Group’s impacts, progress, risks and opportunities.

Environment



Inducore works to promote circular resource use in order to reduce climate impact and make more efficient use of natural resources. This work includes both our own operations and the wider value chain, where transport, energy use and suppliers are key focus areas.

Our ambition is to gradually reduce dependence on virgin materials and increase resource efficiency through reuse and improved resource management. This contributes to both environmental sustainability and long-term value creation.

Systematic data collection and reporting support transparency, both internally and towards our external stakeholders.

Calculation Method and System Boundaries

The GHG Protocol is used as the framework for calculating the Group's carbon footprint*. The calculations include owned and leased vehicles and assets, as well as energy consumption (electricity, heating oil, LPG and district heating). Emissions are consolidated using the operational control approach and relate solely to carbon dioxide (CO₂) emissions (GWP = 1).

*The Group began collecting climate data in 2021. Following a Board decision in 2025, 2023 was adopted as the base year, as it is considered more representative of normal operating conditions following the COVID-19 pandemic.

Material Topics and Risk Areas

The following topics are monitored and reported in accordance with the ESRS framework:

Climate Change ESRS E1

Climate Change Mitigation ESRS E1.2
Energy ESRS E1.3

Circular Economy ESRS E5

Resource Inflows ESRS E5.1
Resource Outflows ESRS E5.2
Waste ESRS E5.3





i

GHG Protocol

GHG (Green House Gas)

A global framework for measuring and reporting greenhouse gas emissions in a consistent and comparable manner.

The framework categorises emissions into Scope 1, Scope 2 and Scope 3 and is based on the principles of relevance, completeness, consistency, transparency and accuracy.

Targets

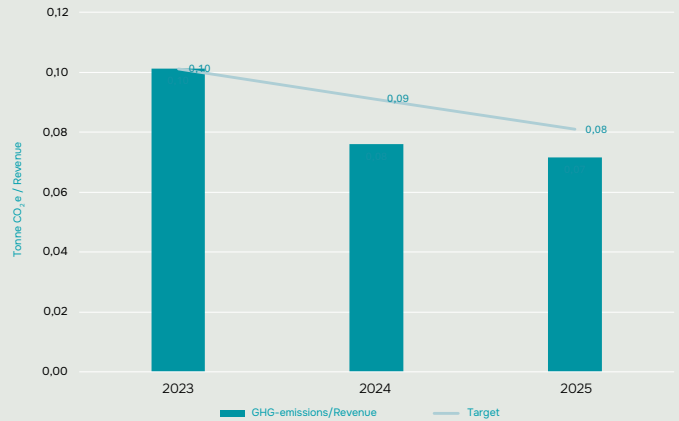
- Reduce direct CO₂ emissions from transport by 70% by 2030, relative to index-adjusted turnover, using 2023 as the base year.*
- Map the carbon footprint of the Group's largest transport providers within Scope 3 during 2025, based on purchasing value (SEK).
- Map the carbon footprint of all transport providers within Scope 3 by 2027, based on purchasing value (SEK).
- Increase the share of purchased renewable energy to 70% by 2030, relative to index-adjusted turnover, using 2023 as the base year.*
- Reduce greenhouse gas emissions from self-heating of owned facilities by 50% by 2030.
- Reduce energy use by 2% annually until 2030, relative to index-adjusted turnover, using 2023 as the base year.*
- Increase self-generated energy production to 10% by 2030, using 2023 as the base year.
- Establish a complete Scope 3 carbon footprint for purchased input materials by 2027.*
- From 2026, measure both the share of purchased raw materials and the share of recycled materials within the following categories: stainless steel, sheet metal, aluminium, castings, copper and other metals.
- Reduce waste volumes (tonnes) by 20% by 2030, relative to index-adjusted turnover, using 2023 as the base year.*

**Following a Board decision in 2025, the targets were revised to be measured against index-adjusted turnover. This ensures that performance remains comparable and relevant across both organic growth and acquisitions.*

Sustainable Transport

Vehicles account for the majority of the Group’s Scope 1 emissions, i.e. direct greenhouse gas emissions from sources owned or controlled by the companies.

The reduction achieved is primarily attributable to the transition to HVO fuel (fossil-free fuel produced from vegetable oils or animal fats used in diesel engines) and the gradual replacement of company vehicle fleet with electric and hybrid alternatives.



Transport KPIs	Target 2030	2025	2024
Scope 1 transport emissions (tCO ₂ e per SEK million of index-adjusted turnover)	-70%	0.08	0.09



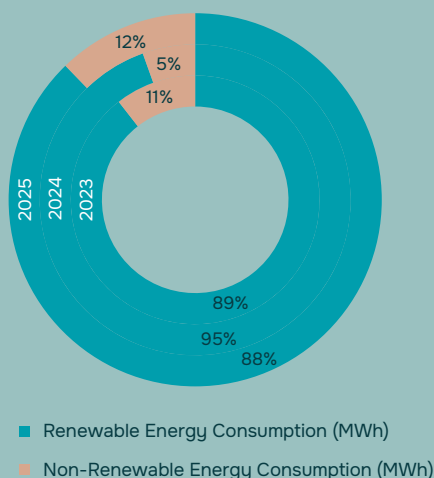
Renewable Energy and Energy Use



What gets measured gets managed. Inducore has significant energy consumption, primarily related to heating and electricity use. Measuring and reporting energy consumption is therefore essential for

understanding our environmental impact and making informed decisions in areas we can influence, such as prioritising energy sources with a lower climate impact.

Energy KPIs	2023	2024	2025	Target 2030
Energy use (MWh) per SEK million of index-adjusted turnover	10.72	9.90	10.93	-14%
Renewable energy (MWh) per SEK million of index-adjusted turnover	9.59	9.35	9.59	
Share of renewable energy	89%	95%	88%	70%
Renewable energy use (MWh)	21 119	23 424	23 419	
Non-renewable energy use (MWh)	2 490	1 357	3 268	
Total energy use (MWh)	23 610	24 780	26 686	
Self-generated electricity (% of total energy consumption)	0.02%	0.34%	0.30%	10%
Heated floor area (office and production) (m ²)	95 881	105 827	123 572	
Energy use per m ²	246.2	234.2	216	
Greenhouse gas emissions from renewable energy (tonnes CO ₂ e)	22.4	91.1	47.9	
Greenhouse gas emissions from non-renewable energy (tonnes CO ₂ e)	427.7	220.2	911.2	
Total indirect greenhouse gas emissions (Scope 2) (tonnes CO ₂ e)	450.1	311.3	959.1	
Greenhouse gas emissions from owned facilities (tonnes CO ₂ e)	92.6	4 787,20	9 391,60	
Scope 1 emissions from owned facilities (tonnes CO ₂ e)	92.6	4 787,00	9 392,00	-50%



Share of Renewable and Non-Renewable Energy

Inducore's ambition is to increase the share of renewable energy across the Group. However, the proportion decreased in 2025. This was partly due to changes in electricity suppliers at certain subsidiaries, where the resulting electricity mix contained a lower share of renewable energy. The decrease was also influenced by a major acquisition during the year, where energy-related CO₂e emissions were relatively high at the time of acquisition.

Circular Economy



The global economy, like much of the manufacturing industry, remains heavily dependent on virgin materials i.e. raw materials extracted directly from nature that have not previously been reused or recycled. As confirmed by our double materiality analysis (DMA), Inducore is also significantly affected by this dependency.

Reducing reliance on virgin materials is therefore a key priority, both within our own operations and through ongoing collaboration with suppliers, customers and other stakeholders across the value chain. Increased resource efficiency, reuse and recycling can reduce waste and strengthen resilience to fluctuations in material availability.

To support this transition, we continuously monitor and follow up relevant data at both subsidiary and Group level, while actively participating in industry forums and collaborative initiatives.



Insulation Material Made from Recycled PET Bottles

Waste KPIs	2023	2024	2025	Target 2030
Waste excl. recycled material (tonnes) per index-adjusted turnover	0.363	0.357	0.391	-20%
Total waste excl. recycled material (tonnes)	799	893	966	
- Hazardous waste (tonnes)	445.9	505.4	555	
- Combustible waste (tonnes)	335.7	379.4	367	
- Landfill waste (tonnes)	17.0	8.5	33.7	
- Recycled metal (tonnes)	3,633	2,177	2,868	
- Recycled wood (tonnes)	112	187	156	
- Recycled plastic (tonnes)	8	10	18	
- Recycled corrugated board (tonnes)	N/A	20	45	
Water consumption (m ³)	5,661	11,703	14,264	

Total Waste Excluding Recycled Material (tonnes)

Breakdown by hazardous waste, combustible waste and landfill waste.



Norfrig Truck Bodies

Insulation Material Made from Recycled PET Bottles

Norfrig Truck Bodies uses insulation material made from recycled PET bottles. Combined with an energy-efficient sandwich composite, this reduces vehicle weight, resulting in lower fuel consumption and reduced greenhouse gas emissions.

ENVIRONMENTAL SAVINGS FROM THE USE OF RECYCLED PET BOTTLES

2023: 1 tonne CO².
19 058 recycled PET bottles

2024: 45 tonne CO².
811 952 recycled PET bottles

2025: 41,5 tonne CO².
750 011 recycled PET bottles

Social



Our people are at the heart of our business. Attracting, developing and retaining talent is therefore essential to our long-term success. Diversity remains a challenge across the manufacturing industry, which has traditionally been male-dominated and therefore attracts only part of the available workforce.

By actively promoting diversity and inclusion, we strengthen our businesses and contribute to building a smarter and more sustainable industrial group. This is not only about achieving a more balanced gender distribution, but also about bringing together employees with different backgrounds, experiences and ages.

We believe this diversity strengthens engagement, encourages knowledge sharing and supports long-term development.

Material Topics and Risk Areas

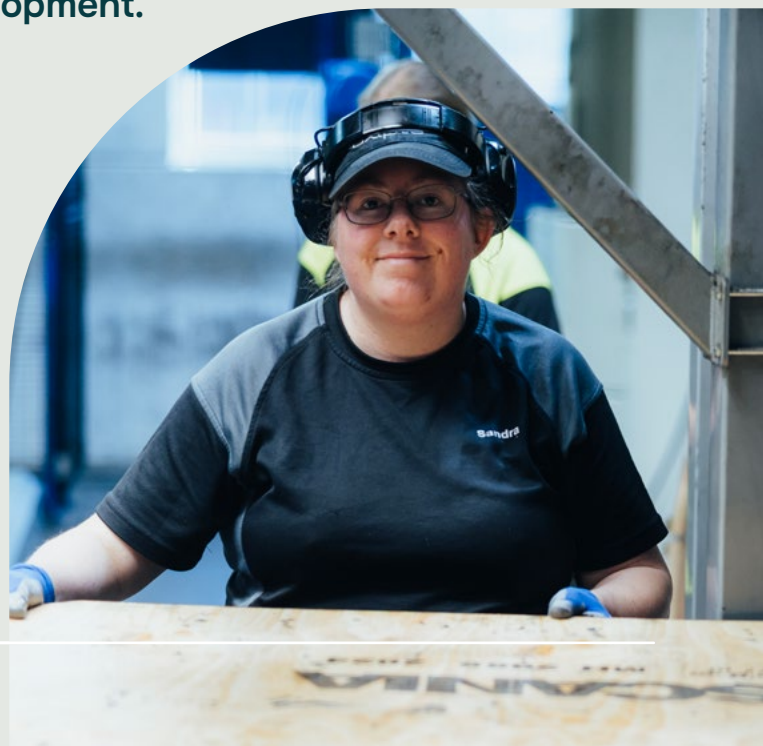
The following topics are monitored and reported in accordance with the ESRS framework:

Own Workforce ESRS S1

- Secure Employment ESRS S.1.1
- Health and Safety ESRS S.1.8

Equal Treatment and Equal Opportunities for All ESRS S2

- Education and skills training ESRS S.2.2
- Diversity ESRS S.2.5





LEADERSHIP DEVELOPMENT PROGRAMME FOR SUSTAINABLE LEADERSHIP

Each year, Inducore runs a leadership development programme spanning 12 months. The programme covers areas including personal leadership, communication, leadership theory, conflict and stress management, finance and strategic planning.

The initiative aims to develop internal talent and leadership capabilities while strengthening collaboration, internal networks and employee engagement across the Group.

Targets

- \geq 97% healthy attendance
- Vision Zero for workplace accidents
- \geq 1 risk observation per employee per year
- \geq 20 training hours per employee per year (average)
- \geq 25% female employees by 2030
- Target levels for the Wellbeing Index and Motivation Index to be established



Healthy attendance rate

96%

Wellbeing factor och motivation factor

The Wellbeing Index and Motivation Index are composite measures used to assess employee wellbeing, motivation and engagement. The indices are based on relevant indicators relating to occupational health and safety, the psychosocial work environment and working conditions.

At Inducore, these indicators are measured through the

annual employee survey, where related questions are grouped together to generate an index score between 0 and 100.

The indices are used to assess material impacts, risks and opportunities (IROs) relating to the Group's own workforce in accordance with ESRS S1.

Area	Target	2025	Base Year 2023
Wellbeing Index	To be established in 2026	73	72 *
Motivation Index	To be established in 2026	71	78 *

*Employee surveys were not conducted systematically across all companies in 2024. In 2025, a Group-wide digital survey tool was implemented. Target levels will be established in 2026.

Occupational Health and Safety Data



Area	Target 2025	2025	2024
Healthy attendance (%)	97	96	95.3
Workplace accidents	0	28	29
Total hours worked	-	1 685 437	1 100 879
LTIFR*	0	16.6	26.3
Safety observations*	948	272	1

* Start year 2025



Supplement to Pregnancy Benefit

All Group companies provide a supplement equivalent to 10% of the compensation paid through the Swedish Social Insurance Agency's pregnancy benefit scheme.

The initiative supports more inclusive workplaces and helps create greater financial security for expectant parents. It also aims to encourage more women to consider careers within the Group, regardless of life stage.

Lemont & Svanströms

100% of Permanent Employees Trained in First Aid and CPR

In 2025, all permanent employees at Lemont & Svanströms completed First Aid training, including CPR and the use of defibrillators.

Early intervention is critical in cases of cardiac arrest, and research shows that prompt CPR combined with defibrillation can significantly improve survival rates. By strengthening these skills, we contribute to a safer environment for both employees and visitors.

The initiative forms an important part of our social responsibility and our commitment to safe and sustainable operations.



Björkö Mekaniska Verkstad

Average of 29 Training Hours per Employee

In 2025, BMA recorded a total of 1,326 training hours, equivalent to 33 full working weeks or an average of 29 hours per employee. The result reflects the company's continued commitment to developing employee skills and competence.

Training and Skills Development

Area	Target 2025	Actual 2025	Actual 2024
Average training hours per employee	20	17	14



Share of Female Employees

9,5%

Share of Women in Management Teams

20,4%

Workforce Gender Distribution

Area	Target 2030	2025	2024
Total employees		948	954
Female employees (%)	25%	9.5%	9.1%
Management team members		108	102
Women in management teams (%)		20.4%	25%

Business



Inducore and its subsidiaries place great importance on strong relationships with customers, employees, suppliers and partners. Trust, transparency and ethical conduct are fundamental to building a sustainable business over the long term.

A key part of our business strategy is developing long-term partnerships through which we create value together with customers and other stakeholders. By combining stability, expertise and a long-term perspective, we aim to be a trusted partner and contribute to sustainable industrial development.

As the Group continues to grow, so does our responsibility to act responsibly and conduct business with integrity. We therefore invest continuously in both our people and our operations to ensure robust processes, a strong culture and a safe and responsible working environment.

Material Topics and Risk Areas

The following topics are monitored and reported in accordance with the ESRS framework:

Responsible Business ESRS G1

- Corporate Culture ESRS G1.1
- Corruption and Bribery ESRS G1.6.1
- Prevention, Detection and Training ESRS G1.6.2





GOVERNING DOCUMENTS AND PROCESSES

Inducore’s business ethics, employee wellbeing, transparency and corporate culture are supported by Group-wide policies and internal processes.

Examples include:

- Employee Code of Conduct
- Whistleblower Policy
- Supplier Code of Conduct
- Mandatory anti-corruption and anti-bribery training for employees in leadership positions

Group-wide policies and processes are available throughout the organisation, reviewed annually and communicated on an ongoing basis, including during onboarding and performance reviews. All subsidiaries and employees are expected to act with integrity, transparency and in accordance with the Group’s values.

Targets*

- Sustainable operating margin of 6–8%
- Average annual revenue growth of at least 15% over the business cycle, including both organic growth and acquisitions
- 100% of management team members, sales personnel and purchasing personnel to complete anti-corruption and anti-bribery training

** Following a Board decision in 2025, targets are measured against index-adjusted turnover, ensuring that performance metrics remain relevant for both organic and acquisition-driven growth.*



Employees Trained in
Anti-Corruption and
Anti-Bribery

97,8%

Sustainable Profitability - Long-term value creation requires a long-term perspective.

Inducore's ambition is to grow sustainably and strengthen its market position over time. Growth must be balanced with profitability to ensure continued investment in both employees and operations.

By maintaining a healthy level of profitability, we create the conditions for long-term value creation and sustainable industrial development.

Area	Target 2025	Utfall 2025	Utfall 2024
Operating margin	6-8%	1.8%	3%
Revenue growth	15% over a business cycle	12%	8%



Active Efforts to Prevent Bribery and Corruption

Inducore has zero tolerance for bribery, improper benefits and other forms of corruption. Employees may neither offer nor accept gifts, benefits or other advantages intended to influence decision-making or provide personal gain.

The Group works continuously to identify and assess risks related to corruption and other irregularities, with the aim of strengthening awareness and promoting responsible business conduct throughout the organisation.

In 2025, mandatory anti-corruption and anti-bribery training was introduced for employees in leadership positions and roles involving customer or supplier contact.

There are no ongoing legal proceedings or judgments relating to corruption within Inducore.

Area	Target 2025	2025	2024
Employees completing anti-corruption and anti-bribery training	100% of management team members, sales personnel and	97.8% (143 of 146)	N/A



Whistleblower Function

Inducore operates a whistleblower function through which employees and external parties can anonymously report suspected misconduct and security-related concerns. Reports are handled in accordance with the Group's whistleblower policy and are referred to the appropriate functions within the organisation for assessment and action where necessary. The policy outlines procedures for feedback and protection against retaliation in accordance with applicable legislation.

During the 2025 reporting period, one report was received through the whistleblower function. The matter was assessed in accordance with the policy and determined to fall outside the scope of the whistleblower process. This was subsequently communicated to the complainant.

Risk Areas and Opportunities

This section presents Inducore's material risk areas and opportunities within: Climate Change (ESRS E1) – emissions, energy and transport, Circular Economy (ESRS E5) – resource inflows and waste, Own Workforce (ESRS S1) – secure employment, health and safety, training and skills development, and diversity, Responsible Business (ESRS G1) – corporate culture and anti-corruption

REGULATORY FACTORS

Electrification

Risks

The increasing electrification of heavy vehicles results in higher vehicle weights due to battery systems, which may require revised design specifications, testing procedures and technical adaptations.

Servicing, delivering and test-driving electric vehicles can also increase electricity consumption through charging requirements. Depending on the electricity mix, this may contribute to higher Scope 2 emissions and increased pressure on local electricity grids, as well as higher energy costs. Additional investments in charging infrastructure and smart charging solutions may therefore be required.

Opportunities

New requirements for specialised vehicle bodies create opportunities for new product offerings, premium segments and market differentiation. Innovations in lightweight materials, reinforced chassis design and efficient mounting solutions can further strengthen the Group's offering.

Higher technical and regulatory requirements may also reduce the number of competitors able to meet customer demands, creating opportunities for stronger market positioning. Customers increasingly require reliable partners with expertise in safety, electrification and weight optimisation.

Positioning the Group as a trusted electrification partner can strengthen the brand and increase customer loyalty. At the same time, investments in energy-efficient solutions can provide competitive advantages while supporting the long-term reduction of Scope 2 emissions.

Geopolitical Instability

Risks

Geopolitical uncertainty and unpredictable trade policies in the US may negatively affect the business through disruptions in material supply, increased costs and currency fluctuations.

Deliveries to markets affected by political instability, conflict or security concerns may be delayed or, in some cases, unable to proceed as planned.

Uncertainty in the global economy and trade environment may also contribute to reduced investment activity and a more cautious market.

Opportunities

The Group's decentralised business model enables a high degree of flexibility and adaptability, providing resilience during periods of market uncertainty.

While geopolitical instability may create caution in some sectors, demand within the defence industry continues to increase. The Group's broad capabilities and production capacity position it well to respond to larger volumes and changing customer requirements.

GOVERNANCE FACTORS

Regulatory and Policy Developments

Risks

Regulatory changes affecting the manufacturing and transport sectors may require adaptations to products and processes, particularly where new EU requirements relating to vehicle dimensions and weight do not fully align with Swedish operating conditions. This may affect both product development and customers' operational activities.

Legislation affecting the automotive, energy, construction and raw-material-intensive industries may create uncertainty in demand, particularly when policy priorities shift rapidly between different energy sources and technological solutions. This may result in a more cautious market, changing investment patterns and disruptions within the supply chain.

Regulatory changes affecting the fisheries and food sectors, such as revised catch quotas, may also influence customers' willingness to invest and thereby reduce demand for specialised equipment.

Operations with production facilities or leased land in countries experiencing rapidly changing regulatory environments may be affected by new local requirements, contractual conditions or government decisions, potentially impacting business continuity and increasing costs.

Opportunities

The ability to adapt quickly to regulatory change can strengthen competitiveness by ensuring that products and processes comply with new EU requirements at an early stage. This enables the Group to offer future-ready solutions that support customers' operational efficiency and long-term development.

Legislative developments in the automotive, energy and raw-material-intensive sectors may also create opportunities in new market segments, where customers increasingly demand technology that can support multiple energy sources and technical solutions. This creates opportunities to offer scalable solutions and strengthen the Group's role as a trusted long-term partner during periods of transition.

While regulatory changes in the fisheries and food sectors may temporarily reduce investment activity, they may also increase demand for more efficient, automated and resource-efficient solutions that help customers meet new requirements and improve operational performance. For businesses operating in markets undergoing rapid regulatory change, strong local risk management and organisational flexibility may create opportunities to establish an early position in markets with growing demand.

PEOPLE AND THE ENVIRONMENT

Climate Change

Risks

Climate change, including rising temperatures and more frequent extreme weather events, may affect employee health, workplace safety and operational reliability. It may also result in temporary production disruptions, transport delays and shortages of raw materials. Changes in ecosystems and the loss of biodiversity may further affect long-term access to natural resources.

At the same time, access to skilled labour remains a challenge. Difficulties recruiting key professional roles, declining interest in industrial careers, an ageing workforce and future retirements, together with increased employee turnover, may affect business continuity, increase costs and slow development initiatives.

Opportunities

The accelerating pace of the climate transition and increasingly stringent climate requirements are driving demand for energy-efficient, resource-efficient and technologically advanced solutions.

By investing in innovation, process improvements, energy efficiency and renewable energy, the Group can reduce both emissions and costs while strengthening its competitiveness.

Targeted skills development initiatives also support the attraction and development of future talent. Through collaboration with schools and universities, internships, degree projects, trainee programmes and internal training, combined with a continued focus on a safe, secure and developing work environment, the Group can broaden its recruitment base, support knowledge transfer and strengthen its attractiveness as an employer.

PEOPLE AND THE ENVIRONMENT

Circular Economy

Risks

The transition to more circular material flows may result in differing interpretations of standards and customer requirements across the value chain, leading to inconsistent implementation between companies and markets. This may result in delays, additional costs and inaccurate reporting.

The shift towards more circular ways of working may also change skills requirements within production, for example through increased automation or changes to existing work processes. Managing this transition may place significant demands on both time and expertise and could contribute to skills gaps within the organisation.

A further challenge is that material specifications are often determined by customers. This may limit the ability of both the Group and individual subsidiaries to independently substitute materials or increase the share of recycled content in products.

Financial Risks

Limited circularity may increase dependence on virgin raw materials, whose availability and pricing can fluctuate. This may lead to higher purchasing costs and increased uncertainty in procurement.

Increased regulatory requirements and stricter waste management obligations may also result in higher compliance and overhead costs.

Risk Management

The Group works to reduce waste relative to index-adjusted turnover and to develop practical circular solutions, including packaging take-back initiatives. Progress against targets is monitored continuously through monthly data collection and follow-up.

Data quality is supported through the registration of material weights and CO₂ data in the Group's ERP system (Monitor G5). This enables more accurate product-level monitoring and strengthens efforts to improve resource efficiency.

Where material specifications are determined by customers, limitations are managed through structured dialogue, transparency and continuous process improvements, including improved nesting and more efficient sorting of material flows.

Opportunities

The transition to circular material flows creates opportunities to improve resource efficiency across both the Group and its subsidiaries through reduced material consumption, lower scrap rates and reduced waste volumes. This can contribute to lower production costs and a reduced carbon footprint.

Increased use of recycled and resource-efficient materials in products and components, such as lightweight composite solutions in vehicle bodies, can improve environmental performance throughout the product lifecycle and strengthen the Group's attractiveness to customers with high sustainability ambitions.

Continuous monitoring, transparency and reporting of circular economy performance can also strengthen the brand and build long-term trust throughout the value chain.

Financial Opportunities

Improved resource efficiency and increased use of recycled materials can reduce material costs, support more stable margins and strengthen competitiveness in tenders where lower environmental impact is an important criterion.

Improvements in key circular economy (ESRS E5) indicators, such as reduced waste intensity and a higher share of recycled materials, can strengthen customer relationships, improve opportunities to secure new business and facilitate access to capital as sustainability-related requirements become increasingly important.

The Group also works actively to reduce scrap through improved product design, more efficient production processes and targeted employee training.

PEOPLE AND THE ENVIRONMENT

Secure Employment, Health and Safety

Risks

The nature of the work carried out across several of the Group's operations involves inherent occupational health and safety risks if appropriate protective measures are not followed. These include risks associated with lifting, cutting, burns, crush injuries, exposure to chemicals, high noise levels and metalworking fluids. Insufficient training, lack of awareness or inadequate procedures may therefore increase the risk of accidents, ill health and absenteeism.

An inadequate balance between workload and recovery may negatively affect employee wellbeing, workplace safety and productivity.

Unequal treatment, harassment or insufficient protection of employee privacy may undermine workplace culture, damage trust between employees and management, and negatively affect the Group's attractiveness as an employer.

Limited transparency or ineffective employee dialogue, including cooperation with employee representatives and trade unions, may create uncertainty and mistrust within the organisation, negatively affecting employee engagement and confidence in the business.

Financial Risks

Failure to comply with occupational health and safety (OHS) requirements and reporting obligations may result in direct and indirect costs, operational disruptions and reputational damage.

Risk Management

Governance, Responsibilities and Systematic Safety Management:

Roles and responsibilities relating to occupational health and safety are clearly defined through documented job descriptions at company level. Policies, procedures and safety instructions are reviewed at least annually to ensure they remain relevant, up to date and accessible. Regular risk assessments, safety inspections, incident reporting and follow-up activities are carried out across the Group's companies. Employees also undergo periodic health examinations to support employee wellbeing and identify potential health risks at an early stage.

Competency and Training: Training requirements, including forklift operation, overhead crane operation, first aid and CPR, and thermoset plastics handling, are managed at company level. Structured onboarding programmes and regular refresher training help ensure that employees have the skills and knowledge required to perform their work safely. Competency-related certifications and authorisations are documented and maintained. Training for safety representatives is encouraged and funded by the respective subsidiaries.

Technology, Protection and Processes: The Group provides the technical aids, personal protective equipment and workwear required to maintain a safe working environment and support safe working practices.

Opportunities

Systematic occupational health and safety management, supported by clear procedures, employee onboarding, training and technical safeguards, reduces the risk of workplace injuries. This can help reduce absenteeism, improve productivity and quality, and strengthen employee wellbeing and the Group's attractiveness as an employer. Effective workforce planning, structured shift scheduling and proactive measures to support recovery contribute to a more balanced workload and create the conditions for sustainable performance over time, benefiting both employees and the business. A consistent focus on equal treatment, inclusive leadership and clear procedures for preventing harassment and inappropriate behaviour can strengthen the Group's ability to attract and retain talent, improve the working environment and build trust between employees and management. This contributes to greater organisational stability and improved productivity. Strong protection of personal data, combined with transparent communication and employee dialogue, can increase trust and confidence within the organisation while reducing reputational and compliance-related risks. Similarly, structured cooperation with employee representatives and trade unions, together with open communication and information-sharing forums, can promote participation, engagement and psychological safety among employees.

Financial Opportunities

Strong health and safety performance and positive workforce outcomes can contribute to more stable operations, lower costs and a stronger reputation among both customers and potential employees. This can also support the attraction, development and retention of skilled employees.

Working Hours and Recovery: Staffing levels and shift schedules are planned to balance workload and provide adequate opportunities for rest and recovery. Absence trends are monitored in accordance with rehabilitation procedures to identify early signs of ill health and support employee wellbeing.

Culture and Communication: The Group-wide Code of Conduct is available to all employees and is reviewed regularly to promote awareness of the Group's values, policies and procedures, including those relating to harassment and inappropriate behaviour. The processing of personal data is governed by established procedures at company level to ensure compliance and protection of employee privacy. Ongoing and structured dialogue with employee representatives and trade unions takes place at company level and is complemented by annual employee surveys conducted across the Group. Annual performance and development reviews are also carried out to support employee engagement and development.

Monitoring and Reporting: Key performance indicators, including risk observations, training hours and healthy attendance, are reported and monitored monthly at company level and reviewed at Group level through the sustainability reporting process.

PEOPLE AND THE ENVIRONMENT

Education, Skills and Diversity

Risks

Insufficient training and skills development may lead to lower efficiency, an increased risk of errors and quality deficiencies. A lack of knowledge and competence may also reduce employees' ability to adapt to new technologies, processes and ways of working, limiting the organisation's capacity to respond to change.

Limited investment in employee development may negatively affect engagement and motivation. It may also weaken succession planning and reduce the availability of internal candidates for key roles, increasing the organisation's vulnerability over time.

A lack of diversity within the workforce may limit perspectives, innovation and problem-solving capabilities, while also affecting employee wellbeing. This may negatively impact quality, competitiveness and the ability to attract and recruit talent.

Financial Risks

Insufficient training and skills development may result in higher costs through reduced efficiency, production disruptions and quality deficiencies that require rework, corrective actions or complaint handling. Productivity may also be negatively affected.

Limited ability to adapt to new technologies, processes and ways of working may delay necessary investments or reduce their effectiveness, potentially affecting profitability and long-term profitability.

Insufficient investment in employee development may lead to increased employee turnover, difficulties retaining key competencies and a greater reliance on external recruitment. This may create vulnerabilities in critical functions and increase the risk of production disruptions or delays resulting from skills shortages.

A lack of workforce diversity may limit innovation and reduce competitiveness, potentially affecting market position and business opportunities. It may also narrow the recruitment pool, increasing competition for talent and placing additional pressure on recruitment costs and efficiency.

Opportunities

A strategic and systematic focus on education, skills development and diversity creates opportunities for both the Group and its subsidiaries, while also encouraging greater knowledge sharing and collaboration across the organisation.

A skilled workforce can strengthen both quality and operational efficiency, while improving the ability to adopt new technologies, processes and ways of working. This enhances adaptability, supports innovation and contributes to long-term competitiveness. Greater diversity can broaden perspectives, encourage new ideas and strengthen the organisation's ability to develop innovative solutions and ways of working.

An inclusive working environment can also strengthen the employer brand of both the subsidiaries and the Group, increasing attractiveness as an employer and supporting the recruitment, development and retention of talent. Diversity in age, experience, background and gender can further strengthen succession planning and support long-term skills provision.

Together, these factors can increase employee engagement, motivation and organisational stability, while contributing to improved performance and sustainable long-term development for both the individual and the business.

Financial Opportunities

Strategic investments in education, skills development and diversity can strengthen financial performance through higher productivity, improved quality and more effective use of technological investments. This can reduce costs associated with operational disruptions, rework and inefficient processes, while improving returns on investments and development initiatives.

A skilled and engaged workforce can also contribute to stronger business performance through increased innovation, improved problem-solving capabilities and shorter lead times in development and production processes. This can create new business opportunities, strengthen customer relationships and support revenue growth.

Active diversity and inclusion efforts can further enhance Inducore's attractiveness as an employer, helping to reduce recruitment costs, shorten hiring times and improve retention in critical roles.

Strong internal succession planning can also reduce reliance on external recruitment, contributing to greater financial stability and long-term cost efficiency.

Risk Management

Structured onboarding programmes for new employees are combined with ongoing performance follow-up and individual training plans where development needs are identified.

Investments in technical and operational skills development at both company and Group level help reduce the risk of production disruptions, quality deviations and costs associated with errors and rework.

The Group's ability to adapt to new technologies, ways of working and industry best practices is strengthened through continuous learning initiatives, skills development programmes and knowledge-sharing forums. This helps reduce the risk of delayed or inefficient investments and supports long-term competitiveness.

A structured succession planning process has been implemented across both the Group and its subsidiaries to identify future competence needs and reduce vulnerability in business-critical roles.

Through active diversity and inclusion initiatives, the recruitment pool is broadened and the risk of skills shortages is reduced, while helping to manage recruitment and employee turnover costs. Internal candidates are always considered when appointing senior positions and other key roles.

Together, these measures contribute to a more resilient organisation, support long-term profitability and reduce financial risks associated with workforce capability, succession and organisational effectiveness.

PEOPLE AND THE ENVIRONMENT

Responsible Business

Risks

Failure to comply with business ethics policies and guidelines may negatively affect the trust and confidence of customers, suppliers and other stakeholders.

Weaknesses in compliance procedures, governance processes or information security controls may increase the risk of irregularities, data breaches and privacy violations. Inadequate reporting and follow-up processes may also result in inconsistent governance across the Group, making it more difficult to identify deviations at an early stage and potentially undermining employee confidence in the organisation.

Shortcomings in business ethics and responsible practices within the supply chain may expose Inducore to indirect risks associated with unethical conduct, human rights violations or poor working conditions among suppliers and business partners. Such incidents may negatively

affect the Group's reputation, stakeholder relationships and future business opportunities.

Opportunities

A strong commitment to responsible business practices can strengthen Inducore's position as a trusted and long-term business partner. Through consistent application of business ethics, effective governance and robust information security processes, the Group can strengthen customer and supplier relationships while creating opportunities for new business.

Strong compliance practices, transparency and responsible governance can also enhance Inducore's attractiveness as an employer. This can support the attraction and retention of talent while strengthening the Group's employer brand.

Financial Risks

Failure to comply with legal requirements, regulations or business ethics policies may result in financial losses through sanctions, legal proceedings, contractual penalties or the loss of business opportunities.

Weaknesses in information security may have significant financial consequences, including operational disruptions, data loss and reputational damage, which may in turn affect future revenue and customer confidence.

Insufficient supply chain governance and monitoring may result in costly disruptions, delivery delays and the need for unplanned operational adjustments. A loss of trust among customers, suppliers or other stakeholders may also reduce demand and increase the resources required to restore relationships and confidence.

Financial Opportunities

Strong and well-established processes for business ethics, regulatory compliance and information security can reduce the risk of costly disruptions, legal consequences and operational inefficiencies. This contributes to long-term financial stability while strengthening trust among employees, customers, suppliers and other stakeholders.

High ethical standards and responsible business practices can also create new business opportunities by strengthening Inducore's position as an attractive and trusted partner in value chains where responsibility, transparency and compliance are increasingly important. Effective governance and control processes can reduce administrative and operational costs, improve monitoring and decision-making, and create stronger foundations for sustainable and profitable customer relationships.

Risk Management

Inducore works systematically to promote high standards of business ethics and regulatory compliance throughout the Group through clear policies, continuous training and ongoing monitoring of compliance-related requirements.

The Group operates a whistleblower function that enables anonymous reporting of suspected misconduct and deviations. The function is available to both internal and external stakeholders, and all reports are handled in accordance with established procedures and policies.

Information security is strengthened through a Group-wide IT Security Manager who is responsible for regular risk assessments, security reviews and the implementation of technical protection measures.

At supplier level, requirements relating to responsibility, ethics and compliance are integrated through agreements, supplier evaluations and ongoing dialogue to reduce the risk of misconduct or inadequate compliance.

Mandatory anti-corruption and anti-bribery training is provided to employees in leadership positions at both Group and subsidiary level, as well as to employees with direct customer and/or supplier contact. The training aims to strengthen awareness, support ethical decision-making and reduce the risk of corruption-related incidents.

Together, these measures help minimise operational and financial risks while embedding responsible business conduct and regulatory compliance into day-to-day operations across the Group.

Appendix 1: GRI-Index

GRI-standard	Disclosure	Reported	Omissions		
			Omitted Require-ment(s)	Reason for Omis-sion	Explanation
General information					
GRI 2: General Disclosures 2021	2-1 Organisational details	X			
	2-2 Entities included in the organization's sustain-ability reporting	X			
	2-3 Reporting period, frequency and contact point	X			
	2-4 Restatements of information	X			
	2-5 External assurance	X			
	2-6 Activities, value chain and other business relation-ships	X			
	2-7 Employees	X			
	2-8 Workers who are not employees	N/A		Data not available	
	2-9 Governance structure and composition	X			
	2-10 Nomination and selection of the highest governance body	X			
	2-11 Chair of the highest governance body	X			
	2-12 Role of the highest governance body in over-seeing the management of impacts	X			
	2-13 Delegation of responsibility for managing impacts	X			
	2-14 Role of the highest governance body in sus-tainabil-ity reporting	X			
	2-15 Conflicts of interest	X			
	2-16 Communication of critical concerns	X			
	2-17 Collective knowledge of the highest gover-nance body	X			
	2-18 Evaluation of the performance of the highest govern-ance body	X			
	2-19 Remuneration policies	X			
	2-20 Process to determine remuneration	X			
	2-21 Annual total compensation ratio	No Confidential-ity considera-tions	Total compen-sation data	Confidentiality considerations. Not disclosed due to the Company's size and non-listed status	
	2-22 Statement on sustainable development strategy	X			
	2-23 Policy commitments	X			
	2-24 Embedding policy commitments	X			
	2-25 Processes to remediate negative impacts	X			
	2-26 Mechanisms for seeking advice and raising concerns	X			
	2-27 Compliance with laws and regulations	X			
	2-28 Membership associations	N/A		Data not available	
	2-29 Approach to stakeholder engagement	X			
	2-30 Collective bargaining agreements	X			

Appendix 1: GRI-Index

GRI-standard	Disclosure	Reported	Omissions			
			Omitted Requirement(s)	Reason for Omission	Explanation	
GRI 3: Material Topics 2021	Material Topics					
	3-1 Process to determine material topics	X				
	3-2 List of material topics	X				
	3-3 Management of material topics	X				
GRI 3: Material Topics 2021	Environmental Sustainability					
	GRI 302: Energy 2016	3-3 Management of material topics	X			
		302-1 Energy consumption within the organization	X			
		302-2 Energy consumption outside of the organization	N/A			Not calculated
		302-3 Energy intensity	X			
		302-4 Reduction of energy consumption	X			
		302-5 Reductions in energy requirements of products and services	N/A			Not calculated
	GRI 305: Emissions 2016	3-3 Management of material topics	X			
		305-1 Direct (Scope 1) GHG emissions	X			
		305-2 Energy indirect (Scope 2) GHG emissions	X			
		305-3 Other indirect (Scope 3) GHG emissions	N/A			Not calculated
		305-4 GHG emissions intensity	N/A			Not calculated
		305-5 Reduction of GHG emissions	X			
		305-6 Emissions of ozone-depleting substances (ODS)	N/A			No emissions of ozone-depleting substances
		305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	N/A			No emissions of NOx and SOx
	GRI 306: Waste 2020	3-3 Management of material topics	X			
		306-1 Waste generation and significant waste-related impacts	N/A			Not calculated
		306-2 Management of significant waste-related impacts	X			
		306-3 Waste generated	X			
306-4 Waste diverted from disposal		N/A			Not calculated	
	306-5 Waste directed to disposal	X				

Appendix 1: GRI-Index

GRI-standard	Disclosure	Reported	Omissions		
			Omitted Requirement(s)	Reason for Omission	Explanation
	Occupational Health and Safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	X			
GRI 403 Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Internal management systems for work environment and safety are in place			
	403-2 Hazard identification, risk assessment, and incident investigation	X			
	403-3 Occupational health services	X	Occupational health care in Sweden, data is missing for other countries		
	403-4 Worker participation, consultation, and communication on occupational health and safety	X			
	403-5 Worker training on occupational health and safety	X			
	403-6 Promotion of worker health	X			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	X			
	403-8 Workers covered by an occupational health and safety management system	Internal management systems for work environment and safety are in place			
	403-9 Work-related injuries	X			
	403-10 Work-related ill health	X			
GRI 404: Training and Education 2016	3-3 Management of material topics	X			
	404-1 Average hours of training per year per employee	X			
	404-2 Programs for upgrading employee skills and transition assistance programs	X			
	404-3 Percentage of employees receiving regular performance and career development reviews	N/A			
GRI 405: Diversity and Equal Opportunity 2016	3-3 Management of material topics	X			
	405-1 Diversity of governance bodies and employees	X			
	405-2 Ratio of basic salary and remuneration of women to men	X	Salary survey conducted in Sweden, data missing for other countries.		

