Lagercrantz Group

Appendix to the Annual Report

Sustainability Report 2024/25

About Lagercrantz Group

Technology for Societal Value

Lagercrantz is a technology group that offers value-creating technical solutions, based on proprietary products and solutions from leading suppliers. Lagercrantz generates annual revenue of just over SEK 9 billion, has an operating margin (EBITA%) of 17.6% and has almost 3,000 employees.

Niche companies in five divisions

Lagercrantz consists of just over 80 small and medium-sized companies, mainly operating in Northern Europe. The Group is organised in five divisions where each company operates independently under its own brand and within a clear niche with a high level of specialist competence and understanding of customers.

LAGERCRANTZ GROUP

	ELECTRIFY	CONTROL	TECSEC	NICHE PRODUCTS	INTERNATIONAL
Divisions	18 companies 11 countries	16 companies 8 countries	13 companies 10 countries	17 companies 8 countries	16 companies 9 countries
Focus	Electrification and infrastructure	Measurement and control technology	Safety and security solutions	Specialised product companies	Niche companies with a high degree of proprietary products in Denmark, Norway, Germany and the UK
Business volume	MSEK 2,150	MSEK 1,150	MSEK 2,150	MSEK 2,050	MSEK 1,600

Cover image:

Truxor Wetland Equipment is a good example of the societal benefit contributed by Lagercrantz companies. Truxor sells machinery that enables efficient water management, including for sensitive nature reserves and maintenance of city canals and rivers.

CONTENTS

ABOUT THE SUSTAINABILITY REPORT

This report is Lagercrantz's Sustainability Report according to Chapter 6 of the Swedish Annual Accounts Act in accordance with the older wording that applied before 1 July 2024. In this report, Lagercrantz's material sustainability issues and set goals are described and also how the sustainability work is conducted and managed. The report is based on continual stakeholder dialogues, Lagercrantz's materiality assessment and reporting from Lagercrantz's subsidiaries. The Sustainability Report has been prepared as of the end of the calendar year 2024. This is a deviation from Lagercrantz's financial year by one quarter and the deviation is considered to be immaterial in this context. The report includes the companies that were part of the Group as of December 2024 where the figures for previous periods are pro forma, as if all companies had been part of the Group since 2020. This ensures comparability between periods. This Sustainability Report is a translation from the Swedish version. Should there be any discrepancies, the Swedish version shall prevail.

Sustainability in action!

Sustainability is an important part of Lagercrantz's business strategy. A focus on sustainable products and solutions creates competitiveness and growth, for our customers, for Lagercrantz and for society as a whole. The focus of the Group's divisions underlines this, where each division, since the reorganisation four years ago, is focused on areas with underlying structural growth as a result of societal trends linked to sustainability. These are products and solutions linked to the green transition, control technology that streamlines resource utilisation, safety and security products for equipment, life and limb, as well as other niche proprietary products and solutions that meet needs in a number of other sustainability-oriented areas.

In addition to this, our own operations are conducted sustainably and we will strive to influence our customers and suppliers to develop their offerings in a sustainable direction.

Lagercrantz's strength lies in our decentralised working method, where each subsidiary takes responsibility for its own operations – and thus also for its sustainability work. By giving the Group's subsidiaries a great deal of freedom and responsibility, a dynamic organisation is created where sustainability initiatives are pursued locally, close to customers and the market. This means that we can adapt quickly, develop customised innovative solutions, while ensuring that environmental issues, social sustainability and good governance are a natural part of every business decision.

The Group's role is to set frameworks, offer support and ensure that all companies meet high standards of sustainability and business ethics. By combining entrepreneurship with a strong ethical business culture, we are building a Group where sustainability, growth and profitability go hand in hand. Taken together, this is sustainability in practice.

May 2025, Jörgen Wigh,
President and CEO

RENEWABLE ENERGY: Elpress manufactures crimping systems for electrical connectors and terminals. The company contributes to the electrification of society and has developed products adapted for wind power and other sources of renewable energy, which ensure minimal energy losses and increased safety.

CLIMATE ADAPTATION: Wapro develops, manufactures and sells high-quality check valves and flow control systems. Climate change has made flooding caused by severe storms and torrential rain a growing problem.

ENERGY EFFICIENCY Vanpee offers smart lighting control in public and private environments. A large amount of energy is saved by switching from fluorescent to LED light tubes and smart adaptation to daylight and presence patterns.

SAFETY AND SECURITY: Supply Plus has developed AS Powerbeam – a new platform which makes it much easier for firefighters to take down heavy ladders, which can weigh up to 100 kg, from fire engines. It reduces the operator's workload and makes the profession more accessible, for example to women. AS Powerbeam is currently being tested in the UK, with the hope of a broader launch in the coming years.

PRODUCTIVITY: PST optimises process flows and material handling through its screw conveyors. They are specially designed for transporting waste or pellets, for example. PST is an important supplier, including to pellet factories, biohweating plants, anaerobic digestion plants and recycling stations, and thus creates the right conditions to produce renewable energy.

Sustainability at Lagercrantz

Strategy and business model

Lagercrantz's business concept is to acquire and develop niche technology companies on a long-term basis. The Group currently consists of just over 80 businesses and this number is increasing annually due to acquisitions, where the strategy is to own companies for the long-term, without any divestment ambition. The long-term approach in Lagercrantz's ownership means that sustainability is of central importance and all businesses are required to provide societal benefit.

The business model and working methods are based on decentralisation and management by objectives, simplicity and efficiency, and on growth both organically and through acquisitions. Global challenges such as climate change, product development linked to low-carbon technologies, changing market requirements and customer behaviour imply both opportunities and risks for Lagercrantz's companies and can impact the organic development. Sustainability efforts are crucial for value creation and thus a prerequisite for long-term success.

As an acquisition-driven Group, with 8–12 acquisitions per year, equivalent to at least 10% of business volume, sustainability criteria are a central part of the M&A strategy. Read more about the acquisition process on page 20.

Sustainability governance

The parent company's Board of Directors and the President and CEO have the ultimate responsibility for the sustainability work. The Board takes decisions on strategies, acquisitions and major investments, where sustainability aspects are an integrated part, and sets key policies, including the Code of Conduct.

Each subsidiary's MD is responsible for the sustainability work locally, both the proactive work of creating sustainability-oriented solutions for customers and the market and the defensive work – minimising the negative impact of the business on the environment, people and society. Here, the subsidiary has responsibility for ensuring compliance with key policies and the Code of Conduct and that the Group's values are integrated into the company's operations. The subsidiaries have the opportunity to supplement the Group-wide

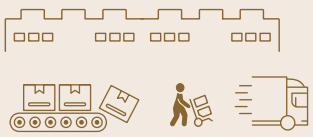
IMPACTS IN LAGERCRANT'S VALUE CHAIN

Lagercrantz's impacts on the environment and people mainly arise in the companies owned – in their own production as well as upstream and downstream in the value chain. The value chain varies among the companies depending on their activities, but can be generally illustrated together as follows.

1. Sourcing of materials: The first stage in the value chain is the sourcing of materials for processing by the companies. The biggest climate impact comes from the extraction and processing of steel, for example. Suppliers' working conditions, safety and human rights are regulated in the Code of Conduct.

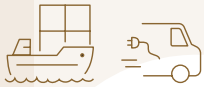
2. Incoming transports: Materials are transported to Lagercrantz's companies. Climate impacts mainly arise through long supply chains and heavy goods.

3. Manufacturing of proprietary products is central but accounts for a smaller part of the climate impact. The focus is on energy efficiency and waste management. Safe, equal and stimulating work environments are prioritised.



4. Local communities: The companies are often important employers in smaller towns and create long-term value through commitment and stable ownership.

5. Outgoing transports: Products are mainly distributed to Northern and Central Europe as well as the UK. To reduce emissions, the proportion of sea transports and fossil-free alternatives is increasing.



6. Customers: The companies deliver sustainable and long-lasting products and spare parts to businesses and the public sector operating in critical societal functions.

policies with their own guidelines and programmes in both Group and company-specific sustainability issues.

Lagercrantz's central resources support, offer expertise, set requirements and provide tools in the sustainability work. Examples of this include anonymous reporting channels for whistleblowing. During the year, 0 (1) cases were received via the whistleblowing channel.

In the subsidiaries, the board work is conducted under the leadership of Lagercrantz's divisional management teams. Subsidiary boards set and monitor targets and plans for the day-to-day operations. The operational governance is characterised by clearly defined targets combined with considerable freedom of action in how the subsidiaries should achieve their sustainability targets in the way that best suits their specific business. Target fulfilment and relevant key performance indicators are reported regularly to the subsidiaries' boards and to the parent company's finance function.

Materiality assessment together with stakeholders

Lagercrantz's stakeholders are investors, owners and financiers, subsidiaries and acquisition candidates as well as customers, employees, suppliers and the communities where the Group operates.

In 2024, Lagercrantz in dialogue with key stakeholders, conducted a materiality assessment based on the areas covered by the CSRD, the EU regulation on sustainability reporting. To date, climate change, the Group's own workforce and business ethics have been identified as important areas. The biggest environmental impact is greenhouse gas emissions, especially in Scope 3 (indirect emissions in the value chain). In addition to environmental impacts – employee health, safety and gender equality are important areas, as well as business ethics and anti-corruption. Lagercrantz reviews its materiality assessment annually to ensure that impacts, risks and opportunities are identified.

SUSTAINABLE BUSINESS

Companies with sustainable market positions where the business contributes to societal benefit, both in its customer offering and in how it is operated.

MATERIAL SUSTAINABILITY ISSUES

REDUCED CLIMATE IMPACT	MOTIVATED EMPLOYEES & SAFE WORKPLACES	RESPONSIBLE BUSINESSES
GOALS		
50% reduced climate impact, own production (scope 1 & 2) by 2030, base year 2020	Zero work-related accidents	Ethical business conduct and value chain
25% reduced climate impact, other indirect emissions (scope 3) by 2030, base year 2020	35% women in leadership positions	
METRICS		
• Energy use, of which fossil free • Scope 1 & 2 emissions (CO_2e) relative to (MSEK) • Scope 3 emissions (CO_2e) relative to turnover (MSEK)	• Number of work-related accidents, injury rate and sick-leav • Gender representation in management teams	• Number of companies that have implemented the Code of Conduct • Cases of corruption • Number of whistleblower cases

MILESTONES IN LAGERCRANTZ'S SUSTAINABILITY WORK

2024

- √ Materiality assessment (CSRD).
- √ Climate mapping of value chain (Scope 3) with increased scope including 3.1 "Purchased goods and services", for all subsidiaries.
- √ Concrete sustainability initiatives in the subsidiaries as part of the business planning.
- √ Skills development in the sustainability area at both subsidiary and Group level.
- √ Continued work in the subsidiaries to reduce energy consumption and climate impacts.

2025

- Increased knowledge sharing between Group subsidiaries in the sustainability area.
- Development and launch of Group tools to support the subsidiaries' sustainability work.
- Continued quality improvement of climate data and expanded mapping of additional value chain categories, including scope 3.11 "Use of products sold".
- Strengthened support and targeted efforts towards subsidiaries with the highest climate impacts and negative health and safety trends.

ESG - Environmental

Sustainability information

Climate change

Lagercrantz's carbon footprint, which arises from Group companies' operations and value chains, has been assessed as significant in the materiality assessment. Meanwhile, the companies have a positive impact by providing important technologies and components, needed in for example, electrification and climate adaptation.

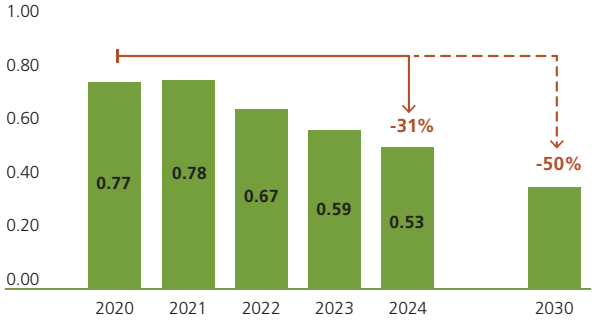
In its ownership role, Lagercrantz views a reduced climate impact as an important prerequisite for long-term success. Climate and other sustainability-related risks and opportunities are identified early in the process when new business acquisitions are evaluated, read more on page 20.

Operationally, the MD of each company has the ultimate responsibility for driving the climate work. Several of the larger subsidiaries have appointed dedicated sustainability managers, while climate issues in smaller companies are handled by the MD or another employee in a senior position. All companies set relevant targets, key performance indicators and activities in their business plans. These are followed up by the respective company boards and divisional management team. Lagercrantz's provides guidance and support in the form of tools, skills development and follow-up.

Targets and outcome

Lagercrantz's climate targets are designed to reduce emissions in line with the Paris Agreement. The target for own production is that the climate impact should be halved by 2030 in relation to turnover compared to the base year 2020. This will be achieved through continued transition to fossil-free production, energy efficiency improvements and a changeover to green electricity.

Climate impact from own production (Scope 1 & 2). CO_2e/MSEK turnover



In scope 3, the goal is to reduce the climate impact by 25% by 2030 in relation to turnover compared to the base year 2020. Several of the Group's companies are already working actively to increase the proportion of sustainable components in their products in order to reduce emissions in scope 3.1 (purchased goods and services), the largest emission category, and to increase the proportion of fossil-free freight transport.

Lagercrantz is on track to meet the adopted targets for own production. In 2024, emissions have decreased by 31% compared to the base year 2020. The decrease in 2024 is mainly explained by increased own production of renewable energy such as solar panels, an increased share of purchased green electricity and implemented energy efficiency measures. Scope 3 has decreased by 16% compared to the base year 2020. The change is mainly a mix effect where companies with products that have a lower CO_2 footprint have increased their sales, and emissions from air transport also decreased.

Greenhouse gas emissions (tonnes CO_2e)	2024	%	2023	Base year 2020
Scope 1 emissions				
Scope 1 (Direct emissions)	2,420	1.2%	2,582	2,208
Scope 2 emissions				
Scope 2 (Indirect emissions)	2,436	1.2%	2,641	2,807
Emissions from own production	**4,855**	**2.4%**	**5,222**	**5,015**
Significant Scope 3 emissions				
Scope 3 (Other indirect emissions upstream and downstream in the value chain)	194,521	97.5%	198,863	165,655
3.1 Purchased goods and services	174,341	87.4%	178,820	148,544
3.2 Capital goods	161	0.1%	133	–
3.3 Fuel- and energy-related activities	1,708	0.9%	1,727	1,693
3.4 Upstream transportation and distribution	4,919	2.5%	5,007	3,844
3.5 Waste generated in operations	1,233	0.6%	862	667
3.6 Business travel	1,192	0.6%	888	357
3.7 Employee commuting	2,656	1.3%	2,615	2,067
3.8 Upstream leased assets	1,009	0.5%	1,137	949
3.9 Downstream transportation and distribution	7,347	3.7%	7,709	7,548
Total emissions	**199,422**	**100.0%**	**204,242**	**170,997**
CO_2e/MSEK turnover, scope 1 & 2	0.53		0.59	0.77
CO_2e/MSEK turnover, scope 3	21.23		22.46	25.37
CO_2e/MSEK turnover, total scope	**21.76**		**23.05**	**26.14**

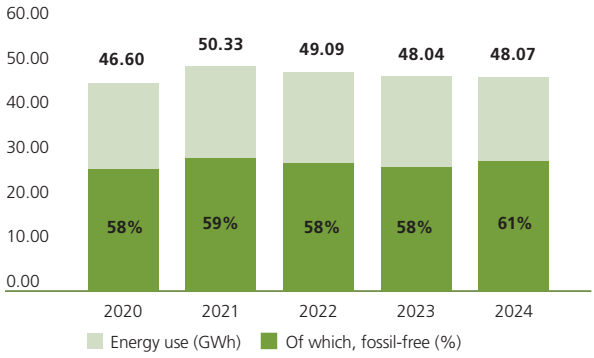
Accounting principles

Lagercrantz calculates its greenhouse gas emissions according to the Greenhouse Gas Protocol (GHG Protocol) and reports emissions in Scope 1 (direct emissions), Scope 2 (indirect emissions from purchased energy) and certain categories of Scope 3 (other indirect emissions in the value chain). Emissions from other categories in Scope 3, such as the use of sold products (category 3.11) will be mapped in the coming years. Emissions are reported in carbon dioxide equivalents (CO_2e).

Scope 1 and 2: Emission factors for fuel, bioenergy and refrigerants are taken from the data source UK Government GHG Conversion Factors for Company Reporting, in those cases where companies lack supplier-specific information. For purchased electricity, cooling and heating, a combination of location- and market-based calculation methods is used depending on what data the companies had access to.

Scope 3: For the calculation of emissions from purchased goods, data on purchased volume together with emission factors from suppliers is mainly used. When primary data is not available, general emission factors are used for a specific type of material. Other scope 3 categories are partly based on estimates and standard values. Emissions from capital goods have only been calculated on investments over MSEK 2. Lagercrantz is continually working to improve the quality of its data collection and calculations, including by developing clear definitions and guidance for companies.

Total energy use (GWh) of which, fossil-free (%)



ENERGY USE AND MIX

	2024		2023		Base year 2020	
Energy use in Scope 1 and 2	**MWh**	**%**	**MWh**	**%**	**MWh**	**%**
Total energy use	**48,066**		**48,041**		**46,596**	
Of which fossil	18,965	39%	20,212	42%	19,398	42%
Of which fossil-free	29,101	61%	27,830	58%	27,198	58%
Renewable fuels	269	1%	235	0%	659	1%
Electricity/Heating/cooling	28,343	59%	27,410	57%	26,403	57%
Use self-produced renewable energy (not fuel)	490	1%	185	0%	137	0%
Energy consumption per million turnover	**5.2**		**5.4**		**7.1**	

The EU Taxonomy

The EU's Taxonomy Regulation, which entered into force in 2021 is designed to steer capital towards sustainable investments to contribute to the EU's climate targets and Green Deal. Lagercrantz has reviewed all of the EU taxonomy's environmental objectives and the assessment is that Lagercrantz's subsidiaries are only covered to a low extent. This is because the subsidiaries are often component suppliers, which means that their products rarely fall directly within the taxonomy's descriptions and also because distributor companies are not included in the reporting. Some companies sell machines that are used in taxonomy-related activities by customers.

The assessment of taxonomy-eligible activities has been based on NACE codes and supplemented with analysis of relevant economic activities according to the taxonomy's delegated acts. Lagercrantz primarily reports capital expenditures that are directly attributable to taxonomy-eligible activities, a principle that was clarified during the year. Lagercrantz reports investments made in taxonomy-aligned objects in construction and real estate, for example energy-efficient equipment, electric vehicle chargers and renewable energy. During the year, investments have been made in LED lighting and energy-efficient ventilation.

TAXONOMY REPORTING 2024, CONDENSED

		Taxonomy-eligible activities		Taxonomy-aligned activities		Taxonomy non-eligible activities	
	Total MSEK	**%**	**MSEK**	**%**	**MSEK**	**%**	**MSEK**
Net turnover	9,389	0%	0	0%	0	100%	9,389
Capital expenditure	1,347	0.3%	4	0.3%	4	99.7%	1,344
Operating expenditure	136	0%	0	0%	0	100%	136

Complete taxonomy tables are provided on pages 24–25.

ESG - Social

Motivated employees and safe workplaces

Lagercrantz's companies are often important employers in the communities where they operate. Through active and responsible ownership, competitive companies and jobs are created. On the other hand, motivated employees is a prerequisite for long-term value creation and is therefore one of Lagercrantz's prioritised sustainability issues.

Lagercrantz respects internationally declared human rights and strives to treat all employees and colleagues equally and with respect. Lagercrantz's Code of Conduct acts as an ethical compass and provides guidance on how all employees should act, with the aim of creating safe and motivating workplaces. Key elements of the Code of Conduct are:

Terms of employment

The terms of employment, including financial compensation and working hours, which are offered to Lagercrantz's employees should be fair, reasonable and at least meet the minimum requirements in national legislation and collective agreements. All employees must receive their employment contract in writing. The majority of Lagercrantz's employees are permanent employees. Temporary personnel are mainly used to replace permanent employees during periods of illness or other absences and during peak work periods.

Health and safety

Some Group companies have hazardous work environments and work processes and employee safety is always the top priority. Lagercrantz's vision zero means that no employee should be exposed to danger or injured in the workplace.

Equal treatment

Equal treatment and inclusion should be embedded in all aspects of Lagercrantz's operations. Equality and diversity are important for the development of the companies. Lagercrantz promotes a culture where all employees are given equal opportunities to grow, take responsibility and are rewarded based on their efforts, commitment and the results achieved. Discrimination is investigated internally and during the year 0 (0) cases were reported.

Leadership and skills development

Access to the right competencies is ensured through careful recruitment and training. Lagercrantz encourages the exchange of experience between companies and offers courses to enhance competencies in several areas.

Compliance

The MD of each subsidiary is responsible for the work environment and for compliance with the Code of Conduct. The minimum requirement is that the subsidiaries must comply with laws and guidelines for systematic work environment efforts. The companies must carry out a risk assessment of the work environment at least once a year, and if necessary, take preventive measures.

If the results show an increasing trend in, for example, sick leave, this is followed up by the individual company's board.

Targets and outcome

Lagercrantz's goal is to be a safe workplace with zero workrelated injuries. To achieve this vision zero, preventive safety work and continual risk assessment are prioritised areas. In 2024, the number of work-related injuries, resulting sick leave due to illness totalled 32 (30) and the accident rate, accidents per million hours worked, was 5.5 (5.9). Sick leave due to illness is another important indicator of employee wellbeing. In 2024, sick leave due to illness totalled 3.8% (4.1%), of which long-term sick leave due to illness was 1.8% (1.6%).

Lagercrantz is working on a long-term basis to increase gender equality. The target is to have 35% women in leadership positions. During the year, the proportion of women in the companies' management teams was 23% (22%). To increase the proportion of female MDs within the Group, there is a requirement for both genders to be represented among the candidates in every recruitment process.

KEY PERFORMANCE INDICATORS FOR EMPLOYEES

	2024	2023	2022	2021	2020
Number of work-related injuries with sick leave due to illness	32	30	23	31	27
Of which, injuries with sick leave due to illness (1–3 days)	13	12	12	12	16
Of which, injuries with sick leave due to illness (4–13 days)	7	9	5	10	4
Of which, injuries with sick leave due to illness (14 > days)	12	9	6	9	7
Number of fatalities due to work-related injuries	0	0	0	0	0
Injury rate (number of injuries per million hours worked)	5.5	5.9	4.7	6.6	6.0
Sick leave, %	3.8%	4.1%	4.3%	3.7%	3.3%
Of which, short-term sick leave, %	2.0%	2.5%	2.7%	2.2%	2.0%
Of which, long-term sick leave, %	1.8%	1.6%	1.5%	1.4%	1.3%
Number of employees	2,966	2,762	2,425	1,953	1,654
Of whom, women %	24%	25%	26%	26%	27%
Proportion of women in management teams, %	23%	22%	21%	21%	20%

Responsible Businesses

Corporate culture

The corporate culture is a key part of Lagercrantz's governance model and is built on a decentralised structure. The subsidiaries operate independently under their own brand and close to their respective markets. The culture is shaped by the Group's core values: businessmanship, responsibility and freedom, simplicity and efficiency, and a willingness to change. These values form the basis for business decisions and are integrated into the Group's sustainability work.

Businessmanship means that decisions are taken on a long-term basis with risk awareness and that environmental and social consequences are taken into account. *Responsibility and freedom* reflect the trust placed in the management of the subsidiaries, combined with a clear responsibility to act ethically and transparently. *Simplicity and efficiency* drive resource efficiency and reduced environmental impact. Willingness to change ensures that the business continually develops and adapts to new sustainability requirements, technology shifts and societal expectations.

A responsible corporate culture is a prerequisite for Lagercrantz to maintain a good reputation among shareholders, investors, potential acquisition candidates and the subsidiaries' customers and suppliers. Lagercrantz refrains from investing in socially harmful industries and assesses business ethics risks when making acquisitions. Read more on page 20. Ethical principles are described in Lagercrantz's Code of Conduct, which is based on the *UN's Global Compact and OECD's guidelines* and applies to all employees, subsidiaries and suppliers.

Responsible sourcing

Lagercrantz is an international group, and the companies often work closely with their suppliers, which creates the right conditions for conducting a constructive dialogue on sustainability risks while delivering value to customers.

Lagercrantz's decentralised corporate structure means that the MD of each company is responsible for ensuring compliance with Lagercrantz's Code of Conduct and for minimising sustainability risks in the value chain. The Code of Conduct is supplemented in some cases with company-specific supplier monitoring codes, and in the larger companies, the purchasing department works with structured supplier monitoring. For example, through a management system and control of selected suppliers operating in regions with risks, for instance, relating to working conditions.

Anti-corruption

Lagercrantz aims to maintain a high level of business ethics and strives to prevent corruption throughout the Group. Employees must not give or accept gifts or benefits from suppliers, customers or other business partners that could influence decision-making.

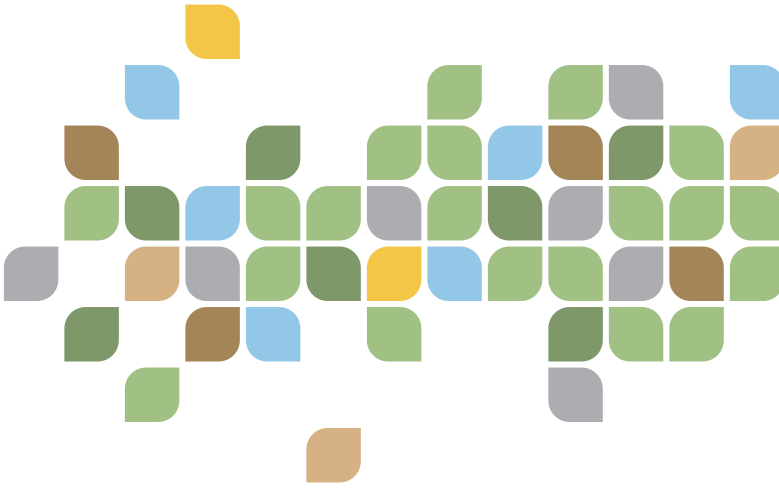
Lagercrantz Group companies do not conduct the type of business activities where incidents of bribery and corruption are likely to occur systematically and on a large scale. In some of the companies' value chains, there are identified risks that are closely monitored. Metals are sometimes sourced from countries with an increased risk of corruption. However, this does not involve rare earth metals or conflict minerals, and all suppliers are subject to regular checks. None of these suppliers are on the EU sanctions list. All in all, the overall risk is considered to be low.

Public procurement occurs in certain Group companies, for example during the sale of technology needed in infrastructure. In addition, a few companies have customers in the oil and construction industries. Here, the risk is considered low due to the low geographically related risk.

Acquisitions of previously family-owned companies may, in exceptional cases, involve a risk of related-party transactions. These are proactively managed through complete transparency and documentation of all transactions.

Targets and outcome

In 2024, 90 out of 91 subsidiaries have implemented the Code of Conduct. In addition, 53 of 91 subsidiaries have company-specific supplier codes of conduct. Lagercrantz has a clear zero tolerance against corruption and anti-competitive behaviour. During the past year, Lagercrantz had 0 (0) reported incidents of corruption.

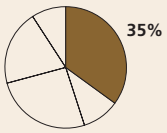


Sustainability in division

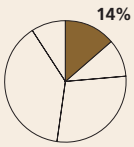
Electrify

about 26% of Groups net revenue
772 employees (Dec 2024)

Proportion of Lagercrantz's total energy use



Proportion of Lagercrantz's total climate emissions from own production



The Electrify division has businesses that contribute to the green transition of society, with an emphasis on electrification and development of infrastructure. The division's companies are largely Nordic manufacturing companies with extensive purchasing of raw materials and input goods for their own production.

Sustainability issues in focus

Products for electrification and infrastructure

The businesses in the Electrify division provide critical products and solutions for electrification and for the development of critical infrastructure. Examples of products for electrification are electrical connectors, road barrier ropes, enclosures, technical buildings, electrical components and cabling. Within infrastructure, complete safety barrier systems, signage for road safety and fibre splicing technology for sea and land are supplied. The division's companies develop and manufacture products that are crucial for a future, sustainable and safe society.

Reduced climate impact

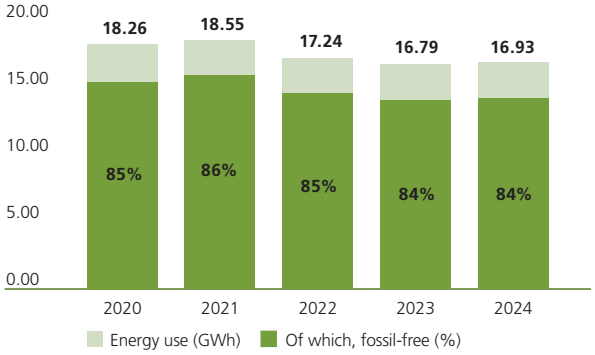
Electrify's largest climate impact comes from purchasing of materials and transport flows. A significant share of total emissions comes from the purchase of metals in the form of sheet metal, wire, pipes and galvanised steel profiles. For these goods, the origin and production method have a significant impact on the carbon footprint. To reduce this impact, the division is working to increase the use of recycled materials and is choosing efficient production methods in countries with a high share of green energy. Transport choices are optimised by reducing transport distances and gradually phasing out air transport in favour of sea and sustainable land transport. Electrify accounts for 35% of the Group's total energy use, driven by energy-intensive processes such as machining, galvanising, painting and surface treatment. Energy efficiency and the transition to fossil-free energy are important factors in reducing the impact of the division's own production.

Outcome 2024

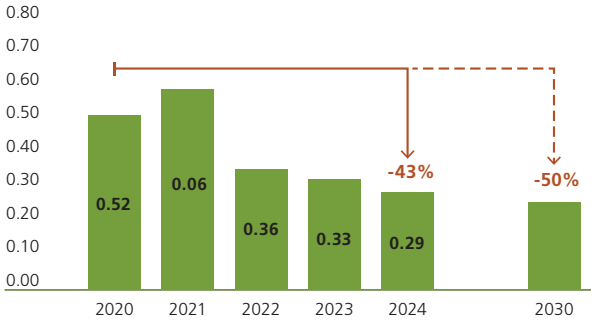
- 43% (36%) reduced climate impact from own production relative to base year 2020, explained by energy efficiency improvements and an increased proportion of green electricity.
- 84% (84%) fossil-free energy.
- Scope 3 is relatively unchanged compared to the base year 2020, which can be attributed to several production- and purchasing-heavy companies during the period that have not yet benefited from environmental measures.

See detailed outcome on pages 22–24.

Total energy use (GWh) of which fossil-free (%)



Climate impact from own production (Scope 1 & 2). CO_2e/MSEK turnover



GREENHOUSE GAS EMISSIONS

Greenhouse gas emissions (tonnes CO_2e)	2024	%	2023	Base year 2020
Scope 1 (Direct emissions)	380	0.6%	366	356
Scope 2 (Indirect emissions)	307	0.5%	390	558
Scope 3 (Other indirect emissions upstream and downstream in the value chain)	60,873	98.9%	59,743	44,839
Total emissions	**61,561**	**100%**	**60,498**	**45,753**
CO_2e/MSEK turnover, scope 1 & 2	0.29		0.33	0.52
CO_2e/MSEK turnover, scope 3	25.95		25.96	25.27

Total 18 businesses:

Cue Dee, Dooman, EFC, Elfac, Elkapsling, Elpress, Enkom Active, Esari, Exilight, KPRO, Letti, Mastsystem, Nordic Road Safety, Norwesco, PPV*, Swedwire, Tykoflex and VP metall.

** PPV was acquired in February 2025 and is not included in the figures.*

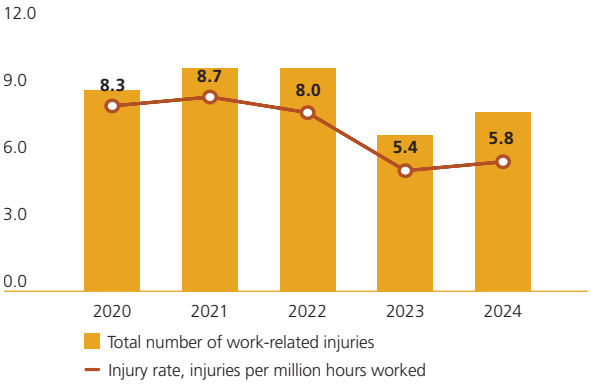
Responsible employer and business partner

With a large proportion of employees in production and manufacturing, there is a strong focus on workplace safety and on the work environment. Through systematic work environment efforts and improved working conditions, Electrify is striving to reduce work-related injuries and absence. The companies set high standards for suppliers and apply international labour- and human rights standards.

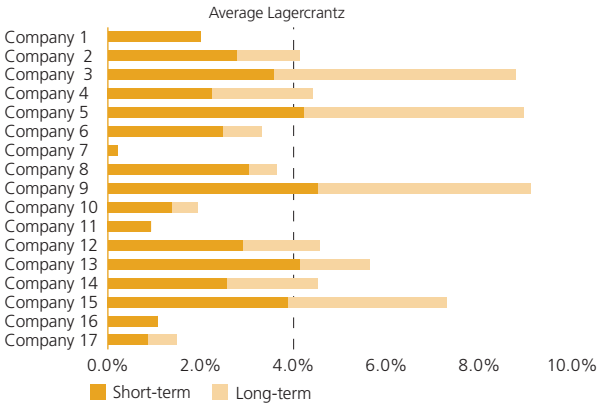
Outcome 2024

- In 2024, the accident rate amounted to 5.8 (5.4). Accidents mainly arise as a result of manual labour in connection with material handling, manufacturing and installation of road barriers.
- Sick leave due to illness in the division totalled 5.1% (5.1%), which is just over the average figure for sick leave due to illness within Lagercrantz. Most of the companies are below the average, but a few have higher absences that affected the overall outcome. Measures for these companies are taken on an ongoing basis during the financial year.
- The proportion of women in management teams amounted to 21% (21%). To increase this level, recruitment to management roles will ensure at least one female applicant with the relevant qualifications. Selection will then be completely gender-neutral.

Injury rate



Sick leave due to illness



Case – Tykoflex

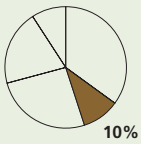
Tykoflex is a Swedish manufacturer of enclosures for splicing fibre cables in the air, and sea. The products are developed with a focus on a long service life, minimal maintenance and upgradability, which creates technical, economic and environmental benefits. To reduce climate impact, Tykoflex works actively with several initiatives, where its own production of solar electricity and climate-neutral zinc galvanising are two examples. With 96% of suppliers in the Nordic region and its own production in Tyresö, short lead times and reduced transport emissions are ensured. Tykoflex's Code of Conduct imposes requirements in relation to environmental considerations, business ethics and human rights both internally and among suppliers, with regular follow-up.

Sustainability in division

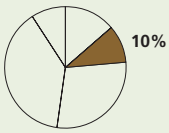
Control

about 13% of Groups net revenue
390 employees (Dec 2024)

Proportion of Lagercrantz's total energy use



Proportion of Lagercrantz's total climate emissions from own production



The Control division's companies consist of niche businesses operating primarily in measurement and control technology. Several of the businesses contribute to a more sustainable society by improving the efficiency of resource utilisation through remote measurement, checking and control of equipment.

Sustainability issues in focus

Smart solutions for efficiency, health and climate

Control offers solutions such as environmental measurement technologies for hydrology and meteorology, air quality control systems for indoor environments, and energy-saving control systems for lighting and vehicles. The division's other offerings include advanced sensor technologies, network solutions and components for control, signal transmission and secure communication – key elements in the development of smarter and more sustainable societies.

Reduced climate impact

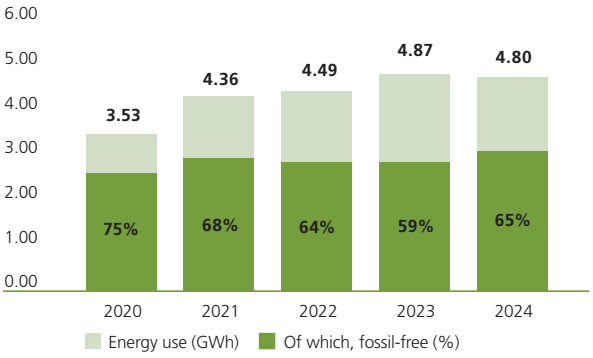
The largest part of the division's carbon footprint is linked to the purchase of materials, where steel and aluminium constitute the main part. Inbound and outbound transports is another area that accounts for a significant share. The climate impact from energy consumption comes from American and European companies, where natural gas is used in production. Otherwise, green electricity and district heating are used almost exclusively. To reduce climate impact, the companies are working to increase the proportion of recycled content in purchased materials, to streamline transports through co-loading and the choice of less carbon-intensive alternatives, and to make combustion systems more efficient.

Outcome 2024

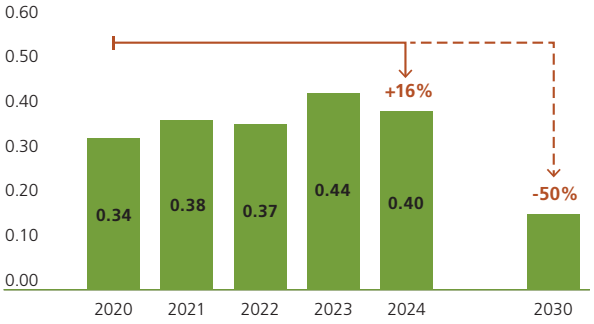
- 16% increased climate impact from own production relative to base year 2020. Explained by increased natural gas use in one of the acquired companies.
- 65% (59%) fossil-free energy. Increase driven by a larger share of own production of solar energy and purchased green electricity. The decline compared to the base year is explained by natural gas, as mentioned above.
- Scope 3 has increased by 9% relative to base year 2020, which was explained by a couple of production- and purchasing-heavy units.

See detailed outcome on pages 22–24.

Total energy use (GWh) of which fossil-free (%)



Climate impact from own production (Scope 1 & 2). CO_2e/MSEK turnover



GREENHOUSE GAS EMISSIONS

Greenhouse gas emissions (tonnes CO_2e)	2024	%	2023	Base year 2020
Scope 1 (Direct emissions)	306	1.3%	372	170
Scope 2 (Indirect emissions)	179	0.8%	169	139
Scope 3 (Other indirect emissions upstream and downstream in the value chain)	22,848	97.9%	21,694	15,521
Total emissions	**23,334**	**100%**	**22,234**	**15,831**
CO_2e/MSEK turnover, scope 1 & 2	0.40		0.14	0.15
CO_2e/MSEK turnover, scope 3	18.63		0.30	0.19

Total 15 businesses:

CP Cases, Direktronik, Excidor, GasiQ, Geonor, He-Man*, Leteng, Load Indicator, MH Modules (MHM), Nikodan, Precimeter, Radonova, Stegborgs, Vanpee DK and Vanpee NO.

**He-Man was acquired in March 2025 and is not included in the figures.*

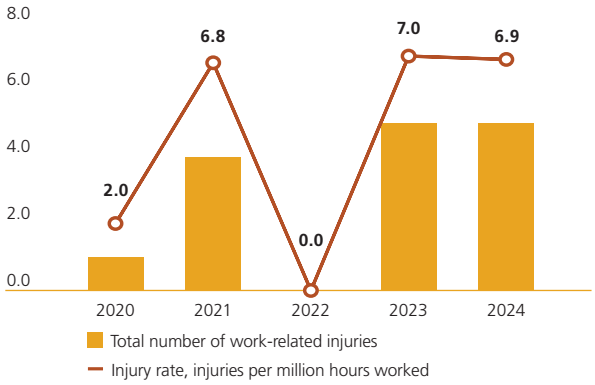
Responsible employer and business partner

Control has a significant proportion of its employees in manufacturing. The companies develop a good safety culture by identifying and minimising risks for preventive purposes. All employees are trained in Lagercrantz's Code of Conduct. In the supply chain, the companies' suppliers are required to comply with the Code of Conduct.

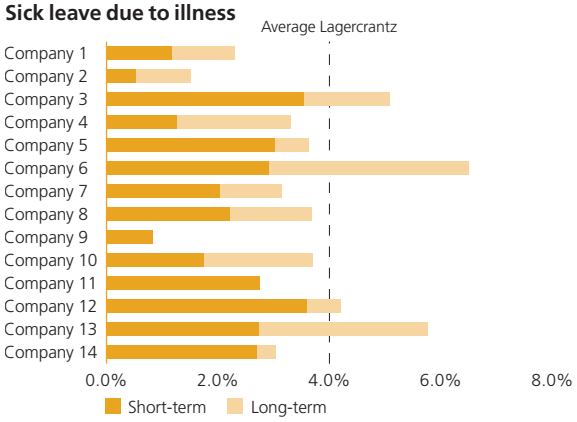
Outcome 2024

- In 2024, the injury rate amounted to 6.9 (7). The accidents during the year can primarily be attributed to one of the production companies. Root cause analysis and corrective actions have been carried out to prevent similar incidents.
- Sick leave due to sickness- and injury rate amounted to 3.9% (4.3). Certain companies in the division have long-term sick leave levels that are stress-related, where targeted work environment efforts are planned.
- The proportion of women in management teams amounted to 17% (17%).

Injury rate



Sick leave due to illness



Case – Radonova

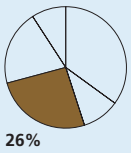
Radonova is a Swedish company that provides products for measuring and analysing radon in indoor environments. During the year, Radonova has worked purposefully to reduce transport emissions, especially air freight, which has been identified as one of the main sources of the company's CO_2 emissions. The focus has been on replacing flights with more sustainable alternatives where possible, as well as consolidating transports to the US. This initiative has delivered both cost savings and a 24% reduction in emissions from inbound transportation during the year.

Sustainability in division

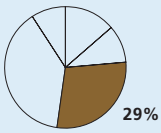
TecSec

about 24% of Groups net revenue
760 employees (Dec 2024)

Proportion of Lagercrantz's total energy use



Proportion of Lagercrantz's total climate emissions from own production



The TecSec division's companies operate in technical security, fire protection and other safety and security solutions, which are growing as society increasingly prioritises care for people, critical functions and equipment. The division consists of product companies, value-adding distributors and system integrators.

Sustainability issues in focus

Safety and security solutions that protect people and our society

TecSec provides products and solutions with clear societal benefits, such as emergency telephony, access control systems, traffic safety cameras, healthcare cameras, and fire-rated doors and ladders. The range also includes scaffolding, slip-resistant walking platforms and fall protection systems, which enable safe maintenance work and minimise the risk of workplace accidents. By preventing accidents and reducing risks, these solutions help to protect both people and critical assets.

Reduced climate impact

The division's single biggest climate impact comes from the purchase of raw materials and components in the form of sheet metal, pipes, wire, glass and electronics. To reduce its impact, the division is working to reduce waste in production and to improve the design of certain products to reduce weight while maintaining or improving the performance.

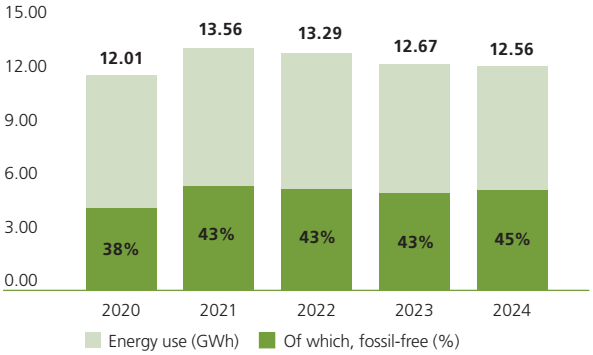
Transports from suppliers to customers is another significant part of the climate impact, which mainly consists of road transport. The companies are working actively to try to optimise transport distances and to increase the proportion of renewable fuel. Within own production, company cars and the use of natural gas account for the greatest climate impact. Key activities include increasing the share of green electricity in the factories in Poland, Estonia, Sweden and the UK, and replacing fossil-based heating and increasing the proportion of vehicles that use cleaner fuels or electric power.

Outcome 2024

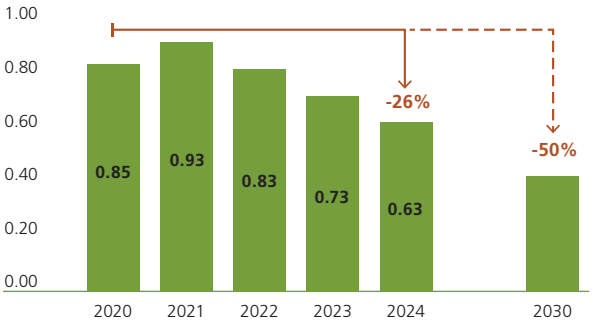
- 26% reduced climate impact in own production relative to base year 2020, driven by more self-produced renewable energy and a greater share of purchased green electricity.
- 45% (42%) fossil-free energy.
- Scope 3 has been reduced by 26% compared to the base year 2020, explained by a mix effect of increased sales in companies with lower CO_2 emissions.

See detailed outcome on pages 22–24.

Total energy use (GWh) of which fossil-free (%)



Climate impact from own production (Scope 1 & 2). CO_2e/MSEK turnover



GREENHOUSE GAS EMISSIONS

Greenhouse gas emissions (tonnes CO_2e)	2024	%	2023	Base year 2020
Scope 1 (Direct emissions)	847	1.6%	893	807
Scope 2 (Indirect emissions)	542	1.0%	664	647
Scope 3 (Other indirect emissions upstream and downstream in the value chain)	53,082	97.5%	58,417	55,658
Total emissions	**54,471**	**100%**	**59,974**	**57,113**
CO_2e/MSEK turnover, scope 1 & 2	0.63		0.73	0.85
CO_2e/MSEK turnover, scope 3	24.20		24.48	32.67

Total 13 businesses:

ARAS Security, COBS, CW Lundberg, Door and Joinery, Fireco, Frictape, Idesco, ISG Nordic, PcP, Principal Doorsets, R-CON, STV and Suomen Diesel Voima (SDV).

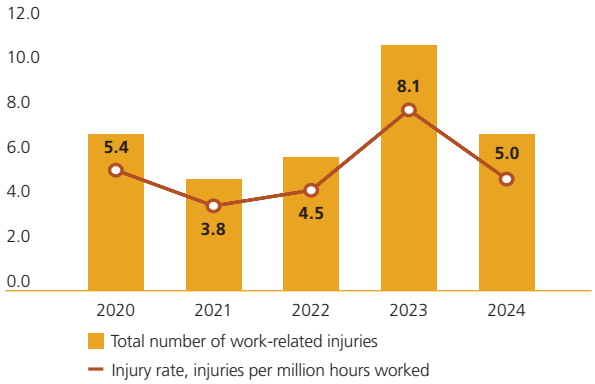
Responsible employer and business partner

TecSec focuses on workplace safety and the work environment as the companies have many employees in production and manufacturing. Through systematic work environment efforts and improved working conditions, the companies are striving to reduce work-related injuries and absence due to illness.

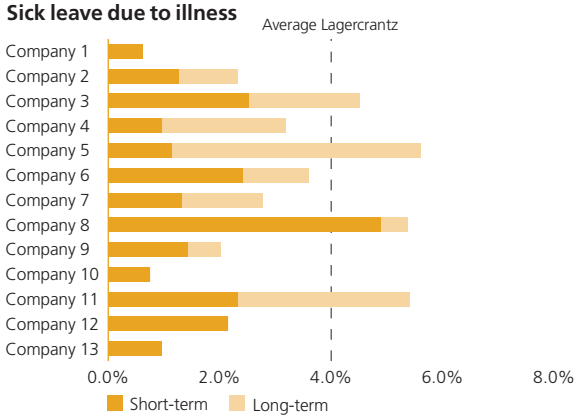
Outcome 2024

- In 2024, the injury rate amounted to 5.0 (8.1), a reduction from the previous year.
- Sick leave due to illness amounted to 4.1% (3.7). The division has some companies that exceed the Group average, which are being monitored by the company boards.
- The proportion of women in management teams amounted to 25% (24%).

Injury rate



Sick leave due to illness



Case – Principal Doorsets

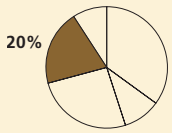
Principal Doorsets based in Barnstaple in the UK manufactures high quality and customised fire doors. In 2023, Principal Doorsets installed solar panels, which entered into operation in 2024. This investment has meant that the company reduced its annual consumption of fossil-based energy by 36% on average. Principal Doorsets' wood waste generated during production is also collected by a centralised extraction system, which not only keeps the workplace clean, but also allows the company to use the wood waste to produce hot water and heating.

Sustainability in division

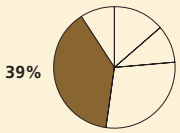
Niche Products

about 23% of Groups net revenue
581 employees (Dec 2024)

Proportion of Lagercrantz's total energy use



Proportion of Lagercrantz's total climate emissions from own production



Niche Products includes proprietary products and solutions in specific technology niches, such as dispensing solutions for the food industry, flood protection and wetland equipment.

Sustainability issues in focus

Diversified portfolio of value-creating technologies

Niche Products' customer offering is based on high added value through specialisation and close cooperation with customers. Innovation drives the development of solutions, which for example, reduce microplastic emissions during snow clearance and cleaning, and preserve ecosystems in connection with water management.

Reduced climate impact

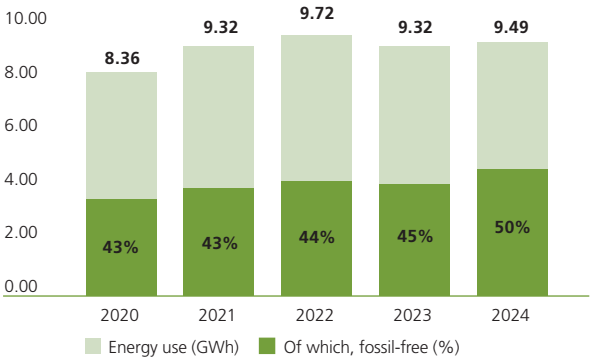
The division's climate impact is mainly driven by emissions in its value chain, such as purchased raw materials, especially steel and aluminium, as well as inbound and outbound transports. In its own production, it is the electricity mix in the Baltic and Central European factories that contributes most to the negative impact. Niche Products will contribute to the Group's goal of halving its climate impact by 2030 by transitioning to green electricity in the factories in Poland, Estonia and the Netherlands, replacing fossil-based heating systems and changing over to electric power or more environmentally friendly fuels in service vehicles, and using more environmentally friendly refrigerants. In addition, the companies are actively working to increase the proportion of sustainable components in their technical solutions.

Outcome 2024

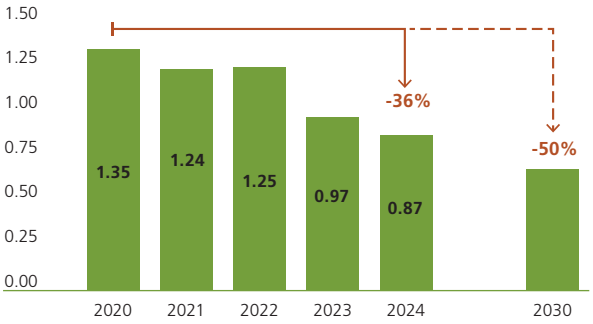
- 36% reduced climate impact from own production relative to base year 2020, driven by an increased proportion of green electricity and improved efficiency.
- 50% (45%) fossil-free energy.
- Scope 3 has decreased by 25% compared to the base year 2020 which is explained by lower purchasing of materials.

See detailed outcome on pages 22–24.

Total energy use (GWh) of which fossil-free (%)



Climate impact from own production (Scope 1 & 2). CO_2e/MSEK turnover



GREENHOUSE GAS EMISSIONS

Greenhouse gas emissions (tonnes CO_2e)	2024	%	2023	Base year 2020
Scope 1 (Direct emissions)	712	1.9%	748	643
Scope 2 (Indirect emissions)	1,160	3.1%	1,161	1,242
Scope 3 (Other indirect emissions upstream and downstream in the value chain)	35,751	95.0%	34,725	30,691
Total emissions	**37,623**	**100%**	**36,634**	**32,576**
CO_2e/MSEK turnover, scope 1 & 2	0.87		0.97	1.35
CO_2e/MSEK turnover, scope 3	16.63		17.70	22.05

Total 17 businesses:

Asept, Berelia, Hovicon, Forming Function, Pride, Profsafe, PST, Sajas, SIB, Thermod, Tormek, Truxor, Van Leeuwen Test Group*, Vendig, Wapro, Waterproof and Westmatic.

** Van Leeuwen Test Group was acquired in February 2025 and is not included in the figures.*

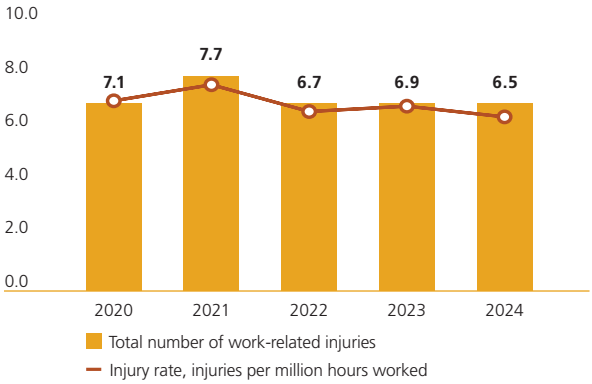
Responsible employer and business partner

The division has an extensive portfolio of proprietary products, which involve several production facilities and, in some cases, work processes that place special demands on the work environment. The companies work systematically on preventing occupational injuries and on reducing absence due to illness. The division is striving to increase the proportion of women in management teams. Suppliers are evaluated according to business ethics principles and all staff undergo training in Lagercrantz's Code of Conduct.

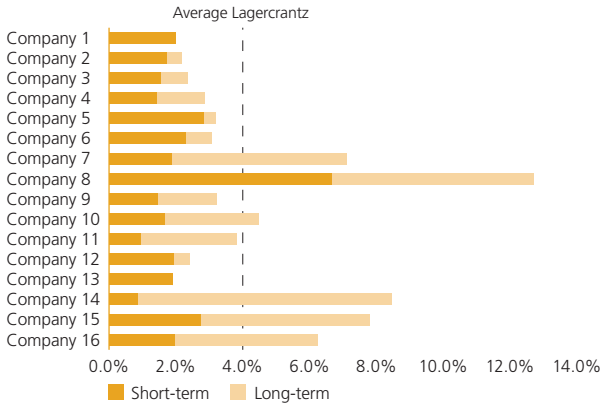
Outcome 2024

- In 2024, the injury rate amounted to 6.5 (6.9). Common accidents include crush and cut injuries. Regular dialogue on the work environment is conducted in the boards of companies where specific challenges have been identified, with the aim of understanding the root causes and putting in place relevant measures in a timely manner. This work is important to reduce sick leave due to illness in the longer term and to promote wellbeing in the workplace.
- Sick leave due to illness amounted to 4.2% (3.7).
- The proportion of women in management teams amounted to 24% (26%).

Injury rate



Sick leave due to illness



Case – Forming Function

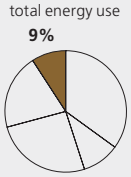
Forming Function is an award-winning design company, which offers technical office accessories with a focus on form and function. The Nomad product collection is designed with circularity in focus already from the design phase. Unlike previous lines, which were manufactured in Asia using fossil materials, parts of production now occur in Sweden using recycled aluminium. The products are designed to enable take-back programmes, recycling and repair, extending their lifetime and reducing resource consumption. The market's positive response confirms that this initiative creates both business benefit and sustainability value.

Sustainability in division

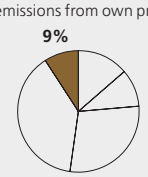
International

about 14% of Groups net revenue
417 employees (Dec 2024)

Proportion of Lagercrantz's total energy use



Proportion of Lagercrantz's total climate emissions from own production



International takes Lagercrantz's model for decentralised development of niche technology companies to the international market and consists of specialised product companies and value-adding distributors in marine applications, industrial components and infrastructure.

Sustainability issues in focus

Critical technology with a global reach

International's companies contribute to societal benefit by delivering technical solutions for demanding and safety-critical environments. The companies manufacture, among other things, robust monitors and watertight doors, hatches and storage units that work in challenging environments in the marine industry, defence and industrial production. The division also supports critical societal functions through distribution of technologies for railway infrastructure, hearing aids as well as sensors for measuring air quality.

Reduced climate impact

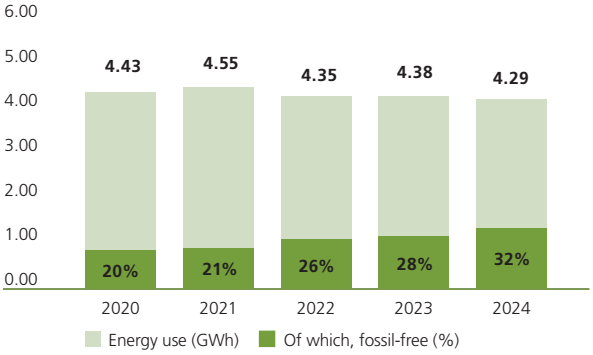
The largest part of the division's emissions is linked to the purchase of materials, followed by inbound and outbound transports. To reduce climate impact, the division's companies are working to develop products with a lower CO_2 footprint and they are reviewing freight and, where possible, switching from air freight to sea and rail transportation. Within the division's own operations, electricity consumption and vehicles are the most significant areas. Here, a continued transition to fossil-free electricity is planned as well as more environmentally friendly fuel or electric power for vehicles.

Outcome 2024

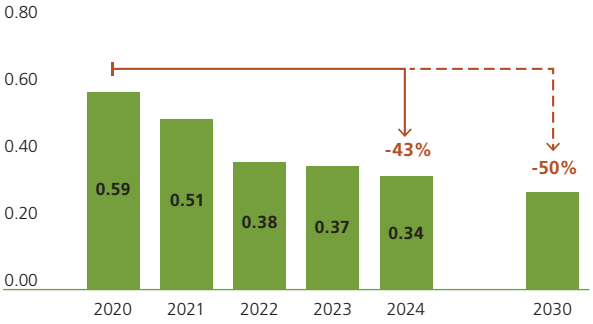
- 43% reduced climate impact from own production relative to base year 2020, explained by lower consumption, an improved electricity and district heating mix in the larger companies and the transition from diesel-powered to electric vehicles.
- 32% (28%) fossil-free energy.
- Scope 3 has decreased by 30%, explained by the product mix at one of the larger distribution companies.

See detailed outcome on pages 22–24.

Total energy use (GWh) of which fossil-free (%)



Climate impact from own production (Scope 1 & 2). CO_2e/MSEK turnover



GREENHOUSE GAS EMISSIONS

Greenhouse gas emissions (tonnes CO_2e)	2024	%	2023	Base year 2020
Scope 1 (Direct emissions)	173	1%	203	232
Scope 2 (Indirect emissions)	247	1%	257	220
Scope 3 (Other indirect emissions upstream and downstream in the value chain)	21,967	98%	24,407	19,259
Total emissions	**22,388**		**24,870**	**19,711**
CO_2e/MSEK turnover, scope 1 & 2	0.34		0.37	0.59
CO_2e/MSEK turnover, scope 3	17.60		19.57	25.17

Total 16 businesses:

ACTE (Denmark), ACTE (Norway), ACTE (Poland), ACTE Solutions, DP Seals, E-tech, G9, Glova Rail, ISIC, Libra, NST DK, Schmitztechnik, Skomø, Supply Plus, Tebul and Unitronic.

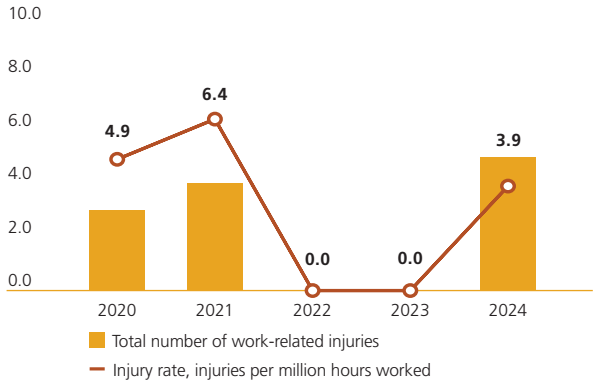
Responsible employer and business partner

Occupational injuries are continually monitored, which includes analysis of the underlying causes and implementing preventive measures to reduce the number of incidents. Systematic work environment efforts are carried out in the companies in order to reduce absence due to illness. The International division has a strong ambition to promote diversity in the workforce as this creates a more dynamic and productive workplace. The companies work with the Code of Conduct for suppliers or equivalent standards.

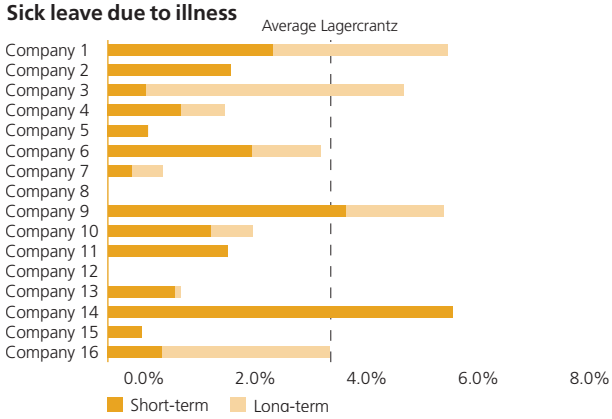
Outcome 2024

- In 2024, the injury rate amounted to 3.9 (0.0). The majority of International's companies have reported a trend of few work-related injuries in recent years. The increase in 2024 consisted of individual cases in one of the larger production units, which is in a growth phase. The company's board has followed up on the individual cases.
- Sick leave due to illness amounted 1.9% (3.4). International will continue to work actively with targeted efforts in the few companies that have higher sick leave due to illness.
- The proportion of women in management teams amounted to 26% (22%).

Injury rate



Sick leave due to illness



Case – G9

G9 develops and manufactures furniture and other furnishings for parks, urban spaces and landscapes. In its material supply, G9 has started using recycled plastics and environmentally friendly alternatives, which on the whole contributes greatly to sustainability. The business is also FSC-certified, which helps to ensure responsible forestry and traceability.

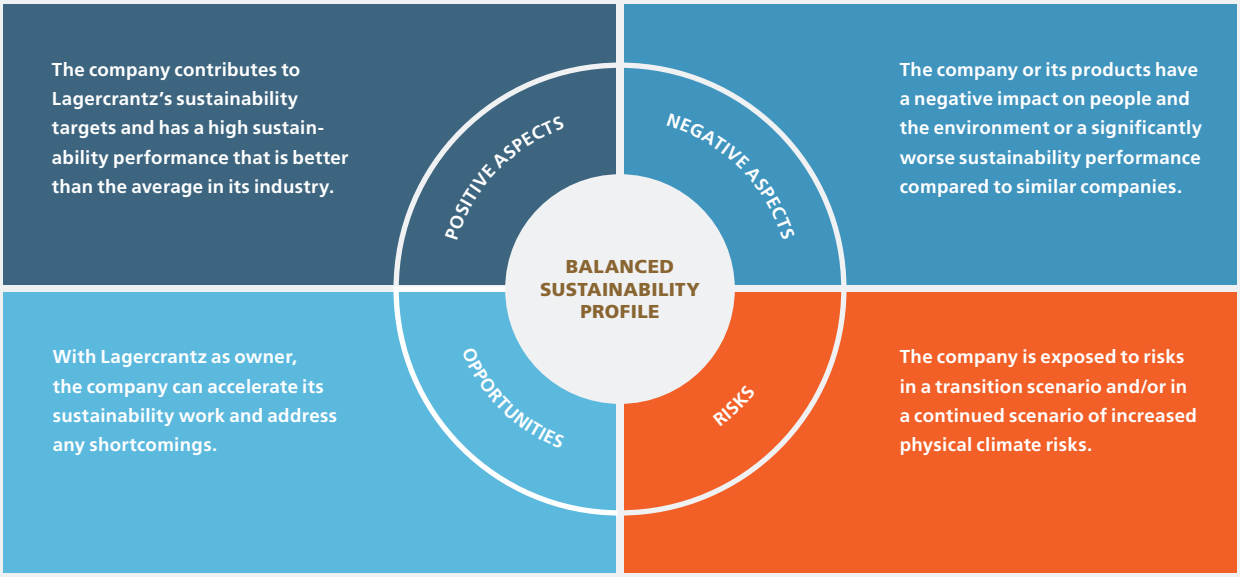
Sustainability in Lagercrantz's acquisition process

Investment focus

Lagercrantz's investment focus is on niche technology companies with good profitability, where each business contributes societal benefit, both in its customer offering and in how the business is conducted. Examples of prioritised areas include components and solutions that enable the green transition, climate adaptation, productivity, energy efficiency as well as increased safety and security. Lagercrantz refrains from investing in companies whose activities or products are directly harmful to the environment, people and society.

ESG Due Diligence

As an integrated part of the initial analysis and due diligence process, potential acquisitions are evaluated **in four areas**, positive and negative aspects, opportunities and risks. The overall sustainability profile is then considered together with commercial and financial factors to ensure a holistic assessment.



POSITIVE ASPECTS	NEGATIVE ASPECTS	OPPORTUNITIES	RISKS
• Meets the investment focus. • Contributes to the UN's 17 global sustainable development goals. • Established sustainability work, with targets and climate calculations at product level. • Low environmental impact from own production. • High health and safety standards. • Well-functioning supplier monitoring. • Female representation in leadership positions.	• Products or value chain with negative environmental impact. • Dependence on fossil fuels or on other environmentally hazardous materials in production. • Production with hazardous work processes and/or history of workplace accidents. • High-risk industry and/or presence of high-risk countries in its value chain as well as limited control and transparency in its value chain.	• Innovative and change-oriented corporate culture. • Early adopter of low-carbon solutions, for example through a unique design, renewable raw materials and/or manufacturing, which has a low carbon footprint compared to competitors. • Stronger demand for products with the increased need for climate adaptation. • With Lagercrantz as owner, the company can accelerate its sustainability work and address any shortcomings.	• Customer base in phase-out industries, such as coal and oil. • Costly technology adaptation to replace environmentally harmful technologies. • Demand and/or supply disruptions due to climate change. • Reputational risks, criticism from the media or investors.

Sustainability data by division 2024

Greenhouse gas emissions (tonnes CO2e)	Electrify	Control	TecSec	Niche Products	International	Lagercrantz
Scope 1 emissions						
Scope 1 (Direct emissions)	382	306	847	712	173	2,420
Scope 2 emissions						
Scope 2 (Indirect emissions)	307	179	542	1,160	247	2,436
Emissions from own production (scope 1 & 2)	**688**	**486**	**1,389**	**1,872**	**420**	**4,855**
Significant Scope 3 emissions						
Scope 3 (Other indirect emissions upstream and downstream in the value chain)	60,873	22,848	53,082	35,751	21,967	194,567
3.1 Purchased goods and services	55,414	20,426	47,563	31,371	19,567	174,341
3.2 Capital goods	147	0	0	15	0	161
3.3 Fuel- and energy-related activities	643	132	416	359	158	1,708
3.4 Upstream transportation and distribution	1,185	843	933	833	1,125	4,919
3.5 Waste generated in operations	179	96	512	360	86	1,233
3.6 Business travel	194	206	158	425	164	1,192
3.7 Employee commuting	734	362	527	847	188	2,656
3.8 Upstream leased assets	98	51	538	226	97	1,009
3.9 Downstream transportation and distribution	2,280	731	2,436	1,316	584	7,347
Total emissions	**61,561**	**23,334**	**54,471**	**37,623**	**22,367**	**199,401**
CO2e/MSEK turnover, scope 1 & 2	0.29	0.40	0.63	0.87	0.34	0.53
CO2e/MSEK turnover, scope 3	25.95	18.63	24.20	16.63	17.60	21.23
CO2e/MSEK turnover, total scope	**26.25**	**19.03**	**24.83**	**17.50**	**17.93**	**21.76**
Energy use and mix (MWh)						
Total energy use	**16,931**	**4,799**	**12,556**	**9,486**	**4,293**	**48,066**
Of which, fossil	2,670	1,657	6,967	4,773	2,899	18,965
Of which, fossil-free	14,262	3,142	5,589	4,714	1,395	29,101
Energy consumption per million turnover	**7.2**	**3.9**	**5.7**	**4.4**	**3.4**	**29.1**
Key performance indicators for employees						
Number of work-related injuries with absence due to illness	**8**	**5**	**7**	**7**	**5**	**32**
Of which, injuries with absence due to illness (1–3 days)	3	3	4	1	2	13
Of which, injuries with absence due to illness (4–13 days)	4	0	2	1	0	7
Of which, injuries with absence due to illness (14 > days)	1	2	1	5	3	12
Number of deaths due to accidents at work	0	0	0	0	0	0
Accident rate (number of injuries per million hours worked)	**5.8**	**6.9**	**5.0**	**6.5**	**4.4**	**5.6**
Absence due to illness, %	**5.1%**	**3.9%**	**4.1%**	**4.2%**	**2.0%**	**3.9%**
Proportion of women/men in management teams, %	**21%**	**17%**	**25%**	**26%**	**26%**	**2,3%**

Greenhouse gas emissions, multi-year table (2024–2020)

Greenhouse gas emissions (tonnes CO_2e)	2024	2023	2022	2021	2020
Scope 1 emissions					
Scope 1 (Direct emissions)	2,420	2,582	2,474	2,395	2,208
Scope 2 emissions					
Scope 2 (Indirect emissions)	2,436	2,641	3,254	3,269	2,807
Emissions from own production	**4,855**	**5,222**	**5,727**	**5,664**	**5,015**
Significant Scope 3 emissions					
Scope 3 (Other indirect emissions upstream and downstream in the value chain)	194,567	199,020	198,484	183,606	165,983
3.1 Purchased goods and services	174,341	178,820	178,406	164,964	148,544
3.2 Capital goods	161	133	143	102	0
3.3 Fuel- and energy-related activities	1,708	1,727	1,772	1,795	1,694
3.4 Upstream transportation and distribution	4,919	5,007	4,871	4,509	3,844
3.5 Waste generated in operations	1,233	983	1,208	1,159	979
3.6 Business travel	1,192	888	754	442	357
3.7 Employee commuting	2,656	2,615	2,560	2,171	2,067
3.8 Upstream leased assets	1,009	1,137	1,231	1,054	949
3.9 Downstream transportation and distribution	7,347	7,709	7,538	7,409	7,548
Total emissions	**199,422**	**204,242**	**204,211**	**189,270**	**170,997**
CO_2e/MSEK turnover, scope 1 & 2	0.53	0.59	0.67	0.78	0.77
CO_2e/MSEK turnover, scope 3	21.23	22.46	23.32	25.44	25.37
CO_2e/MSEK turnover, total scope	**21.76**	**23.05**	**23.99**	**26.23**	**26.14**

Multi-year table by division

Multi-year table – Electrify	2024	2023	2022	2021	2020
Total energy use (MWh)	16,931	16,795	17,239	18,546	18,259
Of which, fossil-free (MWh)	14,262	14,098	14,624	15,960	15,458
CO_2e/MSEK turnover, scope 1 & 2	0.29	0.33	0.36	0.60	0.52
CO_2e/MSEK turnover, scope 3	25.95	25.96	26.44	27.98	25.27
Total number of work-related accidents with absence due to illness	8	7	10	10	9
Accident rate	5.8	5.4	8.0	8.7	8.3
Absence due to illness, %	5.1%	5.1%	5.5%	4.6%	4.3%

Multi-year table – Control	2024	2023	2022	2021	2020
Total energy use (MWh)	4,799	4,872	4,491	4,356	3,533
Of which, fossil-free (MWh)	3,142	2,891	2,895	2,980	2,641
CO_2e/MSEK turnover, scope 1 & 2	0.40	0.44	0.37	0.38	0.34
CO_2e/MSEK turnover, scope 3	18.63	17.73	19.64	18.26	17.10
Total number of work-related accidents with absence due to illness	5	5	0	4	1
Accident rate	6.9	7.0	0.0	6.8	2.0
Absence due to illness, %	3.9%	4.3%	4.1%	3.0%	2.3%

Multi-year table – TecSec	2024	2023	2022	2021	2020
Total energy use (MWh)	12,556	12,674	13,286	13,562	12,013
Of which, fossil-free (MWh)	5,589	5,418	5,648	5,849	4,595
CO_2e/MSEK turnover, scope 1 & 2	0.63	0.73	0.83	0.93	0.85
CO_2e/MSEK turnover, scope 3	24.20	27.48	28.52	31.55	32.67
Total number of work-related accidents with absence due to illness	7	11	6	5	7
Accident rate	5.0	8.1	4.5	3.8	5.4
Absence due to illness, %	4.1%	3.7%	3.9%	3.1%	2.8%

Multi-year table – Niche Products	2024	2023	2022	2021	2020
Total energy use (MWh)	9,486	9,324	9,720	9,315	8,363
Of which, fossil-free (MWh)	4,714	4,183	4,290	4,016	3,612
CO_2e/MSEK turnover, scope 1 & 2	0.87	0.97	1.25	1.24	1.35
CO_2e/MSEK turnover, scope 3	16.63	17.70	20.38	22.12	22.05
Total number of work-related accidents with absence due to illness	7	7	7	8	7
Accident rate	6.5	6.9	6.7	7.7	7.1
Absence due to illness, %	4.2%	3.7%	4.1%	4.4%	4.0%

Multi-year table – International	2024	2023	2022	2021	2020
Total energy use (MWh)	4,293	4,376	4,354	4,554	4,429
Of which, fossil-free (MWh)	1,395	1,240	1,134	938	893
CO_2e/MSEK turnover, scope 1 & 2	0.34	0.37	0.38	0.51	0.59
CO_2e/MSEK turnover, scope 3	17.60	19.57	17.06	22.73	25.17
Total number of work-related accidents with absence due to illness	5	0	0	4	3
Accident rate	3.9	0.0	0.0	6.4	4.9
Absence due to illness, %	1.9%	3.4%	3.1%	2.6%	2.5%

Taxonomy reporting 2024/25

Accounting principles

Key performance indicators are reported in accordance with the Taxonomy Regulation's delegated acts and are presented in separate tables for the proportion of turnover, capital expenditures and operating expenditures that are covered by the Taxonomy.

Turnover includes the Group's total external net turnover, which is defined in accordance with IFRS 15. No other revenue has been identified that meets the definition in the Taxonomy Regulation.

Capital expenditures refers to capitalised expenditure for investments and is calculated as the sum of investments in assets that are reported in accordance with IAS 16 Property, Plant and Equipment, IAS 38 Intangible Assets, IFRS 16 Additional rights of use and assets acquired through business combinations.

Lagercrantz primarily reports capital expenditures that are directly attributable to taxonomy-eligible activities, a principle that has been clarified during the year. Lagercrantz reports investments made in taxonomy-aligned objects in construction and real estate, for example energy-efficient equipment, electric vehicle chargers and renewable energy. During the year, investments have been made in LED lighting and energy-efficient ventilation. Operating expenditures includes expenses for research and development, renovation of buildings, short-term leases (according to IFRS 16), maintenance and repairs as well as services required for an efficient day-to-day operation of property, plant and equipment.

Minimum safeguards

Lagercrantz actively works to ensure that working and employment conditions and human rights are respected throughout its operations. The Code of Conduct for employees and suppliers is in accordance with international principles. Read more on page 9.

Explanation of abbreviations in the tables:
Y = Yes, taxonomy-eligible activity and is aligned with the taxonomy's environmental objectives
N = No, taxonomy-eligible activity but is not aligned with the taxonomy's environmental objectives
N/EL = Not eligible, non-eligible activity according to the taxonomy's environmental objectives

Turnover

Financial year 2024/25		2024/25		Substantial contribution criteria						Do No Significant Harm (DNSH) criteria									
Economic activities (1)	Codes (2)	Turnover (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biological diversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biological diversity and ecosystems (16)	Minimum safeguards (17)	Proportion taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) turnover, year N-1 (18)	Category (enabling activity) (19)	Category (transitional activities) (20)
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A1. Environmentally sustainable activities (taxonomy-aligned)		MSEK	%	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
Turnover of the environmentally sustainable (taxonomy-aligned) activities (A1)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		
Of which enabling activities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	E	
Of which transitional activities		–	–	–						–	–	–	–	–	–	–	–		T
A2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned)		MSEK	%	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned) (A2)		–	–	–	–	–	–	–	–								–		
A. Turnover of taxonomy-eligible activities (A1 + A2)		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**								**–**		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
		MSEK	%																
Turnover of taxonomy non-eligible activities (B)		9,389	100.0%																
Total A+B		**9,389**	**100.0%**																

Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No

Row	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Capital expenditures

Financial year 2024/25		2024/25		Substantial contribution criteria						Do No Significant Harm (DNSH) criteria									
Economic activities (1)	Codes (2)	Capital expenditures (3)	Proportion of CapEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7	Pollution (8)	Circular economy (9)	Biological diversity and ecosystems (16)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biological diversity and ecosystems (16)	Minimum safeguards (17)	Proportion taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) CapEx, year N-1 (18)	Category (enabling activity) (19)	Category (transitional activities) (20)
TAXONOMY-ELIGIBLE ACTIVITIES																			
A1. Environmentally sustainable activities (taxonomy-aligned)		MSEK	%	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
Installation maintenance and repair of energy-efficient equipment	CCM 7.3	4	0.3	J	N	N/EL	N/EL	N/EL	N/EL	–	J	–	J	–	–	J	–	E	
CapEx of environmentally sustainable (taxonomy-aligned) activities (A1)		4	0.3	0.3	–	–	–	–	–	–	–	–	–	–	–	–	–		
Of which enabling activities		4	0.3	0.3	–	–	–	–	–	–	–	–	–	–	–	–	–	E	
Of which transitional activities		0	0	0						–	–	–	–	–	–	–	–		T
A2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned)		MSEK	%	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
CapEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned) (A.2)		0	0	–	–	–	–	–	–								–		
CapEx of taxonomy-eligible activities (A1 + A2)		**4**	**0.3**	**0.3**	**–**	**–**	**–**	**–**	**–**								–		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
CapEx of taxonomy non-eligible activities (B)		1,344	99.7																
Total A+B		**1,347**	**100.0**																

Operating expenditures

Financial year 2024/25		2024/25		Substantial contribution criteria						Do No Significant Harm (DNSH) criteria									
Economic activities (1)	Codes (2)	Operating expenditures (3)	Proportion of OpEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biological diversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biological diversity and ecosystems (16)	Minimum safeguards (17)	Proportion taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) OpEx, year N-1 (18)	Category (enabling activity) (19)	Category (transitional activities) (20)
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A1. Environmentally sustainable activities (taxonomy-aligned)		MSEK	%	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
OpEx of environmentally sustainable (taxonomy-aligned) activities (A1)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		
Of which enabling activities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	E	
Of which transitional activities		–	–	–						–	–	–	–	–	–	–	–		T
A2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned)		MSEK	%	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
OpEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned) (A.2)		–	–	–	–	–	–	–	–								–		
OpEx of taxonomy-eligible activities (A1 + A2)		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**								**–**		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
		MSEK	%																
OpEx of taxonomy non-eligible activities (B)		136	100.0%																
Total A+B		**136**	100.0%																

Definitions

KEY PERFORMANCE INDICATORS & TERMS	DESCRIPTION AND DEFINITION
CSRD – ESRS	Corporate Sustainability Reporting Directive – European Sustainability Reporting Standards.
Energy use	Energy use for heating and operations.
Work-related accident	Work-related incident that results in at least one day of sick leave after the accident occurred.
Injury rate	Injuries (work-related incident that results in at least one day of sick leave after the accident occurred) per million hours worked.
Scope 1	Emissions from energy use in facilities and leakage of refrigerants.
Scope 2	Indirect emissions from electricity use, cooling and district heating.
Scope 3	Indirect emissions in the value chain such as purchased materials and transports.
Sick leave	Number of hours of absence due to illness in relation to scheduled working hours. Short-term sick leave is under 15 days. Long-term sick leave is over 15 days.

Auditor's report on the statutory sustainability report

Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the financial year 2024-04-01 – 2025-03-31 and that it is prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

Deloitte AB

Alexandros Kouvatsos
Authorized Public Accountant

Design and production: Lagercrantz Group in collaboration with Bullhound AB. Printing: Taberg Media Group.
Images are provided by the respective companies unless otherwise stated. Photographer: Magnus Fond (p.21).

Lagercrantz Group AB (publ)
Vasagatan 11, floor 10
P.O. Box 3508
SE-103 69 Stockholm
Phone: + 46 8 700 66 70
info@lagercrantz.com
www.lagercrantz.com