



SUSTAINABILITY REPORT 2024

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Inducore AB (556546-6835) presents its Sustainability Report for 2024. It covers all entities included in the consolidated financial statements and reflects our performance during the period 1 January – 31 December, 2024. This sustainability report, now in its second year, has been prepared in accordance with the GRI Foundation 2021 and the Annual Accounts Act. The Sustainability Report has been approved by the Board of Directors and reviewed by the company's auditor Öhrlings PricewaterhouseCoopers AB. For questions about the Sustainability Report, please contact Monica Sundell, monica.sundell@inducore.se

Inducore's Focus Areas

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Technological shift for a sustainable society

United Nations (UN) Sustainable Development Goal



Our aim is to support the UN'S Agenda 2030 across all our activities, with a particular focus on the key goals outlined in the above image. These goals align with our core focus areas, and it is within these that we have the greatest opportunity to make a meaningful impact.

About Inducore

Family-run business

Inducore is a privately owned industrial group established in 1997. Today, it comprises approximately 20 companies operating across three core business areas: Components, Truck Bodies, and System Solutions. With presence in Sweden, Poland, China, and Norway, the Group combines international reach with a strong sense of familial spirit and a deep commitment to its people.



Mission

Our mission is to strengthen the Swedish industrials sector by helping companies grow and develop. At our core, the group is led by a shared vision of long-term ownership, entrepreneurial mindset, sustainable growth and operational excellence, instilling confidence in our clients and stakeholders to successfully navigate the market for years to come.

Our Values



Entrepreneurial mindset

By prioritising the customer and applying honest, sound commercial acumen, we create value for our clients and establish a strong market position.

We foster an entrepreneurial mindset and deep commitment to the task at hand. We believe in proactively taking initiative, identifying new ideas and opportunities, driving continuous improvement and innovation, all of which ensure the best possible solution for our customers.



Long-term view

We prioritise continuous investment in our people and business. Our customer relationships are anchored in long-term partnerships.

We promote a long-term perspective across our businesses, reassuring customers and stakeholders that we have the strength to remain competitive in the market for years to come. By leveraging each employee's expertise and engagement, we stimulate organizational learning, which ultimately strengthens our competitiveness in the market in the long run.



Operational excellence

Operational excellence is about constantly evolving our ways of working - refining processes, materials, accessibility - while maintaining a professional and engaging approach.

We focus on operational efficiency and scalable work processes. We consistently seek the root cause of shortcomings and deviations in order to deliver excellent customer experiences and outcomes.

We believe in challenging our own thinking and asking ourselves every day what we can do better, in order to provide the best client solutions and customer experiences.

About Inducore

Business areas

The Inducore Group consists of 18 companies organised into three specialised business areas operating in four countries, driven by independent and market focused teams.

Through a high degree of value-creating collaboration touch points, we are able to create functional partnerships and realise strong business area synergies, resulting in a stronger base for expansion and customer satisfaction. Our cooperative philosophy means we are able to diversify business risk and minimise sensitivity to economic fluctuations and uncertainty.

Components

Our Components business provides innovative manufacturing processes and solutions including metal cutting and sheet metal processing services. Manufacturing takes place in Sweden serving customers in Sweden mainly in the manufacturing and automotive industries. This business area also offers its own product lines, such as the self-centering support dummy, and services, including powder and industrial coating. In 2024, we added two new subsidiaries in Sweden: Främmestadsverken in Nossebro and Sjölanders in Västerås.



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Truck Bodies - Vehicle body builders

Our Truck Bodies operation is the leading vehicle body builder in the Nordics. We develop and manufacture cabinets for distribution and long-distance vehicles and dump trucks for construction vehicles, fixed bodies and tippers. We have manufacturing facilities in Sweden and Poland and a sales office in Norway



System Solution

Our Systems Solutions arm develops and supplies our own innovative products, services and technical solutions. The group has operations that focus on developing noise-reducing systems and tailored capabilities for industrial application areas. We also supply machines and complete production lines for packaging, fish processing and match production. Manufacturing takes place in Sweden and China.



Our facilities

Sweden

8

LEMONT AB | Ludvika
SVANSTRÖMS LACKERING AB |
Smedjebacken
HK INDUCORE | Västerås
SJÖLANDERS | Västerås
FRÄMMESTADSVERKEN | Nossebro
PLS TRUCK BODIES | Rydaholm
GEHAB KVALITETSPÅBYGGARE |
Alvesta, Ulricehamn
NTB SERVICE AB | Örebro, Malmö

BOLLNÄS VERKSTAD PROD. AB | Aifla
ATLINGS MASKINFABRIK AB | Ockelbo
ATLING STEADY REST AB | Ockelbo
HIAK | Hedemora
SÖRLING AB | Uppsala
BJÖRKÖ MEKANISKA AB | Björkö, Eksjö
AXIPTO | Nybro, Målilla, Mönsterås
ARENCO AB | Kalmar
NORFRIG TRUCK BODIES AB | Tomelilla

Other countries

PLS/NORFRIG AS |
Sales companie Norge

SÖRLINGS SPZOO |
Production Wrocław, Polen

SHANGHAI ARENCO,
MACHINERY, CO LTD |
Subsidiary in Shanghai Kina

Materiality Assessment & Analysis

In 2021, we conducted our first materiality analysis to identify the issues most relevant to Inducore. It focused on two areas: assessing our value chain for impact and engaging in dialogue with key stakeholders. Since then, we have worked to embed sustainability insights into ongoing channels for a more consistent understanding of stakeholder concerns. In the past year, our CEOs and management teams completed a double materiality analysis in line with the European Union (EU) Corporate Sustainability Reporting Directive (CSRD) regulation, reviewing the value chain, engaging key stakeholders, and evaluating both our impact on people and the environment and the financial implications for the company.

Define materiality context and scope

An internal, cross-functional team identified and categorised potential materiality topics, considering a wide range of internal and external factors including customer needs, risks, technical and economic aspects, uncertainties, and the broader political climate.

Evaluate impact and significance

The team gathered information and assessed actual and potential impact - positive and negative - arising from our operations, evaluating their scope, scale, and significance.

Prioritise

Identified issues were evaluated against Inducore's business strategy. The cross-functional team prioritised the most significant topics and established thresholds for data collection and reporting.

Feedback and validate

The dual materiality analysis was reviewed and approved by Inducore's CEOs and Board of Directors..

Report

The dual materiality analysis forms the foundation of this sustainability report, ensuring it clearly reflects both the impact of our operations and how sustainability issues affect the business.

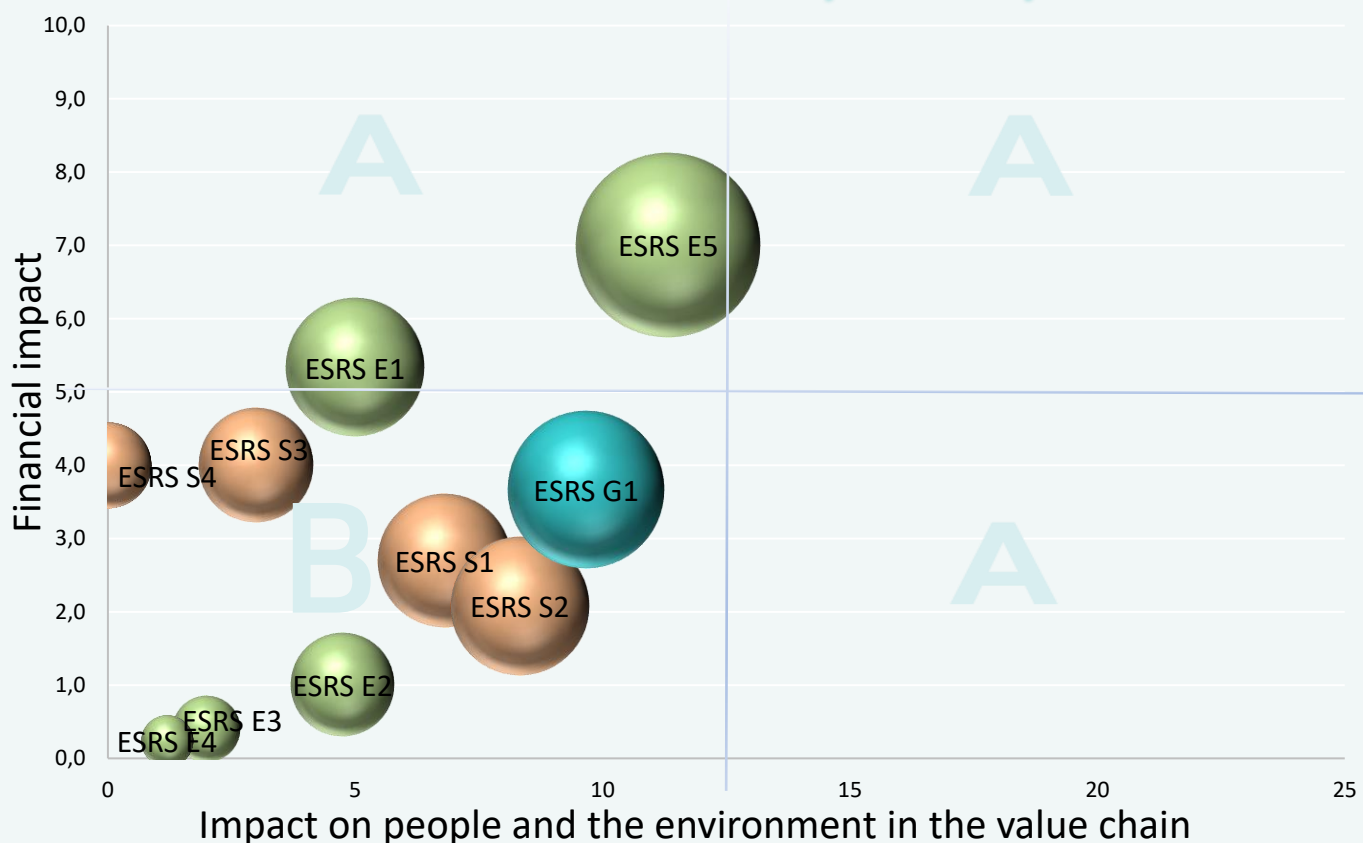
Our Double Materiality Analysis

Inducore's sustainability efforts are guided by one core objective and overarching goal: to continually improve our operations by integrating environmental, social, and economic considerations. Our focus areas are shaped by ongoing dialogues with customers, suppliers, employees, owners, the Board of Directors and other key stakeholders. Our long-term goal is to seize opportunities, mitigate risk, reduce costs and meet the evolving expectations of our customers and stakeholders.

The outlined Global Goals are where we have the highest impact and where we can drive the most meaningful change. We focus on these priority issues in our strategic objectives and action plans. Given our decentralised structure, each local site manager or CEO is responsible for executing their own action plan in a harmonised manner, aligning with the objectives as set collectively by the Group. Read more about this process in the Corporate Governance section (Pages 40-42).

Focus areas 2025

Double Materiality Analysis



A: Prioritise: The issues in these areas are identified as most material. We set targets for these issues and follow up on an ongoing basis.
B: Monitor: We keep a close eye on these areas in case our assessment changes and they become significant or essential.

Sustainability issues

ENVIRONMENTAL-RELATED

E1 Climate change

E2 Pollution

E3 Water and marine resources

E4 Biodiversity and ecosystems

E5 Circular economy

SOCIAL

S1 Labour force

S2 Labour in the value chain

S3 Impacted communities

S4 Consumers and end-users

MANAGEMENT

G1 Responsible business conduct

Our Double Materiality Analysis

In 2024, we conducted training sessions, workshops and stakeholder interviews with the CEOs and management teams of our subsidiaries. With the insight gathered, we used our value chain to analyse our potential materiality focus areas and consequently developed our dual materiality analysis in accordance with the EU's CSRD directive and the European Sustainability Reporting Standard (ESRS).

In 2025, we aim to refine our dual materiality approach to ensure full compliance with the EU directive for our 2025 Annual Sustainability Report. Below is an overview of the process we undertook in 2022.

Fokusområden 2022



Hållbarhetsaspekter

MILJÖRELATERADE ASPEKTER

- A Sustainable energy supply 1
- A Sustainable transport 2
- D Packaging and waste 3
- D Biodiversity 4
- D Discharges to soil and water 5
- B Social responsibility in the supply chain 6

SOCIALA ASPEKTER

- A Safe and secure workplace 7
- A Diversity and Inclusion 8

LEDNINGSMÄSSIGA ASPEKTER

- C Economic growth 9
- C Good business ethics and anti-corruption 10
- A Circular business models 11
- B Secure IT environment – cybersecurity 12
- A Innovation for the future – technology shift 13

A: Prioritise: The issues in these areas are identified as most material. We set targets for these issues and follow up on an ongoing basis.

B: Monitor: We keep a close eye on these areas in case our assessment changes and they become significant or essential.

C: Fulfill: We have good control over the issues in this area. We communicate clearly what we do against these issues.

D: Manage: These issues have been ranked lower in materiality. This does not mean that they are insignificant, but that we only act on them in accordance with legal and regulatory requirements.

01

SOCIAL ISSUES



The workplace of the future

Attracting and retaining the right talent continues to be a significant challenge across many industries today. The industrial and manufacturing sectors, in particular, face challenges related to diversity and inclusion, primarily because these fields remain predominantly male-dominated. As a result, the industry struggles to attract a broader and more diverse talent pool, as many potential candidates, particularly women, often overlook careers in manufacturing.

We are actively working to address this challenge by making our workplaces more inclusive and attractive to women. Promoting diversity and inclusion is crucial for building a sustainable, future-oriented work environment. Embracing diverse perspectives and fostering creativity among our employees not only drives innovation but also strengthens our capabilities, making us a more resilient and competitive industrial group.

Diversity and inclusion (D&I)

– An engaged and motivated workforce



Pregnancy benefits and parental leave

To promote gender equality and strengthen our position as an attractive employer, the Group introduced a pregnancy compensation policy. This was introduced for all Swedish organisations in 2024. This policy provides additional financial support to employees granted pregnancy benefits from the Swedish Social Insurance Agency, particularly when they must reduce or cease work due to physically demanding tasks or potential workplace hazards. The Swedish Social Insurance Agency covers 80% of the salary until childbirth, and the Group will contribute an additional 10%. This initiative ensures that women in the industry do not face financial hardship during their pregnancy.

13 Parental leave plays a vital role in helping employees achieve a healthy work-life balance. In Sweden, employees have the right to full-time parental leave until the child reaches 18 months, as defined by the Swedish Parental Leave Act. In Poland, parents are entitled to 61 weeks (approximately 1 year and 2 months) of parental leave, and may take an additional 36 months of unpaid leave. In China, women are entitled to 158 days of parental leave, with 15 extra days for multiple children. Depending on the length of employment, the employee may receive up to three months of extra paid leave from the company.

Collective agreements and fair working conditions

All employees within the Group are entitled to join relevant trade unions and participate in collective bargaining, in accordance with local laws and regulations. Local rules and regulations also protect the right to fair conditions, including contractually defined working hours, rest periods, overtime compensation and holiday entitlements. Regardless of whether employees are covered by a formal collective agreement, all are compensated fairly and competitively. As of today, 100% of our workforce is covered by either a collective agreement or an equivalent arrangement.

Code of conduct

Clear ethical guidelines are essential for promoting employee well-being and maintaining a responsible business culture. The Group has implemented a comprehensive Code of Conduct that applies to all companies within the organisation. The Code is available in Swedish and English for our employees, partners and suppliers on the Group's website:

<https://www.inducore.se/koncernen/code-of-conduct> Starting in 2025, tailored versions of the Code will be introduced: one in Swedish and English for employees, and a separate version in English for partners and suppliers. All employees are introduced to the Code at the start of their employment and again during performance appraisals. Each employee is required to confirm in writing that they understand and commit to complying with its principles.

Whistleblower function

The whistleblower function is a key element of our commitment to ethical business practices. It enables us to promptly identify and address potential breaches of ethics, legal requirements, internal policies, and codes of conduct. Ensuring that employees, customers, suppliers, and partners feel safe and supported when reporting suspected misconduct is essential to maintaining a culture of integrity and accountability. All employees are informed about the Code of Conduct and the whistleblower policy at the start of their employment and during performance appraisals. The full whistleblower policy is publicly available on our website: <https://www.inducore.se/koncernen/visselblasarpolicy>

In 2024, a whistleblower report was submitted. The case was managed in accordance with the procedures outlined in the whistleblower policy, with respect to the legal boundaries and confidentiality requirements. After a thorough evaluation of the information provided, it was determined that the reported issue did not fall within the scope of whistleblowing..



Skills development

To maintain a high standard of service and quality for our customers, continuous development of specialised employee skills is essential. It also plays a vital role in supporting the personal and professional growth of our employees. Training initiatives focus primarily on technical expertise and professional competencies and are delivered through a combination of internal and external programs. This continuous investment in learning not only strengthens individual performance but also fosters greater employee engagement, motivation, and long-term organisational resilience.



2024 activities:

In 2024, we continued to prioritise practical, role-specific training across the Group to ensure safe and efficient operations. Employees who operate forklifts, overhead cranes, and mobile platforms received ongoing training to maintain high safety standards and technical proficiency. Specialised training in thermosetting plastics was provided to relevant personnel to support quality and compliance in production processes. Additionally, a Group-wide training session on the Monitor G5 ERP system, with a focus on sustainability features, was delivered by a certified Monitor ERP consultant.

Company-specific activities:

Arengo SE: Ongoing training focused on service and installation for a repurchased match line from Mauritania. Additional training in Artificial Intelligence (AI) and electrical systems.

Arengo CN: Project management training and internal training regarding a reorganisational process.

Fire, Environmental and Work Environment Training (BAM in Sweden): We completed a total of 1,340 training hours for permanent and temporary staff, including project management, machine equipment handling and Monitor ERP. Held an open house event with other companies based in the Vetlanda municipality aimed at showcasing the operations of a modern factory and attracting new talent to the industry.

Contingency and operational training (BVP in Sweden): Held weekly department meetings every Tuesday and Thursday, where employee suggestions for improvement are discussed and evaluated.

Främmostadsverken: Internal and external production training staff and production technicians.

HIAK: Monitor G5 training and further training in CAD/Solid Works for a number of designers.

Lemont: Trained new production department staff in corporate governance, Lean methodology, Work Environment and Safety, welding and measurement, and technical drawing interpretation. Connect with schools, technology colleges and high schools through local recruitment fairs.

GEHAB: Informed person for electric vehicles training (non-production staff), Instructed technician for electric vehicles training (non-production staff), Hot work, Leadership, Special training for products such as Effer, Palfinger and Hiab cranes (1 person). Electrical Certificate for Electric Vehicle Managers (1 person), Certified Technical Responsible Electric Vehicle (1 person), Responsibility training for forklifts, mobile work platforms, cranes and fall protection (Supervisors).

Svanströms: Trained new employees in Corporate Governance, lean methodology and better work environment.

Sörling SE: Completed a number of training courses within electricity, hydraulics, Monitor Academy, Leadership development by Vannesjö Academy, both skills-enhancing and societally beneficial.

Sörling PL: Completed Monitor G5-related training.

Planned training for 2025:

A Group-wide training course on sustainability reporting will be conducted in both Swedish and English to ensure accessibility across all companies. The training will include a demonstration of the new reporting Excel template, as well as an introduction to a dedicated Microsoft Teams channel. This channel will serve as a central hub for sharing group-wide data and will house individual folders for each company containing their respective data import files and related resources.

Company-specific initiatives:

Arengo SE: Ongoing knowledge sharing about machine recovery. Monitor Academy, Microsoft Teams.

Arengo CN: Continued project management training and internal training with regards to the reorganisation.

Atling: Will kick off a World class factory project, (Lean principles) values training with all employees to enhance understanding and collaboration.

Axipto: World class factory 900h, Values training with all staff to enhance understanding and collaboration. Continue participation with schools to encourage industrial careers with the Group for girls. Sales training for seven people in senior positions with leadership investment during the autumn 400 hours.

Fire, Environmental and Work Environment Training (BAM): Training as outlined in our training plan such as retraining on First Aid/CPR including the use of defibrillators, fire safety, and operational training on our production equipment.

Främmestadsverken: Fire drill training, review of ABC and CPR.

GEHAB: Training management positions on the company's responsibility in terms of sick leave and rehabilitation. Informed person electric vehicle training (for non-production staff), Instructed technician for electric vehicles training (for non-production staff), Hot work.

HIAK: HIAK CEO training is ongoing. Considering contract law training for project managers and sales persons, possible leadership training for two new managers.

Lemont: Training new staff in safety, Work Environment and Safety, quality and environment and Lean simulation game. Training in visual inspection for welders.

Sörling SE: Will run training sessions for Monitor G5 and have planned electrical and hydraulic training for the production team. We also plan to conduct safety and fire protection training during Q1 2025. We intend to carry out competency-based skills training for a number of employees.

Sörling PL: Continue training within Monitor G5. Internal training and knowledge sharing between production departments in Sweden and Poland.

Number of employees

Number of full-time employees increased 13% between 2021 (841) and 2024 (954).

Proportion of women

The proportion of women in our total workforce declined from 13% in 2022 to 9%. However, we made progress in gender diversity at the leadership level, increasing the share of women in leadership roles to 26%.

Area	Ref. year 2021	Outcome 2022	Outcome 2023	Outcome 2024
Number of employees	841	867	884	954
Of wich is women %	13	7	9	9
Number of people in management	*	*	101	102
Of wich is women %	*	*	19,8	25,0

* Not reporter these Years

2024 D&I activities

All subsidiaries in the Group have introduced a pregnancy compensation policy to increase gender equality and encourage more women to choose Inducore as an employer. Several companies work with educational institutions and participate in recruitment fairs to encourage women to work in the industrial sector. We carry out a conscious and inclusive recruitment process.

Company-specific activities:

Axipto: Recruited a female production manager in Mönsterås and is actively promoting the firm in schools to demonstrate it is an attractive workplace for girls.

Främmostadverkstan: Carried out workplace training (APL in Sweden)) with focus on recruiting more women.

GEHAB: Partners with training and recruitment firms to train more women as electricians and has had an intern in 2024 who has completed this training.

Norfrig: Clearly communicated its goal to tackle the proportion of women and the management team has participated in diversity seminars for increasing D&I awareness and understanding.

NTBS: Had continuous discussions in the company to increase the understanding and acceptance of the importance of diversity.

PLS: Communicated its goal to increase the proportion of women in the workforce and management team has attended diversity seminars to increase understanding and acceptance of diversity.

Sörling PL: The culture in Poland is more conservative compared to other Nordic countries, which presents challenges to tackling diversity in recruiting. In 2022 a number of refugees from Ukraine were offered jobs and continue to be part of the team today.

Planned D&I activities for 2025:

Company-specific initiatives:

Axipto: Plans to continue promotion itself at schools and educational institutions to show they are an attractive workplace for girls.

BVP: Actively looking for women with the right skills in any recruitment process and work with schools and adult educational institutions to offer internships.

Främmostadsverken: Will implement work-based learning (APL in Sweden) with a focus on how to employ more women in the workforce.

GEHAB: Continues partnerships with external educational institutions and platforms to provide training courses for women who want to become electricians, and offering internships for those who have started the training.

Norfrig: Continues to act on its ambition to increase the proportion of women in their workforce and management will continue to attend diversity seminars to encourage awareness and knowledge of the positive impacts of diversity

PLS: Plans to continue with its conscious and inclusive recruitment processes and work closely with the Group's Sustainability Council to engage with diversity initiatives..

Responsibility and governance of material matters

Each company's CEO is ultimately responsible for driving and implementing activities to achieve our goal of this material issue. Follow-up takes place in Inducore's monthly management team meetings and at each company's board meeting, which is held 4 times a year. It is the responsibility of Inducore's sustainability coordinator to communicate the outcome and the forecast for the current year to the companies' CEOs and management teams.

Targets (KPIs)

Increase the proportion of women in our total workforce to 20% by 2025 and create conditions for more women to take management positions. Due to falling behind on our goal and reviewing circumstances, we will move our target to 2030.

Increase the number of training hours per employee

Each year, we will improve our Employee Satisfaction Index (NMI in Sweden) considering factors for which employees balance work and personal life including: personal development, engagement, recognition, personal care, inspiration and motivation, openness and honesty, and a leadership team that fosters inclusion and engagement.



Safe and secure workplace

The right prioritization

Prioritizing health and safety in the workplace is essential to fostering a positive, productive and respectful working environment. It means cultivating a culture where dignity and mutual respect guide every aspect of working life—free from harassment, discrimination, alcohol, and drugs. We actively promote well-being through initiatives such as wellness allowances and gym access, supporting both physical and mental health. Respect for human rights and the freedom of association are also fundamental principles, helping to build an inclusive workplace where every individual feels valued. Strict safety procedures are in place and consistently followed. We provide appropriate protective equipment, which must always be used, and ensure that all employees receive the necessary training and resources to carry out their tasks safely. By combining robust safety measures with a strong focus on well-being, we create a work environment where employees can thrive and perform at their best—safely and with confidence.

2024 activities:

The companies regularly conduct safety inspections, fire safety checks, and risk assessments to maintain a secure working environment. Employees who operate forklifts, overhead cranes, and mobile platforms receive ongoing training to ensure safe and effective handling. Additional initiatives include thermoset training, as well as both statutory and voluntary health checks. Several companies have also provided CPR training to enhance emergency preparedness. To promote well-being, wellness allowances are offered and various health-focused activities are organised. Performance appraisals and employee surveys are conducted at least once a year to support continuous development and engagement.

Company-specific activities

Arencó SE: Integrated safety procedures into every stage of its processes and ensures the use of safety harnesses when working on fixed platforms.

Atling: Enhanced its safety inspections by introducing themed safety rounds and has conducted training for wheel loader operators.

BVP: Invested in new extraction systems to improve the overall working environment.

Främmestadsverken: Implemented improvements across individual workstations following safety rounds and has invested in stud pullers to reduce manual work steps to improve the working environment.

HIAK: Taken steps to improve its ventilation infrastructure.

Lemont: Achieved ISO 45001 certification for systematic work environment management and has installed fences and gates at its Ludvika facility.

PLS, Norfrig, and NTBS: Implemented routines for identifying signs of ill health and have implemented training in leadership, CPR, and fire safety. These companies also organize well-being activities to support employee health and engagement.

Planned activities for 2025:

In 2025, the Group will continue its focus on health, safety, and employee development across several key areas: Ongoing safety efforts will include regular safety rounds, fire inspections and risk assessments. Training programmes will continue for staff operating forklifts, overhead cranes and mobile platforms. Thermosetting training and health checks - both statutory and voluntary - will also be carried out, alongside annual employee surveys and performance appraisals.

Safe and secure workplace

Planned activities for 2025:

Company-specific initiatives:

Arengo: Maintain its focus on integrating safety throughout all processes.

Atling: Continue to strengthen its systematic work environment management.

BVP: Created a dedicated group to promote a safer work environment—both physically and psychosocially.

Främmestadsverken: Pursue continuous improvements and engage staff in the follow-up of cost calculations. A new paint booth will be installed to improve ergonomics.

GEHAB: Increase its wellness allowance and offer training for managers in handling sick leave and rehabilitation, with a focus on identifying employees with frequent absences early and implementing the correct measures.

Norfrig, NTBS, and PLS: Continue training for employees with line management responsibilities and ergonomics. Provide skills training to leadership to be able to identify employees with frequent absences more effectively and implement the correct measures.



Safe and secure workplace

Area	Ref. year 2021	2022 outcome	2023 outcome	2024 outcome
Employee attendance rate %	94,4	94,3	95,6	95,3
Target	94,4	97,0	97,0	97,0
Number of accidents	0	N/A*	30	29***
Physical Wp Satisf. Rate	3,5	3,5	3,6	**
Target		3,6	3,7	3,8
Psychosocial Wp Satisf. rate.	3,8	3,9	3,9	**
Target		3,9	4	4,1

* In 2022, Group subsidiaries reported figures differently, which we addressed in 2023. In the past, some accidents were only reported if they led to sick leave, while others reported all types of accidents. Twelve companies have participated in a survey and reported their results. We encountered issues with the reporting due to lack of structure, especially regarding satisfaction, which will improve in 2024.

** In 2024, we have not systematically conducted the employee survey at all subsidiary companies. Inducore's sustainability council has been tasked to implement improved governance and structure in 2025.

*** We have discovered a discrepancy in the reporting of Lost Time Injury Frequency Rate (LFTIR), which is why we have only presented the number of accidents resulting in sick leave. These discrepancies will be investigated in 2025.

Responsibility and governance of material matters

Each company's CEO is ultimately responsible for driving and implementing activities to achieve our goal of this material issue. Follow-up takes place in Inducore's monthly management team meetings and at each company's board meeting, which is held 4 times a year. It is the responsibility of Inducore's sustainability coordinator to communicate the outcome and the forecast for the current year to the companies' CEOs and management teams.

Targets [KPIs]

We would like to achieve an operating profit margin of 6–8%

We aim to maintain a healthy employee attendance rate of over 97% across all business units

We have zero-accident vision for serious incidents and accidents involving load movement. Our focus will be to reduce the number of workplace accidents that result in sick leave.

Each year, we are committed to improving our Employee Satisfaction Index (NMI), with a focus on key well-being factors including: creating a safe and secure workplace, promoting a structure and order, maintaining a positive physical and psychosocial work environment, and fostering a culture of including, respect, trust, camaraderie, diversity and equal opportunities.

ENVIRONMENTAL —RELATED ISSUES



Greenhouse gas emissions

We have committed ourselves to purposeful action in reducing emissions and minimising our broader climate impact. We began by measuring emissions within Scope 1 and 2 of the Greenhouse Gas (GHG) Protocol, pinpointing our own transport and energy consumption as the primary sources.

Our most significant emissions arise from materials used in our products or that we process and further refine, falling under Scope 3 of the GHG Protocol.

To communicate the full climate impact of our products with full transparency, we conducted a first review of our major material suppliers to examine the feasibility of gathering accurate emissions data in 2022.

This proved to be a considerable challenge. To address this, we collaborated with two subsidiaries, ANVA and PVI, and launched a project through the Vannesjö Academy's leadership program, aiming to leverage our Enterprise Resource Planning Systems (ERP) to effectively assess the climate impact of our products. Our goal is twofold: first, to achieve greater transparency regarding our climate footprint, and second, to strengthen internal understanding, enabling us to select materials with lower environmental impact and ultimately reduce our carbon footprint.

Greenhouse Gas Emissions

Choice of methodology

We use the Greenhouse Gas (GHG) Protocol to calculate our carbon footprint. The GHG Protocol is based on five principles:

Relevance - The reporting should adequately reflect the company's GHG emissions so it serves as a basis for decision-making for users - internally and externally.

Completeness - The reporting should account for and report on all GHG emissions within the specified system boundary and should document, disclose and justify any specific exclusions.

Consistency - The use of methodologies should be consistent so emissions can be reported on over time. Changes in data, system boundaries, methods or any other relevant factors should be documented and communicated.

Transparency - Ensure all data, methods, sources and assumptions should be documented and addressed in a factual, coherent and clear manner.

Accuracy - The estimated emissions should refrain from deviating too high or too low to ensure the information can be used to make informed decisions.

The GHG Protocol's three scopes

The GHG Protocol categorises greenhouse gas emissions into three scopes, grouped according to the context in which the emissions occur.

Scope 1: The company's direct emissions from operations, such as plants, production and owned and leased vehicles

Scope 2: Indirect emissions purchased and used by a company such as electricity, heat steam and cooling

Scope 3: Indirect emissions from a company's activities, both upstream and downstream throughout its entire value chain

Base year

Inducore began calculating greenhouse gas emissions according to the GHG Protocol for the 2021 financial year. It was a normal year, which is why 2021 was chosen as the base year.

System boundaries

In assessing the organisation's climate impact, the calculation includes emissions from owned or leased vehicles, other owned or leased assets and energy consumption - specifically electricity, oil, liquefied petroleum gas (LPG) and district heating. We have used operational control as the consolidation approach, and the calculated emissions currently only include carbon dioxide (CO₂), which has a Global Warming Potential (GWP) of 1.

Sustainable transport - Reduced climate footprint

The number of owned or leased vehicles is shown in the table below, broken down by the type of vehicle. The category "Other" consists of diesel-powered forklifts, trucks, tractors, wheel loaders and utility vehicles (caddies).

Ar/typ	2021	2022*	2023**	2024
Diesel and petrol powered	63	52	18	10
Electric powered	4	7	10	24
Plug-in hybrid	3	11	28	31
Other	9	9	43	48
Total sum	79	79	99	113

* The figures provided for 2022 are estimated, as exact data is not available

** The figures for "Other" category were previously reported as a lump sum per company - in 2023, each vehicle has been reported individually

"Other" vehicles continue to account for the largest share of emissions; however, these emissions have remained steady compared to 2023. Emissions from company cars have been reduced by half since 2021, largely due to the transition to electric vehicles. Truck-related CO₂ emissions have also decreased by 60% since 2021, following the switch from diesel to electric alternatives. Although we have not yet achieved our goal, we are seeing a clear downward trend in emissions—even as our turnover continues to grow.

2024 activities

The ongoing transition from petrol- and diesel-powered vehicles to plug-in hybrids and electric vehicles continues, with purchases made in accordance with the Group's policy for new vehicles. Company-specific activities

Areco has replaced a company car from petrol to electric

Atling has replaced a company car from diesel to hybrid

BVP has purchased a new wheel loader with lower fuel consumption

HIAK has acquired new shared company cars, one hybrid and one fully electric

GEHAB has purchased an Electric forklift to complement the existing larger diesel forklift, in order to reduce its usage

Norfrig has phased out its last diesel company car and replaced it with a plug-in hybrid

PLS has replaced a diesel forklift with a new electric forklift, and phased out all diesel cars in favour of hybrids

Sörling is working to ensure that at least 3-4 deliveries are made per transport of their products from Poland

Hydrotreated Vegetable Oil (HVO), a renewable diesel, is used to fuel forklifts and the internal truck

Ongoing discussions have been held regarding the potential transition to Hydrotreated Vegetable Oil (HV), a renewable diesel fuel, for the company's heavy-duty trucks. While fully electric trucks are currently associated with high purchase costs. Switching to HVO has the potential to reduce our greenhouse gas emissions by up to 80%, but it would also increase fuel costs by 25%. The current high capital investment required to transition to fully electric trucks makes them economically unfeasible at this time. No changes or additional activities have been made by other entities within the group regarding their vehicle fleets.

Sustainable transport - Reduced climate footprint

Planned activities for 2025

The transition of the company car fleet from petrol- and diesel-powered vehicles to plug-in hybrids and fully electric vehicles will continue.

Company-specific initiatives:

Axipto: Will replace one diesel company car with a fully electric vehicle.

GEHAB: Will sell the last diesel-powered company car. One hybrid car will be sold during the first half of the year. The company will invest in a fully electric vehicle for a new salesperson. The largest diesel forklift will also be replaced with an electric model.

Lemont: Will replace one of its loaders during the year with a model capable of operating on alternative fuel, such as HVO (renewable diesel).

Sörling: Plans to replace an existing plug-in hybrid with a fully electric vehicle.

Other planned activities:

Arengo: Will gather emissions data from air and sea transport from its main supplier, which accounts for 91% of freight activity.

BVP: Will conduct a supplier assessment to gain a comprehensive overview of emissions along its supply chain.

HIAK: Will ensure transports utilise environmentally certified freight forwarders whenever possible. The target is that more than 95% of transport activities will be environmentally certified.

Sörling: Will continue optimizing transportation logistics and sustainable material choices. The remaining companies have no planned changes to their vehicle fleets or related sustainability activities for 2025.

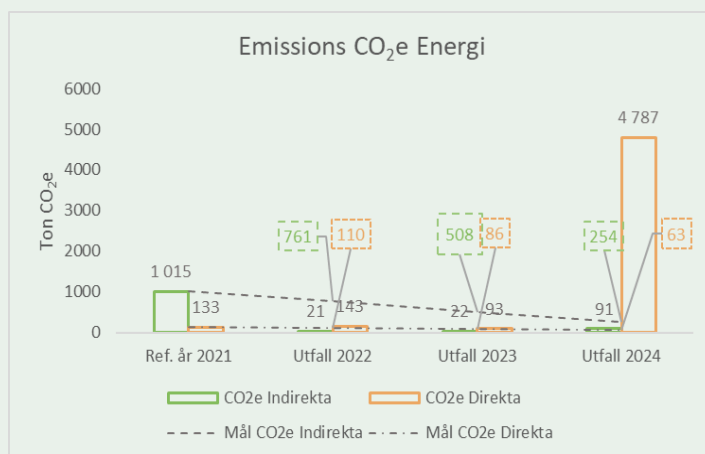
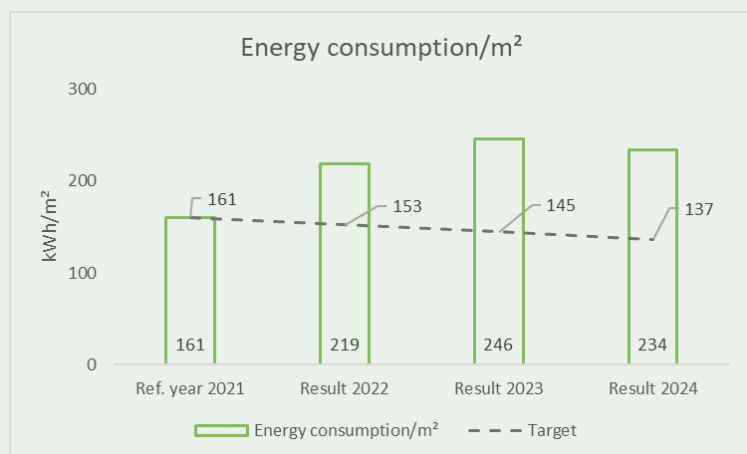
Companies that have upgraded to Monitor G5, as recommended by the Vannesjö Academy, have started entering distances to suppliers into the system. They will also compile and report information regarding CO₂ emissions from their largest suppliers.

Target [KPIs]

The goal is to reduce our CO₂ footprint by 60% from 2021 to 2030 by transitioning our own vehicle fleet to fossil-free fuels and transportation method (GHG Protocol Scope 1).



Renewable energy sources – Sustainable energy supply



Inducore is a significant consumer of energy, particularly for heating and electricity. Measuring and reporting our carbon footprint related to energy usage serves two important purposes: firstly, to transparently communicate our environmental impact, and secondly, to increase internal awareness, helping us make informed decisions about energy sources with lower climate impacts.

While we have not yet reached our overall energy consumption target, we observe a downward trend in energy use per square meter. Our revenue increased slightly between 2023 and 2024, and since our baseline year (2021), revenue has grown significantly by 46%.

Our energy usage:

2021 (Base year): 20.9 million kWh

2022: 22.2 million kWh

2023: 23.6 million kWh

2024: 24.7 million kWh (an increase of 18% from the base year)

Our energy-related CO₂e emissions increased notably due to the recent acquisition of Främmestadsverken, contributing an additional 4,764 tonnes CO₂e. Excluding this acquisition, we would have successfully met our emissions target of 63 tonnes CO₂e.

Beginning in 2025, we will implement a new approach to our sustainability metrics. To ensure our sustainability targets remain meaningful and unaffected by future growth, we will measure our key performance indicators relative to gross profit. This adjustment will provide clearer insights into our actual environmental performance and help align our sustainability efforts with overall business growth.

Renewable energy sources – Sustainable energy supply, cont.

2024 activities:

Company-specific activities:

Atling: Began office renovations, including window replacements. Upgraded ventilation systems in production.

Axipto: Transitioned to fossil-free district heating for the Nybro unit, significantly reducing climate impact. Switched to LED lighting at the Mönsterås and Målilla facilities. Installed a curtain heater at the Mönsterås warehouse. Ventilation systems replaced in Nybro.

BMA: Invested in new machinery (Makino a40), significantly improving energy efficiency compared to the replaced equipment. Replaced ventilation units in the Eksjö factory. Actively chose to exclusively burn HVO100 (renewable diesel) in the Björköby boiler from December 2024 onward. Replaced lighting with LED fixtures in production hall 2 at the Eksjö factory, with similar projects ongoing at other sites.

BVP: Actively avoids working hours outside of established shifts to minimize energy use.

Främmestadsverken: Installed a new compressor to reduce energy consumption and improve control of compressed air. Upgraded from fluorescent tubes to LED lighting in the paint facility.

Lemont: Completed an energy assessment.

Norfrig: Converted majority of lighting to energy-efficient LED lights.

NTBS, Örebro: Installed interior workshop doors between workshops to better retain heat, minimizing energy loss when moving vehicles.

NTBS, Malmö: No investments made in 2024 due to the planned closure of the facility.

PLS: Entire factory lighting replaced with energy-efficient LED luminaires.

Sörling: Generated 60,153 kWh of solar electricity last year through its own solar panels. Facility has been operating from a certified Silver-level building under the Miljöbyggnad system in Sweden, with low energy consumption since 2023.

Sörling PL: Adapted factory energy usage based on occupancy, strategically turning off heating and lighting in completely unused areas.

Arenco and HIAK: Currently renting their premises, limiting direct influence over energy consumption decisions.

Planned activities for 2025:

Company-specific initiatives:

Arenco: Although Arenco rents its premises, the company has requested that the landlord replace the heating units to help reduce energy consumption.

Atling: Office renovations will be completed, including the replacement of the ventilation system.

Axipto: An energy assessment will be conducted to identify and plan targeted activities for improving energy efficiency.

BMA: Plans to invest in two new Makino a40 machines, which are significantly more energy-efficient and effective than the older machines being replaced. From 2025, will be able to report the percentage of energy use from renewable district heating versus energy generated from waste incineration. Lighting fixtures have been purchased and are in stock, ready for installation during production downtime. Replacement of ventilation in Hall 3 is currently on hold due to cutting fluid mist contribute to the fixtures being eaten away and breaking prematurely.

BVP: Aims to continue operating with a single-shift system where possible, without compromising delivery reliability.

Renewable energy sources – Sustainable energy supply, cont.

Planned activities for 2025:

Company-specific initiatives:

Främmestadsverken: Replace lighting with LED fixtures in the paint shop and possibly more halls.

GEHAB: Will continue replacing outdated lighting with LED fixtures in areas of the production facility where this has not yet been done.

Lemont: Will review the action points from its energy audit and schedule relevant improvements. The company also plans to investigate air leakage from its compressed air system.

Norfrig: Will replace aerotemp heaters with more energy-efficient models and upgrade the ventilation system.

PLS: Is building a new factory, which will increase total energy consumption due to the additional 3,000 m² of workshop space. However, vacuum pumps used in gluing tables will be frequency-controlled to save a significant amount of electricity.

Responsibility and governance of material matters

Each company's CEO is ultimately responsible for driving and implementing activities to achieve our goal of this material issue. Follow-up takes place in Inducore's monthly management team meetings and at each company's board meeting, which is held 4 times a year. It is the responsibility of Inducore's sustainability coordinator to communicate the outcome and the forecast for the current year to the companies' CEOs and management teams.

Targets [KPIs]

Energy Efficiency

We aim to reduce our energy use per square meter (m²) by 20% from the base year 2021 to 2025 through energy efficiency improvements. Starting in 2025, we will shift our KPI to energy use per gross profit and maintain the same 20% reduction target by 2030. As of 2024, we have achieved a 15% reduction compared to the 2021 baseline.

Self-Produced Renewable Energy

We aim to invest in facilities for self-production of electricity to cover 10% of our total energy consumption by 2025. A decision was made in 2024 to extend this goal to 2030, as the 2025 target will not be met.

Scope 2 – Indirect Emissions (Purchased Energy)

We aim to reduce our CO₂ footprint (Scope 2) by transitioning to 100% renewable energy by 2025. In 2024 the Group extended this goal to 2030.

Scope 1 – Direct Emissions (Owned Operations)

We aim to reduce our Scope 1 CO₂ emissions by 70% by 2025, through improvements in our own facilities and operations. As the target is not expected to be reached in, a decision was made in 2024 to retain the same goal through to 2030.

GOVERNANCE ISSUES – Responsible Business Conduct

Our responsibility along the value chain

A sustainable industrial sector with resilient and efficient infrastructure is essential to meeting future global challenges. The global economy remains heavily reliant on the extraction and use of new materials—many of which are discarded, incinerated, or lost, contributing to resource inefficiency and environmental impact.

In Inducore's 2021 materiality assessment, we identified circular business models and innovation for the future as key material issues. Addressing these issues successfully requires strong collaboration across the value chain, a shift in mindset and investment into improved resource efficiency and machine utilization. According to ESRS, Circular Economy falls under environmental issues and will therefore be reported under that heading starting in 2025. In our review of ESRS G1 Responsible Business Conduct, corruption and bribery have been identified as priority areas.

Circular economy

Sustainable use of resources

The global economy remains heavily reliant on virgin materials, most of which are discarded, incinerated, or lost after use. According to the Circularity Gap Report 2024 (published by the Circle Economy Foundation), only 7.2% of materials used globally are recycled—highlighting a significant opportunity for improvement. Manufacturing companies, in particular, play a critical role in the transition to a more circular economy.

Inducore identified circularity as a material topic in our 2021 materiality analysis and reaffirmed its importance in the 2024 double materiality assessment. While we are still at the beginning of our journey, we are committed to reducing our reliance on virgin materials and creating value by minimizing waste through reuse and recycling in both our products and processes. This transition demands collaboration across the entire value chain and a shift in traditional ways of thinking. We also believe that collective action and knowledge-sharing within the industrial sector are essential for accelerating progress.

As part of our ongoing alignment with the EU Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), circularity will be formally addressed under ESRS E5: Circular Economy in our 2025 reporting.

2024 activities

Circular Use of Packaging Materials

During the year, the Group has taken steps to establish systems for reclaiming packaging materials used in customer deliveries. The goal is to create a closed-loop system that enables the reuse of packaging, reducing the demand for newly produced materials. This initiative supports our efforts to lower resource consumption while also strengthening customer relationships through shared responsibility and collaboration on circular solutions.

Reused and recycled plastics in insulation materials

Norfrig, one of our Group companies, continues to prioritise the use of sustainable materials by incorporating insulation made from recycled PET bottles. This insulation, produced by Armacell, is part of an energy-efficient composite with sandwich structures that helps reduce vehicle weight—resulting in lower fuel consumption and reduced greenhouse gas emissions. In 2023, insulation made from 19,058 recycled PET bottles was used in a single cabinet, contributing to a reduction of 1 tonne of CO₂ emissions. In 2024, Norfrig scaled up this initiative, using 811,952 recycled PET bottles, primarily in the floor construction of cabinets—contributing to an estimated environmental saving of 45 tonnes of CO₂ emissions.

More company-specific activities:

Axipto has reduced its volume of combustible waste by improving the sorting of food waste, soft plastics and paper packaging. At the Nybro site, new containers and clearer signage has been introduced. The company has also replaced combustible farmer's tanks with recyclable alternatives.

BMA continues to focus on recycling and now sends virtually no waste to landfill.

BVP has expanded its use of special pallets to enable a return flow from customers. Packaging materials are repaired and reused.

GEHAB's construction team is committed to maximizing its materials, particularly in the use of its waterjet cutting machine to reduce scrap.

Circular economy cont..

More company-specific activities:
Lemont holds twice-yearly reviews with its waste management partner to ensure effective handling of residual waste materials.
Norfrig has increased the use of recycled PET insulation in its builds and structures.
PLS has increased the share of circular materials in its products, notably recycled PET.
Sörling SE and **Sörling PL** have reinforced internal routines and operational practices to optimise material management and minimise waste generation.
No activities were undertaken by the other entities at this time.

Reduce waste

All Inducore companies are committed to reducing waste generated during production and reusing materials wherever possible. A key challenge is achieving waste reduction even as turnover increases—which we did not fully succeed in during 2024. While total waste increased by 3.7% compared to the previous year, we have achieved an improvement in waste efficiency relative to gross profit. In the reference year 2022, the result was 0.091% tonnes of waste per unit of gross profit, which decreased to 0.079% in 2024. The increase in total waste is primarily attributed to a higher volume of hazardous and combustible waste. Waste to landfill has decreased

Increase the amount of recycled material in our products

To further reduce our environmental and climate impact, we have a long-term ambition to use as much recycled material as possible in our products. A supplier assessment conducted in 2022 revealed that many suppliers were unable to provide information on the proportion of recycled material in the products they deliver. During the year, we incorporated this topic into our supplier evaluations to help identify which suppliers are able to provide the required data. However, it remains a challenge to obtain accurate information on recycled content. Companies that have upgraded to Monitor G5, following the Vannesjö Academy project recommendations, have begun entering weights and CO₂ impact data for their materials. The goal is for 25% of our material volume to have item-level reporting of weight and CO₂ emissions.

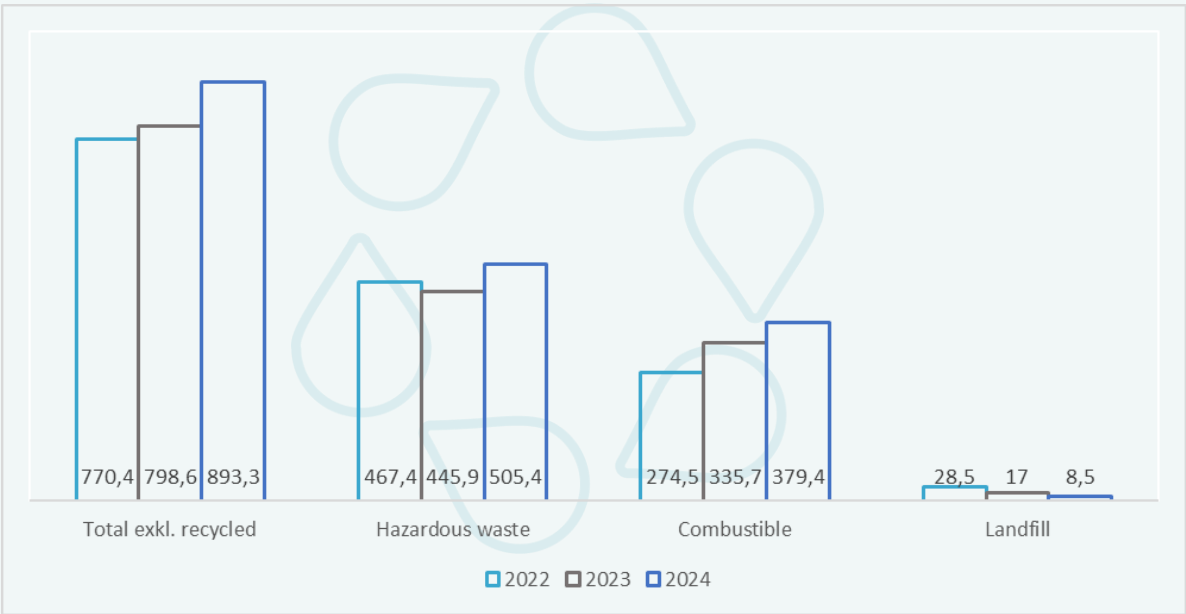


Table 1: Inducore's total waste (in tonnes) excluding recycled materials, divided into hazardous waste, combustible waste and landfill.

Circular economy cont..

	Hazardous			Combustible			Landfill			Total excl. recycled		
	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
PLS Truck bodies	2	0	0	62	91	113	3	0	0	66	91	113
Sörling sv	6	1	3	12	6	5	13	0	0	31	6	8
Sörling pl	6	9	8	9	0	0	0	10	3	14	20	12
Norfrig Sverige Fusion	0	1	4	86	99	86	0	0	0	86	100	90
Nordic Truck Bodies AB	19	2	1	11	25	22	0	0	0	30	27	24
Gehab Kvalitetspåbygaren A	21	16	15	11	13	12	0	0	0	32	29	27
HIAK	0	0	0	1	0	0	0	0	0	1	1	0
Areco SV	0	0	0	6	3	3	0	0	0	6	3	3
Areco China	6	2	1	0	0	0	0	0	0	6	2	1
Atlings Maskinfabrik	17	10	5	7	5	14	0	3	0	25	18	19
Atling Steady rest	0	0	0	0	0	0	0	0	0	0	0	0
Bollnäs Verkstad Production	5	0	6	7	9	8	3	2	3	15	11	17
Axipto AB	160	176	172	22	20	19	0	0	0	182	196	191
Björkö Mekaniska Verkstad A	92	96	111	15	12	14	0	0	0	107	108	125
Lemont	111	110	120	19	39	36	1	1	1	131	150	158
Svanströms Lackeringar AB	24	24	39	6	14	27	8	0	0	38	38	66
Främestadsverken AB	0	0	21	0	0	19	0	0	1	0	0	41
Sjölanders AB	0	0	0	0	0	0	0	0	0	0	0	0
Inducore	467	446	505	275	336	379	29	17	9	770	799	893

This table shows that Axipto, Lemont and BMA have the most hazardous waste. Axipto has set an activity to find ways to reduce its emissions in 2025. Lemont has included the purchase of an evaporator in its investment budget. PLS and Norfrig account for the largest share of combustible waste and they have no activities to reduce waste by 2025.

Recycled material

In 2023, we began tracking and reporting the volumes of recycled materials across the Group. During that year, 3,632 tonnes of metal, 112 tonnes of wood, and 8 tonnes of plastic were sent for recycling. In 2024, the reported volumes were 2,177 tonnes of metal, 187 tonnes of wood, and 10 tonnes of plastic. As this is a newly introduced reporting category, not all companies have yet begun reporting on all material types, which may impact comparability between years.

Responsibility and governance of material matters

Each company's CEO is ultimately responsible for driving and implementing activities to achieve our goal of this material issue. Follow-up takes place in Inducore's monthly management team meetings and at each company's board meeting, which is held 4 times a year. It is the responsibility of Inducore's sustainability coordinator to communicate the outcome and the forecast for the current year to the companies' CEOs and management teams.

Targets (KPIs)

Our goal is to reduce hazardous waste, as well as waste sent to incineration and landfill, by 20% by 2025, using 2021 as the base year.

In 2024, we made the decision to measure this target relative to gross profit to better reflect our performance in relation to business growth. Based on this approach, we have already achieved a 29% reduction in waste intensity compared to 2021.

Looking ahead, we aim to further reduce waste by 5% per year in relation to gross profit, with a target year of 2030.

Innovating for the future

Technology shift for a sustainable society

A sustainable industry supported by a functional and stable infrastructure is essential to meet future challenges. Our ambition as a group is therefore to raise awareness within the organisation on how investments should be made in order to contribute to sustainable development. Within our Component business, the subsidiaries serving the automotive industry are actively working to increase sales related to alternative fossil-free energy systems. Following a review of ESRG G1 – Responsible Business Conduct, this topic was not identified as a priority area and will be removed from 2025



2024 activities

A shared Code of Conduct and whistleblower has been established and communicated to employees during performance reviews and to key suppliers during supplier evaluations.

Company-specific activities:

Atling: Installed a new lathe and upgraded office ventilation. Purchased an engraving machine, enabling in-house engraving and reducing transport needs. Added a new tool magazine for surgical cutters. Hired a vocational teacher specializing in lathe and milling to support internal training.

Axipto: Installed new ventilation systems. Switched to LED lighting at facilities in Mönsterås and Målilla.

BMA: Continued production expansion in electric and truck divisions. Converted ventilation units in two production halls, staff canteen, and staff room at the Eksjö factory. Replaced lighting with LED in production hall 2. Invested in a new Makino A40 machine, which is significantly more energy-efficient and productive than the older equipment.

BVP: Installed new extractors with improved control systems to lower energy consumption and enhance the working environment.

Främmestadsverken: Acquired by Inducore to establish a strong partnership. Implemented monthly staff updates to improve internal communication.

GEHAB: Replaced facility lighting to LED.

Lemont: Invested in a bandsaw (Lagun) to improve resource efficiency in operations.

Norfrig, NTBS, and PLS: Introduced new policies on business-related hospitality and business travel.

Sjölanders: Upgraded the staff canteen with a new kitchen. Acquired a new electric forklift to reduce emissions..

Innovating for the future cont..

Planned activities for 2025

All companies within the Group will ensure that new employees are introduced to the Group's Code of Conduct and Whistleblower Policy as part of their onboarding process. Significant suppliers will receive the Code of Conduct along with a self-assessment questionnaire, in which they will be required to confirm their compliance with its principles. Most companies will transition to the Monitor G5 ERP system, which includes integrated sustainability features. This system will support the collection of key environmental data, such as material weights, CO₂ emissions, and distances to suppliers. In 2025, we will focus on obtaining detailed data from suppliers who account for at least 25% of the total material volume, as well as from our largest transport carrier, to further improve supply chain transparency and emissions reporting.

Company-specific initiatives:

Axipto: Replace lighting with LED at the Nybro facility. Replace several robots. Implement upgrades for centerless grinding of shafts.

BMA: Continue reconstruction of ventilation systems, covering one additional production hall and office space. Replace lighting with LED in production halls 3 and 4 at the Eksjö factory. Additional LED lighting replacements in other parts of the facility. Invest in two new Makino a40 machines, that are significantly more energy-efficient and productive than the older machines being replaced.

Främmestadsverken: Engage employees in the follow-up and review of cost estimates to increase involvement and awareness.

GEHAB: Replace outdated lighting with LED across production areas.

Lemont: Ordered two new lathes, scheduled to be commissioned in the spring.

Svanströms: Plans to review the powder coating facility and assess the condition or upgrade needs of the wheel loader.

Arencos and Lemont: In the process of upgrading their ERP system to Monitor Generation 5, enabling them to measure the climate footprint of their products and take strategic action to reduce emissions and resource use.

Investment Principles: Ethical investments, also known as Sustainable Responsible Investments (SRI), are directed toward new technologies that support sustainable development and circular material flows.

Investments aimed at improving resource efficiency and machine utilisation contribute to the green transition by supporting increased sales of fossil-free energy systems.

Responsibility and governance of material matters

Each company's CEO is ultimately responsible for driving and implementing activities to achieve our goal of this material issue. Follow-up takes place in Inducore's monthly management team meetings and at each company's board meeting, which is held 4 times a year. It is the responsibility of Inducore's sustainability coordinator to communicate the outcome and the forecast for the current year to the companies' CEOs and management teams.

Our responsibility along the value chain

Focus

At Inducore, we are committed to acting as a responsible business partner across the entire value chain. We take this responsibility seriously and continuously work to uphold high standards in areas such as human rights, environmental stewardship, and ethical business practices. Through ongoing dialogue and collaboration with our suppliers and partners, we aim to ensure that our products and services not only contribute to economic value but also generate positive social and environmental impact. Our commitment extends from the sourcing of raw materials to the delivery of products to end users. Acting responsibly at every stage is a complex and ongoing challenge—one that requires dedication and continuous improvement across the organisation. While we acknowledge that we have not yet reached our long-term goals, we have taken important steps and begun this journey in close cooperation with our customers and suppliers.

1

Materials - In most cases, our suppliers' suppliers source the raw materials used in our input goods. This adds complexity to our value chain and makes it more challenging to ensure responsible practices from both environmental and social perspectives. To address this, we are working to have transparent dialogues with our direct suppliers, approaching the issue from a risk-based perspective.

2

Suppliers - We emphasise ethical conduct, human rights, and environmental responsibility in our supplier relationships. Through open dialogue and collaboration, we aim to ensure our shared values are reflected across the value chain and contribute to positive, sustainable impact.

3

Logistics - We work with suppliers and customers to find efficient, low-emission transport solutions by coordinating deliveries and reducing transport distance and frequency.

4

Own Operations - By making conscious choices in materials, processes, and working conditions, we reduce our environmental impact, support society, and help employees grow. This is key to being an attractive employer now and in the future.

5

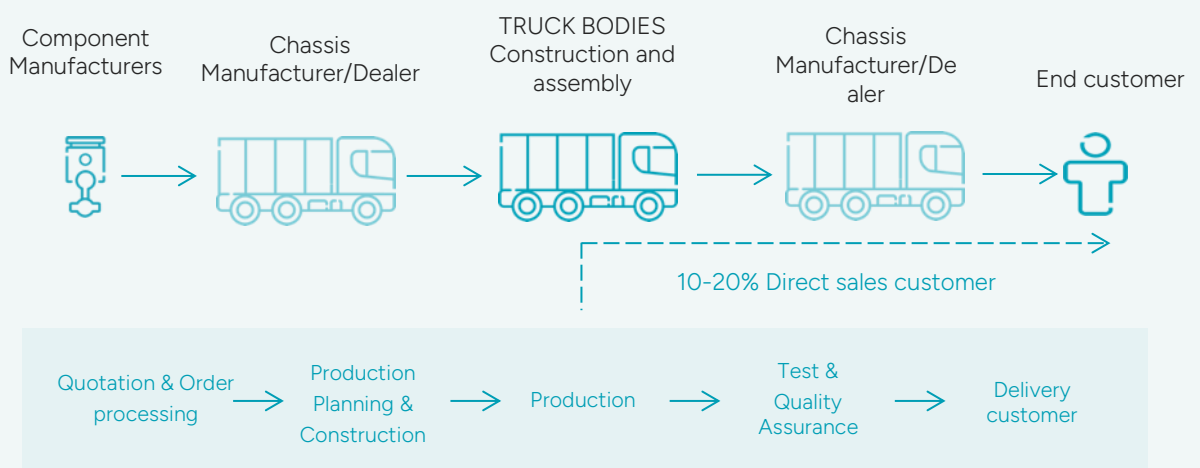
Customers - Growing sustainability demands from customers are both encouraging and crucial for pushing the industry forward. We see an increase in collaborative projects where our expertise is valued. At the same time, price pressure and rising costs remain key challenges, requiring us to balance growth with economic, environmental, and social sustainability.

6

Use of end product - Our products are part of larger systems, so close collaboration with customers is key to ensuring optimal and sustainable solutions for end users.

7

End-of-Life Product Management - We take a life cycle approach to reduce environmental impact at the end of a product's use. By focusing on smart material choices, durable design, and efficient manufacturing, we aim to extend product lifespan and enable repair, reuse, and recycling.



Vår historia

1997-2007

The Group was established when founder Per Vannesjö, through [Amymone Industri AB](#), acquired [Hedemora Industriplast AB \(Hiak\)](#) in Hedemora. In the following years, [Ilsbo Industrier AB](#) in Knivsta, including its subsidiary [J. Sörling AB](#) in Enångers, was acquired and later merged under the name [J. Sörling-Ilsbo](#). Subsequent acquisitions included [Atlings Maskinfabrik AB](#) in Ockelbo and [Arenco AB](#) in Halmstad and Kalmar, including its subsidiary in Shanghai, China: Shanghai [Arenco Machinery Co. Ltd.](#)



2008-2010

Acquired [PLS](#) in Rydaholm and a 50.1% stake in [HIAK Air AB](#).

2011-2013

The Group appointed its first external CEO, Petter Arvidson. Completed acquisitions of [Bollnäs Verkstad Produktion AB](#) in Alfta, [Sala Kaross AB](#) in Sala and [Lemont AB](#) in Ludvika, Grangärde and Morgårdshammar.



2015 – 2016

[Amymone Industri AB](#) changes its name to [Inducore AB](#). [Nordic Truck Bodies Sp. z o.o.](#), is established in Wrocław Poland. [Lemont AB](#) acquired [Svanströms Lackeringar AB](#) in Smedjebacken and [Logweld AB](#) in Nyhammar and Borlänge. Acquired [Axipto AB](#), with operations in Nybro, Målilla, and Mönsterås. [PLS Truck Bodies AB](#) acquired [Norfrig Sverige AB](#), with sites in Tomelilla, Malmö, and Örebro. A joint sales company, [PLS/Norfrig AS](#), is established in Norway. [Sörling AB](#) acquires a 10% stake in Rich Steen AS, Norway. [Arenco AB](#) acquired [Kalmar Verkstadskompetens AB](#).



2017-2023

Magnus Biesse assumes the role of President and CEO of [Inducore AB](#). The operations of [Sala Kaross AB](#) are being phased out. [Logweld AB](#) is merged with [Lemont AB](#). The Group acquired [Björkö Mekaniska AB](#) in Björköby, [BN-Teknik AB](#) in Eksjö, and [Gehab Kvalitetspåbyggaren AB](#) in Alvesta, Ulricehamn and Stockholm..



Trends Impacting Our Business

Trend	Challenges	Opportunities:
Electrification	Truck Bodies: Limited influence on the end customer's choice of powertrain. Vehicles become heavier when equipped with batteries. Increased energy use due to maintenance charging of customer's electric vehicles.	Electric trucks are heavier due to battery systems. By reducing the weight of the truck body, we can increase payload capacity—making it more efficient and appealing to customers. Electric vehicles require regular maintenance charging while in our care to prevent battery degradation. This creates a business opportunity to offer charging as a value-added service.
	Components: The automotive industry is a major customer group; internal combustion engines are still the main application.	Drive growth by increasing sales of vehicles with electric powertrains. Maintain flexibility to adapt as other manufacturers phase out production due to low volumes—creating opportunities to expand our product offering. Projections suggest that 50% of internal combustion engine production will still remain by 2030. Björkö is experiencing strong interest from the electric vehicle sector and is engaged in several ongoing projects. Have plans to strengthen outreach and customer engagement efforts, with a coordinated approach across the Group.
Policy and regulatory developments	Truck Bodies: Legislative changes that negatively impact the manufacturing and transport industries, such as adjustments to EU regulations that do not align with Sweden's road network in terms of weight and dimensions..	Maintain regulatory leadership position and support end customers in navigating an increasingly complex legal landscape.
	Components: Legislative changes have created challenges for key industries—including automotive, energy, construction, mining, infrastructure, and forestry—due to inconsistent policy direction. Shifting political priorities, from ethanol to diesel to electric vehicles, reflect a pattern of short-term thinking that impacts long-term planning.	Maintain a forward position in regulatory compliance
	System Solutions: Reductions in fishing quotas may directly impact demand for Arenco's machinery. Arenco's facility in China is on leased land, with the current lease set to expire in 2025. Negotiations for renewal are underway. Should relocation be required, it could present significant challenges, particularly in retaining personnel.	Stay well-informed about developments in the fishing industry

Trends Impacting Our Business

Trend	Challenges	Opportunities
Geopolitical instability and unrest	Truck Bodies: Uncertainty surrounding the ongoing conflict in Ukraine, tensions with Russia, and the unpredictability of the new U.S. administration—may lead to supply chain disruptions and potential shortages of input materials.	Flexible organisations capable of rapidly adjusting plans and adapting production flows are essential in today's dynamic environment. Demand for materials from the defence sector is increasing.
	Components: Uncertainty surrounding the ongoing conflict in Ukraine, tensions with Russia, and the unpredictability of the new U.S. administration—may lead to supply chain disruptions and potential shortages of input materials.	Emerging markets are creating new opportunities, particularly driven by growing demand from the defence sector. In addition, sales to pump manufacturers are increasing in response to rising market needs.
	System Solutions: Sanctions limit the ability to deliver products to certain countries. Additionally, some machines have been sold to regions experiencing internal unrest, resulting in delivery delays or cancellations.	Expand to new markets. Demand for materials from the defense sector is increasing.
Skills shortage	Attracting skilled talent is becoming increasingly difficult. Nearly 50% of the working-age population is not considering careers in our industry, creating a significant recruitment gap. The average age of employees is rising, and a wave of upcoming retirements poses the risk of losing valuable expertise. Staff turnover is an ongoing concern.	Create meaningful opportunities for young adults by collaborating with schools and local municipalities. Strengthen partnerships with colleges and universities to build a future talent pipeline. Provide internal training and trainee programs to ensure knowledge transfer and prepare for upcoming retirements. Position Inducore as an attractive employer by offering a safe, inclusive, and supportive work environment that appeals to all—regardless of gender.

Building Sustainable Businesses with Profitable Growth

Christer Parkegren



"Sustainability in all three main aspects; People, Environment and profitability"

Message from the Chairman of the Board

After nearly a year as Chairman of Inducore, I am pleased to see the deep expertise across our organisation. I've had the opportunity to meet and be introduced to nearly all of the companies in our decentralised group, and the experience has been overwhelmingly positive and welcoming. It's clear that there is a strong drive to enhance competitiveness and optimise operations across the board.

During the year, the owners clarified the Group's ownership guidelines, establishing long-term goals that include reaching SEK 4 billion in revenue with a profit margin (EBT) of at least 6 percent by the 2028 financial year. As an industrial group, we are equally committed to contributing positively to society—through both our operations and our approach—anchored in responsible, long-term ownership. To bring these ambitions to life, we have begun the important task of translating Group-level goals into actionable strategies for each business area and subsidiary. This work has resulted in tailored business plans with clearly defined strategic initiatives. Key building blocks of our continued progress include fostering an entrepreneurial mindset within our leadership teams and CEO's and encouraging greater collaboration and knowledge-sharing across the Group.

We are also putting sustainability as a top priority. A major Group effort was made in 2024, conducting a double materiality assessment, to better understand our key impact areas and refine our priorities. These will be followed up on and will guide us toward more sustainable practices in the coming years.

A word from the CEO

In 2024, we continued to strengthen our commitment to sustainable development, with a focus on people, the environment, and profitability. Our strategy has been to integrate sustainability across all parts of the business – from production to the supply chain – to ensure long-term success and a positive impact on society.

2025 has been an eventful year, with both challenges and successes. Several companies experienced record-high order volumes and backlog, and we've made significant progress in strengthening gross margins throughout the year.

As a Group, we've reached record levels in both revenue and profit. We are well-positioned heading into 2025, although we approach the year with cautious optimism. We must remain agile in the face of changing market conditions affecting customer demand.

Even though global challenges are rising – weak economic outlook, geopolitical tensions, inflation and trade tariffs – posing risks to our supply chains, our decentralized business model enables faster decision-making and better adaptability, which remain key to our continued success.

Personally, I believe it's more important than ever that we, as a group, take a leading role in driving sustainable development in our industry. By integrating ESG considerations across the entire value chain, we are confident that sustainability will be the key to our future success.



Magnus Biesse

We look forward to continuing our journey toward a more sustainable future and achieving our long-term ambitions to reduce our environmental impact, strengthen our social responsibility, and continue delivering economic value to all our stakeholders.

I would like to sincerely thank all employees and stakeholders for your commitment and valuable contributions throughout 2024. Let's look ahead to a successful and forward-focused 2025, together.

Corporate Governance

at Inducore

Inducore is part of the Amymone Group, comprising 38 companies. Corporate governance follows the Swedish Companies Act, with the Board of Directors serving as the highest governing body, elected by the Annual General Meeting (AGM). The Inducore Board consists of eight members—six men and two women—responsible for overseeing operations, organisational structure, and long-term strategic development. The Chairman manages the Board and its activities, liaises with the CEO and ensures effective governance. Board performance, including sustainability efforts and evaluation of potential conflicts of interest, is reviewed by Amymone's Board. No conflicts of interest were reported in 2024. The Board is also responsible for reviewing and approving the company's reporting, including its material sustainability issues.

Responsibilities of the Board

Inducore's remuneration policy is determined by the Board of Directors, which sets and evaluates targets four times per year, with a more comprehensive analysis conducted annually. The Board decides the CEO's compensation annually and delegates the responsibility for setting targets and remuneration for other senior executives within the Group to the CEO.

The Board holds ultimate responsibility for developing and establishing strategies, as well as defining the division of responsibilities between the Board and the CEO. This ensures that strategies, policies, and sustainability goals are implemented as planned, and that conflicts of interest are avoided. The CEO provides monthly KPI updates to the Board, with evaluations and action plans presented quarterly.

Ongoing sustainability competency training is conducted through external analysis and regular reporting from the Group's Sustainability Officer within the ownership group.

Each operating company is managed by its own leadership team, with each company determining the composition of its management. As of 2024, a total of 102 individuals were part of the Group's leadership teams, of whom 25% were women.

In the 2024 financial year, Christer Parkegren succeeded Per Vannesjö as Chairman of the Board. The Board remains ultimately responsible for sustainability reporting. A Sustainability Committee was formed within the Board, consisting of two members tasked with enhancing sustainability expertise.

The responsibility for sustainability issues has been delegated to the CEO and the Group Management Team, with further delegation to respective operational managers, who ensure information meetings are held for all employees.

Any critical issues are reported to the Board on a monthly basis. A whistleblower policy and function are in place and one whistleblower case was reported in 2024 (Page 14).

The Group's CEOs participate in a CEO Council, which oversees the direction, targets, and initiatives related to sustainability for each company. The council meets quarterly to share experiences, follow up on goals, and discuss relevant issues.

There is also a Sustainability Council, which includes:

The Sustainability Director of sister group ANVA Industries, Binella Vannesjö

One additional representative from ANVA

Two representatives from sister group PVI

Inducore's Sustainability Coordinator and two other Inducore employees

The Sustainability Council has an advisory role, providing documentation and information to support sustainability efforts throughout the organization.

Evaluation of the Board of Directors

The performance of the Board, as well as that of the CEO and the Chairman, is evaluated annually through a systematic and structured process involving interviews and external expertise. The purpose is to provide a solid foundation for the Board’s own ongoing development efforts. The evaluation covers areas such as working methods, overall effectiveness, competence and activities during the year. Feedback is provided to the Board annually once the results have been compiled.

Sustainability strategy objectives

The primary objective of our sustainability strategy is to ensure long-term competitiveness while actively contributing to the global transition toward a more sustainable future. Our customers are at the forefront of sustainability, and we are committed to growing and innovating alongside them. As an active part of the societies in which we operate, we aim to lead by example, demonstrating that growth in the industrial sector and sustainability can go hand in hand.

Sustainability strategy

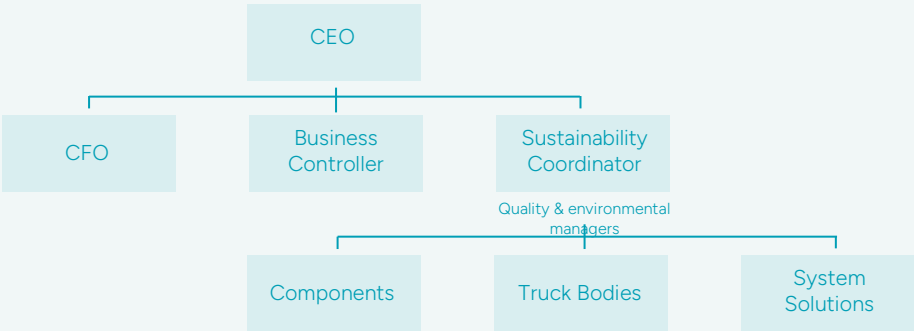
The foundation for long-term development and success as an industrial group lies in having engaged employees who act responsibly, and in sustainable business practices that include both ecological and economic resource optimisation across the entire value chain. As an industrial group, we take a long-term approach to both contract manufacturing and in-house operations, where we have the ability to influence the entire production process—from initial specifications to full-scale serial production. Sustainability is a central part of our business strategy, with the goal of continuously improving our operations in light of social, economic, and environmental factors. Between 2021 and 2024, we carried out extensive sustainability efforts, establishing clear goals and action plans, which were followed up and reported in this 2024 Sustainability Report. In 2024, we conducted a double materiality assessment in accordance with the EU CSRD directive, which will serve as the foundation for our reporting for the 2025 financial year

Our approach to sustainability

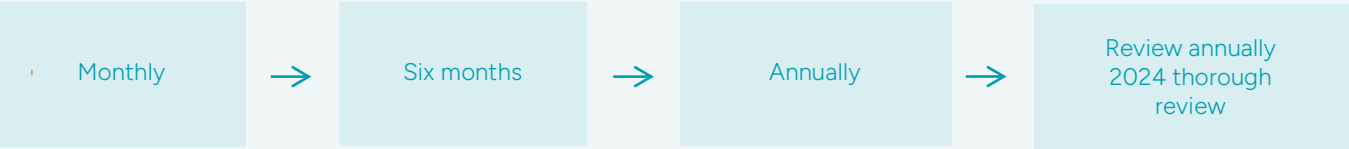
Our sustainability work is rooted in a decentralised organisational model and is primarily driven through our subsidiaries’ boards of directors, supported by a shared Code of Conduct, group-wide policies and guidelines, as well as training initiatives and data monitoring. Each subsidiary CEO and management team holds the operational responsibility for driving sustainability within their company and for integrating sustainability considerations into business models and strategic plans. Each subsidiary Board of Directors carries the ultimate responsibility for ensuring that the company complies with its own and the Group’s guidelines and policies.

Governance and organisation

Inducore's Group Management prepares an annual strategic plan covering the upcoming three-year period, which includes strategies, action plans, and targets for sustainability activities. Group Management is responsible for approving and continuously monitoring activities and objectives throughout the year. The Group Sustainability Coordinator, in collaboration with the CEOs of the subsidiaries, oversees and drives the sustainability work forward and reports progress to the Group CEO. Decisions related to overall strategies and direction are made by the Group Management Team.



Interval



Activities



Sustainability Coordinator

The Group has appointed a Sustainability Coordinator to oversee sustainability reporting across the organisation. Each company’s CEO or site manager is responsible for collecting and inputting their sustainability data—including GHG emissions—into a standardised template, which is then uploaded to the Group’s Cognos database. Cognos consolidates both financial and sustainability data across the Group and supports the production of KPI reports used in regular review and Board meetings, held six and four times per year, respectively. The Group CEO and subsidiary CEOs participate in these meetings. In addition, biannual follow-up meetings with the Sustainability Coordinator are held in the spring and autumn.

Ongoing Stakeholder Engagement

We maintain ongoing dialogue with our key stakeholders.

Suppliers: We maintain ongoing dialogue with suppliers through evaluations, questionnaires, and self-assessments. Each company within the Group currently follows its own supplier evaluation procedures. To improve consistency, the Sustainability Council has developed a proposal for a standardised, Group-wide evaluation process. Beginning in 2024, all companies are required to report the number of suppliers evaluated and the response rate. The Inducore Code of Conduct (<https://www.inducore.se/koncernen/code-of-conduct>) must be included as part of the evaluation process. The proposed evaluation includes questions relevant to our sustainability efforts and assesses whether suppliers comply with our Code. We have also conducted in-depth dialogues with five of our largest suppliers.

Customers: Conversations, customer focus groups and surveys are conducted by each company in the Group. In customer focus groups, clients are invited to evaluate or help develop a product. In 2024, an in-depth dialogue was carried out with seven of our largest customers.

Employees: Annual performance reviews and an annual employee survey are conducted across all companies within the Group. Each company is responsible for distributing the survey to its employees and for collecting and evaluating the results, particularly regarding the physical and psychosocial work environment. See results in the chapters on Diversity and Inclusion (pages X-X) and Safe and Secure Workplaces (pages X-X). A targeted survey was sent to our youngest employees to better understand what we need to improve to remain an attractive employer for the future. Unfortunately, the response rate was very low, so the results were inconclusive..

Owners, Municipalities, Banks: A new ownership directive was developed in 2024. Each individual company maintains dialogue with its local municipality, while the Group CEO and the owners engage in dialogue with the banks. Beyond these interactions, we have not identified a need for a formalised stakeholder dialogue with these groups.

Evaluation

Evaluation of the year’s work and planning of future activities are carried out at the Group’s CEO meetings, which are held four times per year.

Risk Management — — at Inducore

Inducore's companies have suppliers and customers across multiple countries, which introduces risks related to the environment, human rights, and corruption. Our shared Code of Conduct for employees and suppliers serves as a guiding document that helps us make the right decisions in challenging situations. Our risk management process provides the tools to raise awareness of the most critical risks within the organisation and to establish a shared understanding of how these risks should be prevented and managed.

We conduct annual evaluations of suppliers who have a significant impact on our production, assessing them across all relevant sustainability, quality, and risk dimensions.

Our companies are certified under several recognised standards, including ISO 9001 (quality management) and ISO 14001 (environmental management), which ensures that risk management is embedded in daily operations. Each company within the Group has developed its own structured system to identify and evaluate risks and opportunities, tailored to their specific activities and operational environments.

ISO 9001
ISO 14001

Risk Management

Issue	Impact: Risks and Opportunities - People and the environment
ESRS S1 - Own Workforce - Health & Safety - Secure employment and Health and Safety	<p>Risks: Insecure employment. Unregulated or excessive working hours may cause health issues and burnout. Low or unfair wages can result in dissatisfaction and reduced productivity. Poor work-life balance may decrease job satisfaction and increase absenteeism. Lack of clear routines and safety controls can lead to health risks and workplace accidents. Insufficient resources or competence may impact operational performance. Inequality in the workforce can lead to discrimination and lower inclusion. Presence of violence or harassment creates an unsafe work environment. Lack of protection for personal privacy may result in dissatisfaction and loss of trust.</p> <p>Opportunities: Secure employment attracts and retains skilled workers. Healthy working hours improve employee well-being and productivity. Fair and competitive wages help attract and retain talent. Effective social dialogue enhances the work environment. Work-life balance supports productivity. Investment in health and safety reduces accidents and sick leave. Equality strengthens workplace culture and inclusiveness. Training and skills development boost engagement and performance. Preventing violence and harassment creates a safer work environment. Protecting personal privacy enhances security and trust.</p>

Impact: Risks and Opportunities - Financial

Risk: Companies may face fines or sanctions if they fail to meet the requirements of ESRS S1, which can result in increased costs and negatively affect profitability. Inadequate reporting or negative outcomes in sustainability reports can damage the company's reputation. Companies that do not adapt to sustainability standards risk losing market share to more sustainable competitors, which can negatively impact revenues. Failure to identify and manage sustainability-related risks may lead to operational disruptions and higher costs. Investors and lenders may become more cautious in financing companies that do not meet sustainability standards, potentially affecting the company's flow of capital.

Opportunities: Companies that comply with ESRS S1 requirements can attract more investors who prioritize sustainability, thereby improving access to capital. A strong focus on sustainability can drive innovation and support the development of new products and services that meet the growing market demand for sustainable solutions. Organizations that actively report and engage in sustainability efforts can build a stronger brand, which may lead to greater employee loyalty and stakeholder trust in the long-run.

Risk management

Most companies within the Group are manufacturers, which inherently involves risks related to material processing—including heavy lifting, and cuts, burns, and crush injuries. There are also risks to end users, particularly involving physically demanding tasks and potential for accidents. We operate surface treatment processes and use cutting fluids, which means we work with solvents and particles that can pose risks to both human health and the environment. We conduct ongoing risk assessments and take a proactive approach to identify and implement risk-reducing solutions. We maintain a continuous dialogue with customers to improve and develop our products. We have invested in technologies and processes to reduce the consumption of cutting fluids, solvents, and paint, while ensuring minimal environmental impact without compromising product quality. We have installed improved ventilation systems at several production facilities to ensure cleaner indoor air and a safer working environment.

Risk Management

Issue	Impact: Risks and Opportunities - People and the environment
ESRS S1 - Own Workforce - Training, Skills Development & Diversity	<p>Risks: A lack of training and skills development can result in lower employee competence and reduced competitiveness, which may negatively affect the work environment. It can also mean that employees are not up to date with the latest methods, instructions, or technologies, leading to lower efficiency and a higher risk of errors. A lack of diversity may lead to a homogeneous workforce, limiting innovation and personal development. A homogenous workforce may also reduce the organization's ability to adapt to change and meet new challenges effectively.</p> <p>Opportunities: Investing in training and competence development can increase employee engagement, loyalty, and efficiency. Investing in training and competence development can increase employee engagement, loyalty, and efficiency. Diversity enhances employees' ability to consider different perspectives, which can drive innovation and creativity. This not only improves the work environment but also strengthens the sense of inclusion and belonging among employees. Greater creativity and a variety of viewpoints can positively impact both individual development and the overall progress of the organization.</p>

Impact: Risks and Opportunities - Financial

Risks: Companies may face fines or sanctions if they fail to comply with the requirements of ESRS S1, which can lead to increased costs and negatively impact profitability. Insufficient reporting or poor performance in sustainability reports can damage a company's reputation. Organisations that do not adapt to sustainability standards risk losing market share to more sustainable competitors, which can adversely affect revenue. Failure to identify and manage sustainability-related risks may result in operational disruptions and higher costs. Investors and lenders may become more cautious about financing companies that do not meet sustainability criteria, potentially limiting access to capital.

Opportunities: Companies that meet the ESRS S1 requirements may attract more investors who prioritise sustainability, thereby increasing capital access. A strong focus on sustainability can also drive innovation and the development of new products and services that meet growing market demand for sustainable alternatives. Firms that actively report and engage in sustainability initiatives can build a stronger brand, which may lead to greater employee loyalty and improved stakeholder trust.

Risk Management

Our companies place strong emphasis on training and skills development, as we believe this leads to greater motivation and engagement, reduces the risk of accidents and injuries and ensures a well-informed workforce that can better understand and respond to both business and customer needs. We believe active investment in employee development enhances our employer brand, helping us attract, retain and grow talent over time - contributing to the long-term development of our companies. A broad skillset allows individual employees to be more flexible, capable of adapting to different tasks based on operational needs, which in turn supports greater job security. The manufacturing industry today remains male-dominated and is reflected in our operations. We are committed to changing this by becoming a more attractive workplace for women. This fosters a more diverse and enriched work environment and allows us to tap into a larger share of the available talent pool.

Risk Management

Issue

Impact: Risks and Opportunities - People and the environment

ESRS S1 - Climate Change - Greenhouse Gas Emissions and Energy Use

Risk: Climate change is leading to rising temperatures and more frequent extreme weather events, which can cause health issues such as heatstroke, respiratory problems, and the spread of infectious diseases. The increasing frequency of events such as severe storms, floods, and snowstorms may result in production disruptions due to temporary shutdowns caused by damage or unsafe working conditions. These events can also lead to transport delays and raw material shortages. Changes in the climate pose a threat to biodiversity and ecosystem services. The loss of habitats and altered ecosystems may lead to species extinction and a decline in ecosystem functionality, which directly impacts food production and water supply.

Opportunities: Rising awareness of climate change is driving innovation in areas such as renewable energy, energy efficiency, and sustainable technologies. Companies that invest in these areas can benefit from new markets and business opportunities. By implementing sustainable practices, businesses can both reduce greenhouse gas emissions and contribute to economic growth. Sustainable investments can create new jobs and stimulate the economy, while adaptation strategies can make communities more resilient to climate impacts. Climate change has also heightened environmental awareness among both consumers and businesses. This engagement is creating increased demand for sustainable products and services, encouraging companies to adjust their business models in response.

Impact: Risks and Opportunities - Financial

Risks: Climate change may result in extreme weather events, rising sea levels, and the loss of biodiversity. These physical risks can affect assets, production capacity, and supply chains, which in turn can impact a company's profitability and financial stability. As the world transitions toward a low-carbon economy, companies that fail to adapt to new regulations and expectations may face significant financial risks. Companies are impacted by the introduction of carbon pricing and emissions regulations, changes in tax legislation, and declining demand for fossil fuels. Companies that do not actively work to reduce their carbon emissions risk suffering from negative publicity and a loss of trust among customers and investors, which could affect share prices and long-term profitability.

Opportunities: Companies that invest in sustainable technologies and solutions stand to benefit from new business opportunities and emerging markets. Green technology, renewable energy, and energy efficiency are increasingly in demand and can generate new revenue streams. There is growing interest from investors in supporting companies with robust sustainability strategies. By aligning with climate goals, businesses can attract green investments and favorable financing terms. Companies that take a proactive approach to climate change can differentiate themselves in the market, strengthening relationships with customers and partners, increasing brand loyalty, and improving their overall brand image.

Risk Management

Our production facilities are located in regions not currently affected by climate change, and the overall climate impact from Inducore's operations—primarily involving the processing and refinement of input materials—is relatively low. However, we are committed to continuous improvement and have set ambitious climate goals that are embedded throughout our operations. We also strive to source locally wherever possible, further reducing our environmental footprint.

Our key focus areas:

Reducing greenhouse gas emissions

Lowering energy consumption

Risk Management

Issue

Impact: Risks and Opportunities - People and the environment

ESRS E5 - Circular economy

Risks: Changes in laws and regulations concerning waste management and resource use can create uncertainty for manufacturing companies, which may need to rapidly adapt their processes to meet new requirements. A lack of standardisation within the circular economy can lead to confusion and inconsistent application of guidelines. The transition to circular processes may also impact employment, especially if certain job roles or skillsets become redundant, potentially leading to unemployment and social resistance. There is a risk of inequality if all groups in society do not have equal access to training and resources needed to adapt to new methods of working. If circular processes are not implemented correctly, they may have unintended environmental consequences, such as increased emissions or contamination of resources is a significant issue amongst employees and customers. While we are able to impact and reduce material use by designing smarter and minimising waste, in some cases, our ability to influence the end product is limited. This is because we often receive input materials specified by our customers, who determine the final product design and content, as we are typically just one part of a larger manufacturing chain.

Opportunities: Companies that invest in circular processes can become sustainability leaders, attracting customers who prioritise environmentally friendly alternatives. The potential for innovation in material recycling and product design can lead to the development of new products and services. By engaging local communities in circular initiatives, companies can strengthen community relations and raise awareness around sustainability. Circular economy practices that focus on waste reduction and resource optimisation can contribute to lower carbon emissions and a cleaner environment. Additionally, recycling and reusing materials reduces the need for new raw material extraction, helping to protect ecosystems and preserve biodiversity.

Impact: Risks and Opportunities - Financial

Risks: The circular economy can reduce dependence on virgin raw materials through reuse and recycling, which helps minimise exposure to price volatility and material shortages that could impact costs and profitability. As regulations surrounding waste management and sustainability continue to increase, companies that fail to adopt circular principles may face fines or other penalties. Implementing circular strategies can act as a buffer against such risks. Companies that ignore circular principles may suffer from negative publicity and a loss of customer loyalty. As consumers become more aware of sustainability issues, failure to adapt can result in declining sales and reputational damage.

Opportunities: By optimising resource use and reducing waste, companies can lower production costs. Recycling and reusing materials can lead to significant savings. The circular economy also enables innovative business models such as product-as-a-service, including leasing or rental, which can create new revenue streams and increase customer loyalty. Investments in circular solutions can also attract green bonds and sustainability-focused funds, improving access to capital on favorable terms. Circular strategies enhance a company's resilience to external shocks, including climate change and global supply chain disruptions, supporting more stable financial performance over time.

Risk Management

There is a strong focus on this area among employees and customers. We can influence and reduce material consumption by designing smarter and getting things right from the beginning, leading to less waste. However, for some products, our ability to make changes is limited, as we often receive input materials specified by our customers, who determine the design and content of the final product, and because we are typically only a small part of a larger system. By reducing material usage and minimising errors, we can significantly decrease leftover materials and production waste. In this way, even though we play a small part in the overall production, we can still make a meaningful impact. (See Focus Areas on pages 12-35).

Risk Management

Issue

Impact: Risks and Opportunities - People and the environment

ESRS G1 - Responsible business conduct

Risks: An unfavorable corporate culture can lead to high staff turnover, reduced productivity, and low employee morale, all of which may negatively impact the company's reputation. A strongly conservative culture may create resistance to change and innovation, potentially causing the company to fall behind competitors. Companies involved in corruption or bribery face the risk of severe reputational damage. Negative publicity can spread quickly, undermining customer trust and leading to declining sales and loyalty. Involvement in corruption can also result in legal action, including fines and criminal penalties for both the company and its employees, along with long-term legal costs and uncertainty.

Opportunities: A positive company culture that prioritizes employee well-being and engagement can enhance loyalty and reduce staff turnover. An inclusive and open workplace culture promotes creativity and innovation by encouraging diverse perspectives and ideas, which may lead to the development of new products and services. A transparent and responsible corporate culture strengthens trust among investors, customers, and society, fostering stronger business relationships and improved customer loyalty. By actively working to prevent corruption and establishing clear ethical guidelines, companies can build a strong reputation as responsible actors, further enhancing trust and customer loyalty.

Impact: Risks and Opportunities - Financial





Risks: A negative corporate culture can lead to high employee turnover, resulting in increased recruitment and training costs. It can also reduce productivity, which may negatively affect revenue. Companies with a poor internal culture risk facing negative publicity and brand damage, which can lead to decreased customer loyalty and loss of sales. An unhealthy corporate culture may also foster unethical behavior, which can result in legal penalties and fines. The costs associated with legal disputes and damages can be significant.

Opportunities: A positive corporate culture that promotes employee engagement and well-being can lead to higher productivity. Employees who feel valued and enjoy their work environment tend to be more motivated and perform better. Companies with a strong and positive culture are more likely to attract and retain top talent, which helps reduce recruitment costs and builds a more resilient workforce. Organizations that care for their employees and demonstrate a responsible corporate culture can build stronger relationships with customers, contributing to increased customer loyalty and long-term revenue growth.

Risk Management

By focusing on developing a positive and sustainable corporate culture, we can not only improve our internal operations, but also contribute to a more sustainable future. A whistleblower policy has been established and communicated across the entire organisation, and is also publicly available on our websites. We primarily work with long-term partnerships and adhere to established rules and protocols. We have effective internal systems in place to manage supplier relationships, which are maintained on a daily basis..

Inducore's Contribution to United Nation's Global Goals

Global Goal	Goal/Milestone	What we do?	Page
	Good Health & Well-being	<p>Good health is a fundamental prerequisite for people to reach their full potential and to contribute to the development of society. As an industrial group, we aim to create safe and healthy workplaces where our employees thrive and feel well. No one should have to risk their health or safety by working for us or in partnership with us. We are committed to fostering a positive and inclusive work environment, where all employees and everyone working with us feel welcome, motivated, and valued.</p>	19-20
	<p>Ensure inclusive and equitable quality education</p> <p>4.4 Increase the number of people with relevant skills for financial success;</p> <p>4.7 Education for sustainable development and global citizenship</p>	<p>The global education system must meet people's needs throughout life—from early childhood and primary education to secondary and higher education—and provide equal opportunities for lifelong learning that support participation in both the workforce and society. Education is the key to prosperity, opening up a world of possibilities that enables each of us to contribute to a sustainable society. As an industrial group, we aim to be an attractive employer by offering inspiring workplaces where employees are given meaningful influence over matters that affect their work environment..</p>	14-16
	<p>Achieve gender equality and empower all women and girls</p> <p>5.5 Ensure full participation in leadership and decision-making</p>	<p>Equality between women and men is a prerequisite for sustainable and peaceful development. For us, gender equality is about a fair distribution of power, influence and resources. All forms of violence, discrimination and harmful practices against women and girls affect both the individual and our entire society. It has been proven time and time again in history that political, economic and social equality between women and men contributes to all dimensions of sustainable development. We as an industrial group must protect and equality, which is crucial for people and societies to develop their full potential. As an industrial group, we must ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making</p>	13-17
	<p>Ensure access to affordable, reliable, sustainable and modern energy for all</p> <p>7.2 Increase global percentage of renewable energy;</p> <p>7.3 Double the improvement in energy efficiency</p>	<p>Human impact on the climate is largely driven by how we extract, convert, and use energy. Today, renewable energy solutions are becoming more affordable, reliable, and efficient every day. By changing how we produce and consume energy, we can ensure universal access to electricity and energy services—without harming the planet. As an industrial group, we can contribute by improving energy efficiency at our facilities and transitioning to renewable energy sources, while phasing out fossil fuels such as coal, oil, and natural gas. Our goal is to significantly increase the share of renewable energy in our overall energy mix by 2030. Additionally, we aim to double the rate of improvement in energy efficiency across our facilities by the same year.</p>	23-28

Inducore's Contribution to United Nation's Global Goals

Global Goal	Goal/Milestone	What we do?	Page
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Decent Work and Economic Growth
8.1 Sustainable economy growth;
8.4 Improve resource efficiency;
8.6 Promote youth employment;
8.8 Protect labour rights

Good health is a fundamental prerequisite for people to reach their full potential and contribute to the development of society. As an industrial group, we are committed to creating safe and healthy workplaces where our employees can thrive and feel well. No one should have to risk their health or safety by working for us or in collaboration with us. We aim to foster a positive and supportive work environment, where all employees and everyone working within our organisation feel welcome, valued, and motivated.

1-33



Industry, Innovation & Infrastructure
9.2 Promote inclusive and sustainable industrialisation;
9.4 Upgrade all industries and infrastructures for sustainability

A functioning and stable infrastructure is the foundation of successful societies. To meet the future challenges we face, our industries and infrastructure must become inclusive and sustainable. In the transport sector, road traffic accounts for 93% of greenhouse gas emissions, with passenger vehicles alone responsible for 60%. As an industrial group, we can support the transition by optimising both our internal and external logistics flows, choosing energy-efficient modes of transport, environmentally friendly fuels, and implementing energy-saving measures, while actively working to eliminate unnecessary transport. We are committed to contributing to the strengthening of infrastructure and the transformation of the industry toward sustainable and efficient resource use.

22-33



Responsible Consumption & Production
12.4 Responsible management of chemicals and waste
12.5 Substantially reduce waste generation

Genom att skapa goda förutsättningar för innovation och entreprenörskap och samtidigt säkerställa anständiga arbetsvillkor gynnas en hållbar ekonomisk tillväxt. Våra medarbetare utgör fundamentet i vår långsiktiga framgång vilket är en förutsättning för att kunna behålla kompetens och rekrytera i en marknad som kännetecknas av högsta konkurrens. Vi som industrikoncern ska vara en attraktiv arbetsgivare genom att erbjuda kreativa arbetsplatser där våra medarbetare ges rimligt inflytande inom de områden som påverkar deras arbetsplats.

30-32



Climate Action

Take urgent action to combat climate change and its impact

23-28

Today, transport accounts for approximately one-third of Sweden's greenhouse gas emissions, with the majority attributed to road transport. While our external freight is largely managed by customers and suppliers, both upstream and downstream, we can collaborate to choose modes of transport with lower environmental impact. Within our own operations, we have the ability to reduce transportation needs and opt for fossil-free vehicles, while also promoting climate-smart travel alternatives such as train, cycling, or public transportation.

GRI-Index

GRI-standard	Enlightenment	Side	Omission		
			Requirement Omitted	Reason	Explanation
General information					
GRI 2: General Information 2021	2-1 Information about the organization	4-11, 29-33			
	2-2 Companies included in the organisation's sustainability reporting	8			
	2-3 Reporting period, frequency and point of contact	3			
	2-4 Revised information	3			
	2-5 External review	3			
	2-6 Activities, value chain and other business relationships	15-17,19, 24-27, 30-31			
	2-7 Employees	17			
	2-8 Workers who are not employees	N/A		Missing data	
	2-9 Structure and composition of the Board of Directors	34-36			
	2-10 Nomination and election of the highest governing body	34 33			
	2-11 Chairman of the Board				
	2-12 The role of the highest board of directors in overseeing impact management	34-36 39-40			
	2-13 Delegation of responsibility for managing our impact	39-40			
	2-14 The Board's role in sustainability reporting	39			
	2-15 Conflicts of interest	39			
	2-16 Communication of critical issues	39			
	2-17 Collective Knowledge of the Supreme Governing Body	39			
	2-18 Evaluation of the performance of the highest governing body	39			
	2-19 Remuneration Policy	35			
	2-20 Process for determining compensation	Sekr. bur.	Level of compensation.	With reference to the size of the company and non-listed status	
	2-21 Annual Total Replacement Rate	38			
	2-22 Statement on the Sustainable Development Strategy	38			
	2-23 Policys	38			
	2-24 Policy commitments				
	2-25 Processes to address adverse effects	38			
	2-26 Mechanisms to seek advice and raise concerns	13			
	2-27 Compliance with Laws and regulations	13			
	2-28 Member associations	N/A		Missing data	
	2-29 Approach to Stakeholder engagement	40			
	2-30 Collective agreement	13			

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Material issues

3-1 Process for determining material issues	9-11
3-2 List of essential issues	10
3-3 Handling of material issues	10-33

Environmental sustainability

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3-3 Handling of material issues	29	
302-1 Energy consumption within the organization	26	
302-2 Energy consumption outside the organization	N/A	Not calculated
302-3 Energy intensity	24	
302-4 Reduction of Energy consumption	26	
302-5 Reduction of energy demand for products and services	N/A	Not calculated
3-3 Handling of material issues	28	
305-1 Direct (Scope 1) greenhouse gas emissions	23-25	
305-2 Energy Indirect (Scope 2) greenhouse gas emissions	24	
305-3 Other indirect (Scope 3) greenhouse gas emissions	N/A	Not calculated
305-4 GHG Emission Intensity	N/A	Not calculated
305-5 Reduction of greenhouse gas emissions	23-25	
305-6 Emissions of ozone-depleting substances (ODS)	N/A	No emissions of ozone-depleting substances
305-7 Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions	N/A	No emissions of NOx and SOx
3-3 Handling of material issues	31	
306-1 Waste generation and significant waste-related impacts	N/A	Not calculated
306-2 Handling of significant Waste-related effects	30-32	
306-3 Generated waste	30-32	
306-4 Waste diverted from disposal	N/A	Not calculated
306-5 Waste for disposal	30-32	

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GRI 404
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education
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Equal
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Work environment and safety					
3-3 Handling of material issues	17				
403-1 Management systems for Work environment and safety	Internal management systems for work environment and safety are in place				
403-2 Identification of hazards; Risk assessment and incident investigation	16				
403-3 Occupational health care	14 Occupational health care in Sweden, data is missing for other countries				
403-4 Worker participation, Consultation and communication on health and safety at Workplace	41				
403-5 Workers' training health and safety at work	19				
403-6 Promotion of workers' health	19-20				
403-7 Prevention and Mitigation of Work Environment Impacts directly linked to business relationships	19-20				
403-8 Workers subject to a health and safety management system	Internal management systems for work environment and safety are in place				
403-9 Work-related injuries	20				
403-10 Work-related ill health	20				
3-3 Handling of material issues	18				
404-1 Average number training hours per year and employee	14				
404-2 Upgrade Program employees' skills and transitional support	14				Not calculated
404-3 Percentage of employees who receive regular performances and Career Development Reviews	N/A				
3-3 Handling of material issues	16				
405-1 Diversity in Governing Bodies and employees	16				
405-2 Ratio of basic pay to remuneration for women and men	16 Salary survey conducted in Sweden, data missing for other countries.				

Inducore AB (556546–6835) presents its Sustainability Report for 2024. It covers all entities included in the consolidated financial statements and reflects our performance during the period 1 January – 31 December, 2024. This sustainability report, now in its second year, has been prepared in accordance with the GRI Foundation 2021 and the Annual Accounts Act. The Sustainability Report has been approved by the Board of Directors and reviewed by the company's auditor Öhrlings PricewaterhouseCoopers AB. For questions about the Sustainability Report, please contact Monica Sundell, monica.sundell@inducore.se



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