Lagercrantz Group

Buying & Building
Niche Businesses

Appendix to the Report of the Board of Directors in the Annual Report 2025/2026

Sustainability Report

Tormek is a leading manufacturer of sharpening systems for edge tools, including knives, chisels, and woodcarving tools.

ABOUT THE SUSTAINABILITY REPORT

This report constitutes Lagercrantz's Sustainability Report and is prepared on a consolidated basis, covering 85 subsidiaries. For more information about the consolidation methods and subsidiaries, see Note 1 and Note 19 in the Annual Report. The Sustainability Report is based on data from the 2025 calendar year, which is used as an estimate for the financial year. Companies that were acquired late in the calendar year are not included, as the integration process takes time. These will instead be included in the next financial year. Figures for previous years have been adjusted on a pro forma basis as if all companies had been part of the Group since 2020, which ensures comparability over time. The assessment is that no significant events or changes have occurred between the calendar year and the financial year that affect the reported figures.

The Sustainability Report has been prepared in accordance with the Annual Accounts Act, the EU's Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). The Board of Directors of Lagercrantz Group believes that the report provides an accurate picture of the Group's sustainability-related impacts, risks and opportunities. The report has been subject to a review by Lagercrantz's auditors.

Lagercrantz Group

Lagercrantz's 85 niche technology companies offer products and solutions that play an important role in society's transition, in areas such as electrification, infrastructure, control technology, resource efficiency, safety & security and defence. The long-term nature of Lagercrantz's ownership means that the sustainability work is of central importance. A focus on sustainable products and solutions promotes competitiveness and growth. As an owner, Lagercrantz contributes with support, management by objectives and follow-up, while the companies themselves are responsible for developing and implementing sustainable solutions in their businesses.

LAGERCRANTZ GROUP

	ELECTRIFY	CONTROL	TECSEC	NICHE PRODUCTS	INTERNATIONAL
Divisions	18 companies in 11 countries	16 companies in 8 countries	14 companies in 10 countries	20 companies in 8 countries	17 companies in 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
Business volume	Approx. MSEK 2,600	Approx. MSEK 1,350	Approx. MSEK 2,300	Approx. MSEK 2,400	Approx. MSEK 1,950

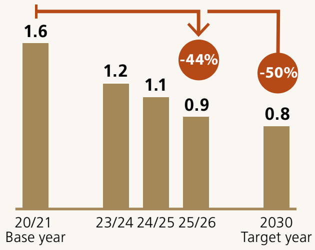
Sustainability key performance indicators	25/26	24/25
Energy use (GWh)	61	63
Proportion fossil-free energy	57%	51%
Climate impact from own production (tCO_2 Scope 1 & 2 / MSEK revenue)	0.9	1.1
Climate impact from own production, absolute value (tCO_2 Scope 1 & 2)	8,983	10,890
Climate impact from value chain (tCO_2 Scope 3 / MSEK revenue)	25.4	24.1
Injury rate	7.5	6.0
Sick leave	4.0%	4.4%
Incidents of corruption	0	0
Proportion of women in companies' management teams	25%	23%

GROUP TARGET

Climate impact from own production (Scope 1 & 2) tCO_2e/MSEK

-44%

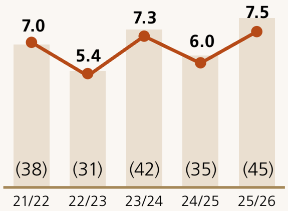
The target is to reduce climate intensity by 50% between 2020 and 2030 through a transition to fossil-free production and improvements in energy efficiency. Emissions have decreased by 44% relative to revenue, in absolute terms, this corresponds to a reduction of 23%.



Injury rate (accidents per million hours worked)
(Work-related accidents with absence)

7.5

The injury rate, amounted to 7.5 (6.0). The increase has been analysed and attributed to individual companies. Lagercrantz's strives for a vision zero, which means that no employee should be injured in the workplace.



FOCUS OF LAGERCRANTZ'S SUSTAINABILITY WORK

25/26

- √ An in-depth materiality assessment based on data from all subsidiaries.
- √ Integrated sustainability reporting into financial systems and developed analytical tools that have strengthened data quality.
- √ Complete climate report covering all Scope 3 categories.
- √ In-depth dialogue with the subsidiaries that have the greatest climate impact.

26/27

- Increased knowledge sharing among the Group's subsidiaries in the sustainability area.
- Support and challenge companies in their product development to meet customer demand for sustainable technologies.
- Lead by providing good examples of how sustainability data and communication can strengthen companies' competitiveness.
- Continued targeted support for companies with high impact, with a particular focus on climate category 3.1.

COMMENTS BY THE CEO

Sustainability in action!

I would like to contend that sustainability is absolutely business-critical for all 85 of Lagercrantz's business units. The fact that we offer future-oriented, resource-efficient and environmentally friendly products and solutions for all of the Group's customers forms the basis for our competitiveness and growth opportunities. By focusing on sustainability, we become highly regarded partners in the value chain among customers and suppliers and we become attractive when employees are looking for progressive, responsible employers. We express this by saying that all companies in the Group should provide societal benefit.

But the sustainability work has its challenges in a Group with such a wide range of businesses and where the mix is continually changing in line with new acquisitions. Growing by 15% per year means doubling in size every 5 years and after 10 years only 25% of companies are comparable over the entire measurement period. The sustainability work occurs on a decentralised basis, just like much else in the Group, where the view is that each company should also be a leader with its products in terms of sustainability in its respective submarket, compared to its competitors in the industry. We want to measure and monitor these developments, but this is best done in each company over time, rather than by aggregating data where the comparison is constantly affected by changes in the mix.

Significant progress has been made with the sustainability work in the Group in recent years. The materiality analysis has been completed and reporting has been established for all key ESG areas, and the data quality from all units has been ensured. We have set targets for 2030 with 2020 as the base year and we have chosen to restate the figures on a pro forma basis back to the base year in order to follow the development of comparable units over the measurement period. Happily, we are already seeing a very positive development in key dimensions such as CO_2 intensity for the Group as a whole and many good examples of progressive improvements across the Group. This will create real competitiveness and growth opportunities locally for each company. This really is sustainability in action!

Jörgen Wigh, President & CEO, Lagercrantz Group

"BUYING & BUILDING SUSTAINABLE BUSINESSES"

A SELECTION OF SOCIALLY BENEFICIAL TECHNOLOGIES WITHIN LAGERCRANTZ

ROAD SAFETY: Nordic Road Safety manufactures and sells road equipment for various types of infrastructure, such as safety barriers, bridge parapets, median barriers and noise barriers. Through its solutions, the company contributes to improved road safety and to saving lives on the roads.

CLIMATE MONITORING: Geonor develops and sells geotechnical, hydrological and meteorological equipment for monitoring precipitation and environmental conditions. The company's solutions contribute to a greater understanding of climate change and extreme weather events.

RENEWABLE ENERGY: CWL develops roof safety products and mounting systems for solar panels that enable the safe and efficient installation of solar energy. During the year, the company launched a low-slope system adapted to Nordic weather conditions and flat roofs, which contributes to the further expansion of renewable energy.

WATER MANAGEMENT: Truxor Wetland Equipment sells amphibious machines that enable effective water management and environmental-related work. The solutions are used, among other things, to control aquatic vegetation and combat eutrophication, restore wetlands and to carry out maintenance work in nature reserves and watercourses.

MARINE INFRASTRUCTURE: Libra is a market leader in high-quality doors, hatches and storage units for the marine industry. The products are designed to function in extreme weather conditions and demanding environments, which contributes to safer operation and reduces the need for maintenance and replacements.

Sustainability at Lagercrantz

Strategy and business model

Lagercrantz's business concept is to acquire and develop niche technology companies with a long-term ownership perspective, without an exit horizon. To ensure that the businesses are relevant and competitive over time, Lagercrantz focuses on companies that provide a societal benefit.

The business model and working methods are based on decentralisation and management by objectives, simplicity and efficiency, as well as 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 may impact the organic development. Sustainability efforts are crucial for value creation and thus are a prerequisite for long-term success.

Lagercrantz carries out 8–12 acquisitions annually, equivalent to at least 10% of the business volume. Lagercrantz refrains from investing in activities, which are directly harmful to the environment, people and society.

Sustainability governance

Lagercrantz's Board of Directors and the President & CEO have overall responsibility for the Group's sustainability work. The Board makes decisions on strategy and acquisitions where sustainability aspects are integrated into the decision-making process, and sets key policies. The Board is updated annually by the CEO on developments in material sustainability areas. For information on the Board's composition, expertise and remuneration, see Note 5 and page 92 of the Annual Report.

The MD of each subsidiary is responsible for the operational sustainability work: developing sustainable business solutions, working to reduce negative impacts and ensuring compliance with Group-wide policies. The companies set their own targets and develop proposals for activities to achieve them, based on what best suits their own operations and is considered to create the greatest business value. The boards of the subsidiaries ensure that the plans are in line with the Group's goals. Lagercrantz's central functions provide support through expertise and tools.

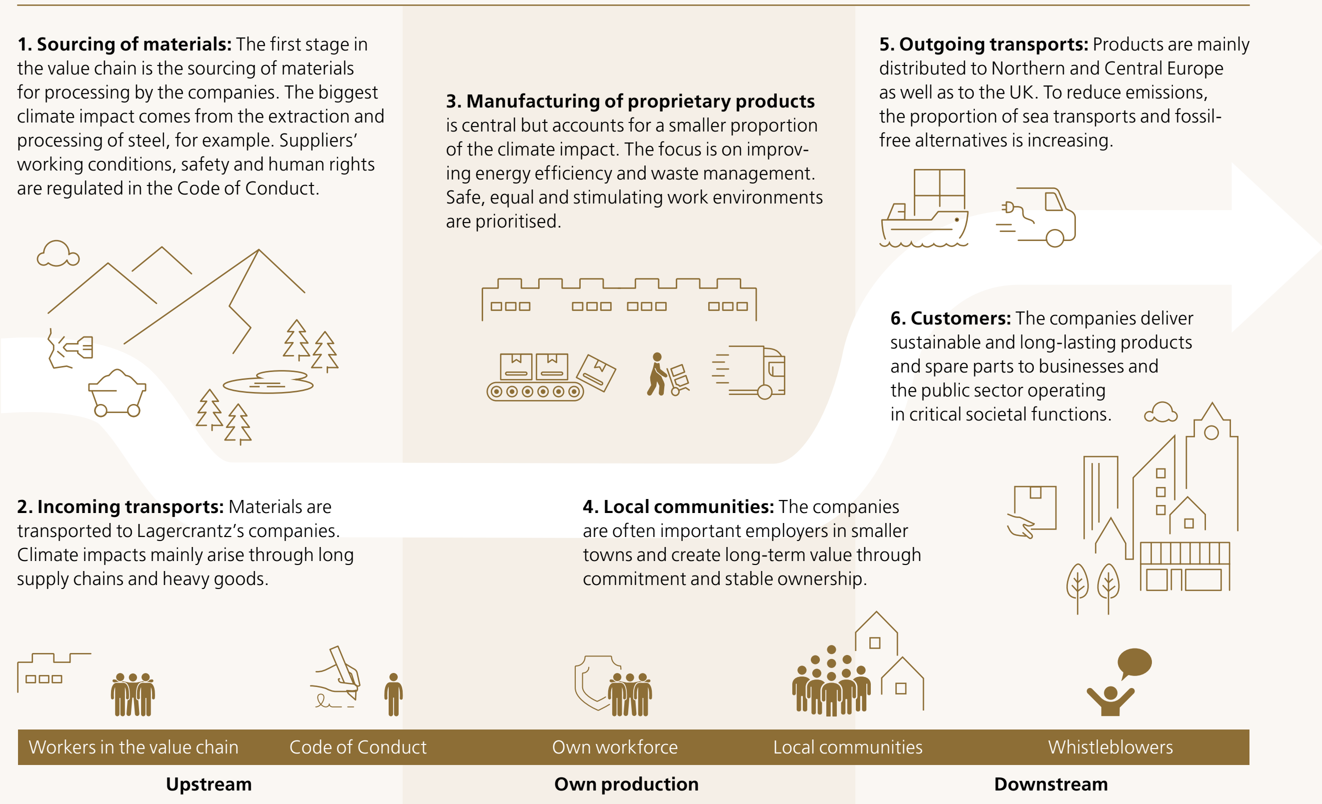
Internal control over sustainability reporting

During the year, Lagercrantz integrated the sustainability reporting into the same system as its financial system, where there are built-in control functions such as version management and deviation reporting, which contributes to increased reliability in the reporting.

The companies are responsible for collecting and reporting sustainability data per legal entity and perform calculations

IMPACTS IN LAGERCRANT'S VALUE CHAIN

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



in accordance with the instructions in the Lagercrantz Sustainability Reporting Handbook. Prior to the reporting period, preparatory meetings are held to reduce the risk of incorrect or inconsistent interpretations. During the meetings, the handbook and illustrative examples are reviewed.

Within the framework of the internal control, reasonableness assessments are carried out, comparisons with previous periods are made and identified deviations are followed up. The divisional management acts as a support function. The Group's Sustainability Manager coordinates, quality assures and consolidates the reporting.

Materiality assessment with stakeholders

Lagercrantz in dialogue with key stakeholders, has conducted a double materiality assessment (impact and financial materiality) based on the areas covered by CSRD and ESRS 1, AR16. For detailed information on stakeholder dialogues see page 25.

The process was initiated at Group level in 2024, where board representatives from Lagercrantz – with good knowledge of the respective companies – made an initial assessment of their operations. The results were then consolidated and reconciled with owners and investors.

In 2025, the analysis was expanded based on data from all Group companies' sustainability reporting, business plans and self-assessment forms. However, this more in-depth analysis has not led to any changes in the assessment of the material topics. The analysis is also based on external reference data, such as risk indices for the environment, human rights and corruption, as well as guiding principles from the UN and OECD. The assessment covers the short, medium and long term.

Group companies use the annual reporting to Lagercrantz to identify and understand their material impacts. In addition, several companies conduct in-depth impact assessments within the framework of their environmental management systems and permit processes, as well as through ongoing dialogues with customers, employees and suppliers.

The final materiality assessment is categorised according to a four-point scale, minimal, informative, important and significant, for both impact and financial materiality. Threshold values are established taking into account both the number of Group companies affected and the severity of the impact. A topic is included in the reporting if it is assessed as material or significant, which means that it is either relevant to a majority of the subsidiaries (thereby increasing the scale and likelihood of financial effects, as well as the scale and scope of actual and potential impacts on people and the environment) or has a high level of severity.

Material sustainability topics

The result of Lagercrantz's materiality assessment is described below. There are material topcis at certain companies that are not material for the entire Group. Examples of this include privacy issues in companies that process personal data, increased industry risks linked to conflict minerals in electronics, microplastic emissions during road maintenance, and surface treatment in own production that require environmental permits.

SUSTAINABLE BUSINESSES
RESULT OF MATERIALITY ASSESSMENT

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 TOPICS

REDUCED CLIMATE IMPACT	MOTIVATED EMPLOYEES & SAFE WORKPLACES	RESPONSIBLE BUSINSSES
ESRS E1. PAGE 6–9	ESRS S1. PAGE 10	ESRS G1. PAGE 11
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 (tCO_2e) relative to revenue (MSEK) • Scope 3 emissions (tCO_2e) relative to revenue (MSEK)	• Number of accidents, injury rate and sick leave • Gender distribution in management teams	• Incidents of corruption • Number of whistleblower cases

POLICIES FOR MATERIAL SUSTAINABILITY ISSUES:
Climate change: Code of Conduct, Environment section, Company-specific Supplier Codes of Conduct.
Own workforce: Code of Conduct, Working conditions section (incl. health and safety, gender equality & all forms of discrimination in accordance with legislation).
Responsible businesses: Code of Conduct, *Anti-corruption section,* Export Control Policy and Company-specific Supplier Codes of Conduct.

The Code of Conduct is available on Lagercrantz's website.

Climate change

Climate impact, risks and opportunities and the resilience of the business model

Lagercrantz's climate impact arises through use of fossil fuels in the Group's own operations and indirectly in the value chain, for example through the extraction of raw materials and the use of products. The Group's emissions are calculated annually in accordance with the GHG protocol and cover Scope 1, 2 and 3.

In connection with acquisitions, analyses are carried out of the companies' resilience to climate-related risks in order to assess the potential impact on future cash flows and value creation. Meanwhile, business opportunities linked to the climate transition are being identified, which is reflected in the companies' focus on areas such as electrification, resource efficiency and climate-adapted solutions.

Lagercrantz prioritises companies with long product life cycles, where technological development often occurs in stages and where the time horizon for the commercial due diligence is usually 10–20 years or longer. The analyses include changes in regulations, technological developments, energy prices and customer preferences in scenarios where the climate transition is accelerating. The risk assessment is differentiated based on each acquisition target and, where necessary, scenario data is also used to assess risks related to climate change, including potential impacts on supply chains, supply of raw materials, demand and assets.

Considering the geographical spread of the Group's companies, suppliers and customers, the risk of significant disruptions, such as production stoppages or damage to assets due to extreme weather events, is assessed as low. In addition, the companies work with business continuity planning, including as part of their quality and environmental management systems. Of the Group's companies, 48 out of 85 are certified according to ISO 9001 and 37 out of 85 according to ISO 14001.

Lagercrantz's exposure to phase-out sectors, such as fossil fuel industries, is limited. Less than one percent of the Group's net revenue relates to such customer segments.

In summary, Lagercrantz's business model is considered to have good resilience to climate-related risks, while the Group is well positioned to capitalise on business opportunities linked to the ongoing climate transition.

Strategy for reduced climate impact

All companies in the Group set out activities in their business plans that are expected to address the high-impact climate categories over which the companies have control. These activities are continually monitored by the respective company board and divisional management. Examples of measures are described on page 103. As the operating conditions and climate impacts differ between the businesses, the actions vary across the Group.

Lagercrantz has identified companies that account for a larger part of the Group's carbon footprint and in these cases Lagercrantz is providing more active support. In summary, Lagercrantz has two major areas for transformation:

- Companies where the energy mix is fossil-fuel-heavy (Scope 1 & 2).
- Companies with a large volume of metal products, primarily made of steel and aluminium, such as safety barriers, gratings and industrial doors (Scope 3).

The costs for implementing the measures vary among the companies. The cost of fossil-free electricity is estimated to be relatively low, while phasing out natural gas and oil-fired boilers requires more substantial investments and, for the time being, expensive renewable alternatives. In addition, customers' willingness to pay for sustainable products is a critical factor. Lagercrantz's companies are often component suppliers, which implies both opportunities and challenges. The products thus constitute a limited proportion of the customers' total climate impact, which can influence the prioritisation of transition measures among customers. Meanwhile, the companies' flexibility and entrepreneurial working methods enable them to quickly adapt to changing sustainability requirements.

TARGETS FOR CLIMATE CHANGE MITIGATION AND ADAPTATION

OWN PRODUCTION (SCOPE 1 & 2[1])

Reduce CO_2 emissions as a proportion of business volume in MSEK by 50% by 2030 (base year 2020[2])[3]

VALUE CHAIN (SCOPE 3)

Reduce emissions as a proportion of business volume measured in MSEK by 25% by 2030 (base year 2020[2])[3]

MEASURES AT COMPANIES TO ACHIEVE THE TARGETS

- Carry out energy audits to implement energy efficiency improvements through modern technology, optimised operation and improvement of the property's performance (for example, ventilation, insulation and heat recovery).
- Replace fuel oil and natural gas with energy sources that have a lower climate impact.
- Increase the proportion of fossil-free electricity through guarantees of origin or own production, such as solar panels.
- Electrification of service and company cars or a switch to biofuel.

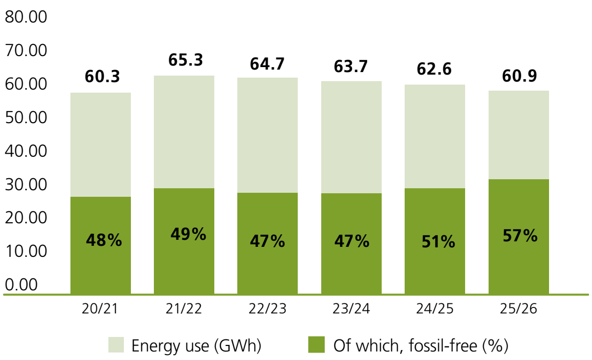
- Recycled, low-carbon and renewable raw materials and commercial strategies that create a willingness to pay for more sustainable products.
- Prepare environmental product declarations (EPDs) for products to increase transparency concerning their climate and environmental impact.
- Development of product design with a focus on material efficiency.
- Develop the aftermarket business, service offerings and spare parts to extend product lifespans.
- Development of more energy-efficient products, which are technically capable of being powered by renewable energy sources.
- Optimisation of freight transport and phasing out air transport to the greatest extent possible.

Energy use and energy mix

The data covers energy within Scopes 1 and 2 and includes energy for production and operational processes as well as fuels for own and leased vehicles. Consumption is mainly driven by production processes such as metalworking (pressing, welding and machining), galvanising and other surface treatment, as well as injection moulding. The most common energy source is electricity, followed by district heating.

Total energy use has decreased slightly during the year and the proportion of fossil-free energy increased to 57 (51)%, as consumption of fuel oil and purchased electricity and heat from fossil sources has fallen.

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



MWh	25/26	24/25
Fuel consumption from coal and coal products	0	0
Fuel consumption from crude oil and petroleum products	12,780	13,546
Fuel consumption from natural gas	6,546	6,580
Consumption of purchased electricity, heat, steam or cooling from fossil sources	7,099	10,414
Total use of fossil energy	**26,425**	**30,540**
Proportion of fossil sources in total energy use	***43%***	***49%***
Use from nuclear energy sources	**5,711**	**5,313**
Proportion of nuclear energy sources in total energy use	***9%***	***8%***
Fuel consumption from renewable sources, including biomass	608	489
Consumption of purchased electricity, heat, steam and cooling from renewable sources	27,214	25,490
Consumption of self-generated renewable non-fuel energy	942	777
Total use of renewable energy	**28,763**	**26,756**
Proportion of renewable sources in total energy use	***47%***	***43%***
Total energy use	**60,899**	**62,609**
Energy intensity per net revenue	**6.0**	**6.2**

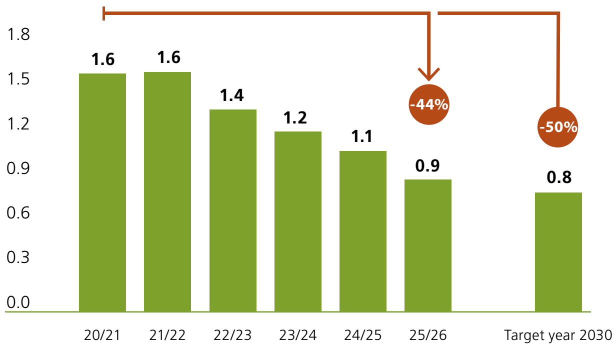
1) Scope 2 emissions included in the target are calculated according to the market-based method.
2) To take account of the effect of acquisitions, Lagercrantz restates the base year and previous years each year to improve comparability over time. Given that Lagercrantz has diversified and global operations, the base year value is considered to represent a normal year.
3) Lagercrantz's climate targets have not currently been compared to a sector-specific, or cross-sectoral, emissions reduction pathway in line with limiting global warming to 1.5°.

Greenhouse gas emissions within Scope 1, 2, 3

Absolute emissions in Scope 1 and 2 have decreased by 18% compared to the previous year. The reduction was primarily driven by the purchase of renewable electricity through guarantees of origin at several of the Group's larger manufacturing companies, as well as the installation of solar panels, which have replaced the use of fossil oil and gas. Emissions have thus decreased by 23% compared to the base year 2020 and by 44% per revenue.

Scope 3 emissions per million in revenue have increased slightly compared to the previous year (5%), which was mainly explained by higher material purchases and an increased proportion of air freight. Compared to the base year 2020, emissions have decreased by 9%, where the change is mainly being driven by a mix effect, where companies with products that have a lower carbon footprint have increased their share of sales.

Climate impact from own production (Scope 1 & 2) tCO2e/MSEK revenue



GREENHOUSE GAS EMISSIONS

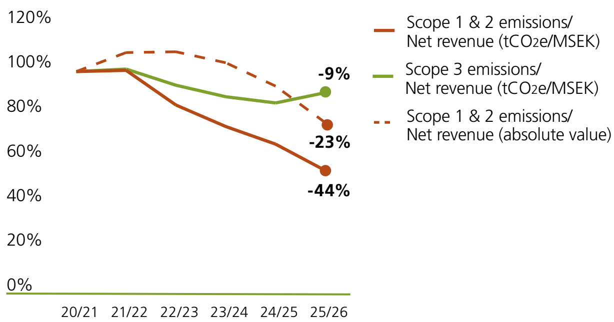
tCO2e	25/26	24/25	Base year 20/21	% change from the base year
Scope 1 & 2				
Scope 1	4,455	5,055	4,977	-11%
Scope 2, market-based	4,528	5,835	6,675	-32%
Total, market-based	**8,983**	**10,890**	**11,651**	**-23%**
Scope 2, location-based	*2,438*			
Total, location-based	*6,893*			
Scope 3				
1. Purchased goods and services	194,350	179,277	158,200	23%
2. Capital goods	1,839	1,982	1,318	40%
3. Energy-related (upstream)	1,749	1,754	1,636	7%
4. Transportation and distribution (upstream)	6,512	5,903	4,478	45%
5. Waste in own operations	386	1,164	913	-58%
6. Business travel	1,523	1,248	423	260%
7. Employee commuting	3,151	2,970	2,789	13%
8. Leased assets (upstream)	14	5	5	189%
9. Transportation and distribution (downstream)	7,529	8,143	8,031	-6%
10. Use of sold products	39,153	40,336	26,081	50%
12. End-of-life treatment of sold products	596	638	479	25%
Total	**256,803**	**243,420**	**204,352**	**26%**
GHG emissions, total market-based	**265,786**	**254,310**	**216,004**	**23%**
GHG emissions, total location-based	*263,696*			

GREENHOUSE GAS INTENSITY PER NET REVENUE[1]

tCO2e MSEK	25/26	24/25	Base year 20/21	Change, %	Target 2030
Scope 1 & 2 emissions/ Net revenue	0.9	1.1	1.6	-44%	-50%
Scope 3 emissions/ Net revenue	25.4	24.1	28.1	-9%	-25%
Total emissions	**26.3**	**25.5**	**29.7**	**-11%**	

1) Net revenue has been adjusted on a pro forma basis for acquisitions and differs from Lagercrantz's reported financial information in the 2025/26 Annual Report.

Percentage change in climate impact relative to the base year 20/21



EXPLANATIONS AND CALCULATION METHODS FOR ENERGY AND CLIMATE DATA

Lagercrantz applies a financial control approach, and its subsidiaries report emissions for the operations over which they have operational control. The emission factors are from 2025, except in a few specific cases.

Scope 1. Direct emissions

Lagercrantz's Scope 1 emissions include fuel consumption in company vehicles, fuels used for heating premises and in production processes, as well as refrigerant leaks. Emissions are calculated based on activity data (for example, litres of fuel or cubic metres of gas) multiplied by the relevant emission factors for the type of fuel or gas. Emission factors are obtained from the Department for Environment, Food & Rural Affairs (DEFRA), the Swedish Energy Agency and the Swedish Environmental Protection Agency.

Scope 2. Indirect emissions from purchased energy

Scope 2 includes purchased electricity, heating and cooling. From the 2025/26 financial year, emissions are calculated according to both market-based and location-based methods. Emission factors for renewable electricity with guarantees of origin are obtained from environmental product declarations (EPDs), for example from Vattenfall. Factors for the residual mix (market-based method) and country mix (location-based method) are obtained from AIB and CADI and are updated annually. Companies are primarily encouraged to use supplier-specific emission factors for district heating and cooling, as these vary locally. If these are not available, generic factors from DEFRA are used.

Scope 3.1 Purchased raw materials and services

Emissions from purchased goods arise primarily during the processing and treatment of materials used in the companies' products. This is the Group's largest emissions category and companies are primarily encouraged to carry out detailed calculations based on supplier-specific emission factors, to enable the monitoring of emission-reduction measures. If such data is not available, emissions are calculated based on weight and material-specific factors from Idemat, for example steel and aluminium. In individual cases, a cost-based method with emission factors from Exiobase is used. Purchased services are considered to be of lower materiality and are therefore calculated at Group level using a cost-based method. Lagercrantz does not collect information regarding the proportion of primary data used at subsidiaries.

Scope 3.4 and 3.9 Freight transport

Emissions from freight transport are calculated by multiplying transport performance (tonne-kilometres) by emission factors per transport mode, based on data from the Global Logistics Emissions Council (GLEC).

Scope 3.11 Use of products sold

This category includes emissions that arise during use of sold products that require energy in the form of electricity or fuel. Emissions are primarily driven by three of Lagercrantz's companies that sell fuel-consuming machinery, which account for about 50% of emissions in this category, while the remainder relates to electric products. The companies calculate emissions based on typical customer use cases, including assumptions about annual energy consumption and the expected lifetime of the products. Sales markets determine the choice of emission factors.

Remaining Scope 3

Other climate categories within Scope 3 are generally considered to have lower materiality in the Group's transition plan, as well as limited data availability and control. For these, Lagercrantz has developed simplified reporting templates using generic emission factors from the Network for Transport Measures (NTM) and DEFRA. The calculations are therefore associated with some degree of uncertainty.

Excluded scopes

Scope 1.3 as well as Scopes 3.10, 3.13, 3.14 and 3.15 are not considered to be applicable to Lagercrantz's operations and are therefore assumed to result in zero emissions.

The EU Taxonomy

The EU's Taxonomy Regulation, which entered into force in 2021, aims to steer capital towards sustainable investments in line with the EU's climate targets and the European Green Deal.

Lagercrantz is only covered by the taxonomy to a limited extent. This is because the Group's companies are largely component suppliers, whose products are rarely directly covered by the activities defined in the taxonomy, and that distribution activities fall outside the scope of the taxonomy. The assessment of taxonomy-eligible activities has been based on NACE codes and supplemented with an analysis of relevant economic activities according to the taxonomy's delegated acts.

Ahead of the 2025/2026 reporting year, Lagercrantz has also applied the option under the EU's delegated acts to carry out a materiality assessment. Historical data shows that investments in, for example, energy efficiency improvements and renewable energy, such as the installation of solar panels, LED lighting and charging infrastructure, constitute a limited proportion of the Group's total capital expenditure. In light of this, and as no material changes to operations have been identified, it is assessed that these activities will continue to fall below the materiality threshold of 10% and have therefore been excluded from further assessment. Against this background, the proportion of taxonomy-eligible and taxonomy-aligned activities amounts to 0% in terms of turnover, capital expenditure (CapEx) and operating expenditure (OpEx).

TAXONOMY REPORTING 2025/26

		Taxonomy-eligible activities		Taxonomy-aligned activities		Taxonomy non-eligible activities	
	Total MSEK	%	MSEK	%	MSEK	%	MSEK
Net turnover [1]	10,609	0%	0	0%	0	0%	0
Capital expenditure [2]	1,356	0%	0	0%	0	0%	0
Operating expenditure	169	0%	0	0%	0	0%	0

1) See Annual Report income statement.
2) See Annual Report Notes 11, 17, and 18.

Own workforce

Material topics – employees

Lagercrantz's companies are important employers in the communities where they operate. Through active and responsible ownership, competitive companies and jobs are created. However, motivated employees are a prerequisite for long-term value creation and therefore this is one of Lagercrantz's prioritised sustainability issues. Negative impacts are mainly safety risks in production and the proportion of female managers is an area for improvement. Lagercrantz's companies operate in countries with well-developed worker protection, which helps to minimise labour-related risks.

A large proportion 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 periods. For information about employees in the Group by geographical area, see Note 5 in the Annual Report. 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 receive a fair salary in line with comparable indices.

Number of employees and gender distribution	**25/26**	**25/24**
Number of employees	3,595	3,090
Of whom, women	*23%*	*23%*
Number of persons on the Group Board	6	6
Of whom, women	*50%*	*50%*
Number of persons in Group Management	3	3
Of whom, women	*0%*	*0%*
Number of persons in companies' management teams	373	390
Of whom, women	*25%*	*23%*

Lagercrantz is striving on a long-term basis to increase gender equality. The ambition is at that at least 35% of management teams should be composed of women. As an owner, Lagercrantz has a significant influence, not least through the appointment of the MD, a key factor in the companies' development and culture. It is therefore ensured during recruitment processes that both genders are represented among the candidates. During the year, the proportion of women in the companies' management teams was 25% (23%), in line with the proportion of female employees overall. Information on gender pay gaps is not collected.

Dialogue with employees and channels to raise concerns

Lagercrantz provides a Group-wide whistleblower service that enables employees and other stakeholders to report suspected irregularities or serious misconduct in a work-related context. The purpose is to identify and manage potential risks at an early stage and to uphold high standards of business ethics and a safe working environment. The whistleblower service is operated by an external and independent party to ensure anonymity and confidentiality. Only designated representatives from Lagercrantz have access to the reports received. During the year, 4 (0) cases were received via the Group's whistleblowing channel related to incidents within our companies concerning local health and safety issues, generally linked to leadership. Issues related to general dissatisfaction or individual work-related disputes are handled locally through discussions with the immediate line manager. During the year, a total of 46 companies have conducted employee surveys. The dialogue with employee representatives and trade unions is handled locally at the companies.

Safe workplaces

Lagercrantz has a large proportion of employees in production and manufacturing, therefore the focus on workplace safety and on the work environment is important. The Group's vision zero means that no employee should be exposed to danger or injured in the workplace.

The most common accidents in Lagercrantz's manufacturing companies are of a milder nature and usually result in few sick days. These mainly involve crushing and cutting injuries that occur in connection with manual work tasks, such as material handling and assembly work. The MD of each company is responsible for ensuring a good safety culture, including with regard to the use of protective equipment. The companies conduct preventive safety work through, for example, the follow-up of risk observations and certifications such as ISO 45001. The companies' boards follow up accident statistics annually to identify whether accidents can be linked to systematic deficiencies in the safety culture.

In 2025/2026, the injury rate, defined as the number of accidents (work-related incidents that resulted in at least one day of absence) per million hours worked, was 7.5 (6.0). The increase compared to the previous year can be attributed to individual companies and is not considered to be due to general or systematic safety deficiencies. Several of the accidents occurred outside of production-related work tasks. Sick leave is another important indicator of employee wellbeing. During the year, sick leave decreased to 4.0% (4.4).

During the year, four reports of work-related discrimination, including harassment, were received in the companies. One case is still ongoing. In one case, a violation has been confirmed and handled, while the other cases have been closed without violations being established. None of the cases have led to legal consequences for the companies.

Accidents and sick leave	**25/26**	**25/24**
Number of work-related injuries with sick leave	45	35
Of which, injuries with sick leave (1–3 days)	*24*	*16*
Of which, injuries with sick leave (4–13 days)	*14*	*7*
Of which, injuries with absence due to illness (14 > days)	*7*	*12*
Number of fatalities due to work-related injuries	0	0
Injury rate (number of injuries per million hours worked)	7.5	6.0
Sick leave	4.0%	4.4%
Of which, short-term sick leave	*2.0%*	*2.2%*
Of which, long-term sick leave	*2.1%*	*2.2%*

Responsible businesses

Material topics – business ethics

Responsible business conduct is crucial for Lagercrantz to maintain the trust of owners, investors, potential acquisition candidates, as well as customers, employees and suppliers.

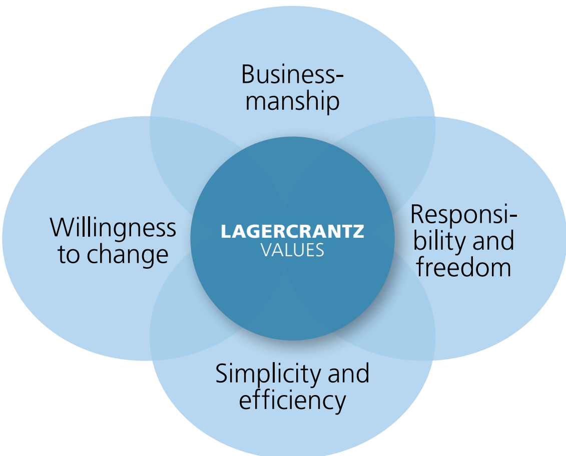
Corruption, bribery and fraud constitute a material sustainability issue, despite their low probability, as they can entail financial and reputational risks. Lagercrantz uses external risk indices and public registers to analyse country and industry risks, and monitors business relationships linked to high-risk areas. During acquisitions, screening is also carried out for corruption and sanctions relating to counterparties, if necessary.

The overall risk is assessed as low, partly due to limited exposure to high-risk markets, and no business relationships have been identified that violate EU or US sanctions legislation. Lagercrantz works preventively through a strong corporate culture, responsible procurement processes and Group-wide policies, such as the Code of Conduct and Export Control Policy.

Lagercrantz corporate culture

The corporate culture is a key tool for ensuring responsible business conduct in Lagercrantz's decentralised organisation, where subsidiaries operate independently under their own brands and close to their 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 a focus on enduring results and that environmental and social consequences are taken into account. Responsibility and freedom reflect Lagercrantz's decentralised structure and 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.

The culture is continuously evaluated and embedded through the Code of Conduct and the book "Legacy, Vision, Means", which all employees receive. The companies' MDs are key culture ambassadors and meet annually at a Group-wide conference to share experiences. During acquisitions, introduction programmes and training are carried out to establish relationships and embed Lagercrantz's values.

Responsible sourcing

Some of the Group's potential social, business ethics and environmental impacts arise indirectly with suppliers and customers. Lagercrantz's companies therefore work closely with their suppliers, which enables dialogue regarding sustainability risks and value creation for customers. The Group's Code of Conduct also covers suppliers and is often supplemented with company-specific supplier codes to clarify expectations.

The companies work with structured supplier monitoring where initial screening is used to identify high-risk areas. Procurement of metals and electronics in high-risk countries, are two examples within the Group, and are subject to more in-depth monitoring. Monitoring is carried out through self-assessments and internal reviews.

Anti-corruption procedures

Lagercrantz has a clear zero tolerance policy towards corruption and has therefore established procedures for preventing, detecting and handling incidents. These include review of documentation by local auditors and visits by financial controllers to the Group's companies. In addition, there are internal reporting channels, such as a whistleblower function and annual sustainability reporting.

Lagercrantz provides training materials linked to the Code of Conduct, which includes anti-corruption. In cases where companies do business with countries with an increased risk of corruption, the Board of Directors requires targeted training for employees at risk, such as sales and procurement functions.

Cases of corruption and bribery

During the past year, Lagercrantz had 0 (0) reported incidents of corruption and no confirmed cases

Electrify

Number of companies	Proportion of Group's net revenue	Number of employees	Proportion of Group's energy use	Reduced climate impact, own production	Injury rate
18	25% (approx. MSEK 2,600)	840	30%	-49%	6.8

Products for electrification and infrastructure

The Electrify division develops and manufactures products for the electrification and expansion of critical infrastructure, including electrical connectors, enclosures, cabling, technical buildings, fiber splicing and solutions for improved road safety. The companies' focus on electrification and infrastructure contributes to a safer society and to the green transition.

Material sustainability issues

A significant part of Electrify's environmental impact arises in the supply chain through the companies' purchasing of materials, primarily from the production of steel and aluminium. Against this background, the adaptation of the supply chain for steel products is a priority issue for the division, with the goal of reducing CO_2e intensity in the manufacturing process. It is also important from a business perspective to safeguard competitiveness and minimise risks linked to, for example, carbon pricing.

The work environment and safety are also priority areas as the division has a high proportion of manufacturing companies. The production units are mainly located in the Nordic countries, mostly in Sweden. An increased proportion of renewable electricity and implemented energy optimisation measures – including modernised factory ventilation and optimised painting operations at Elkapsling – have significantly reduced the climate impact.

Some companies have washing processes linked to surface treatment, where the use of environmentally friendly washing systems in closed facilities minimises the impact on the local environment.

Comments on the year's performance: The reduction in emissions in the division from own production was due to both reduced consumption and the transition to renewable electricity. The results show that targeted measures at the unit level have a measurable effect and can serve as a reference for other companies within the Group.

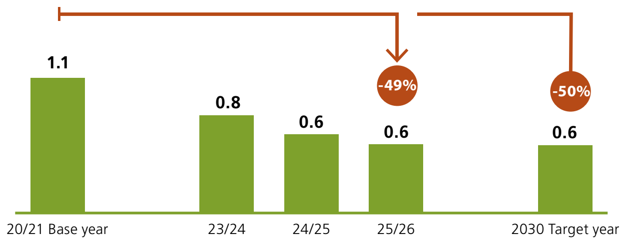
In 2025, Scope 3, which accounts for 98% of the division's emissions, was in line with the previous year. The impact of reduced air freight was offset by increased purchases of materials.

The injury rate temporarily increased as a result of a one-off work-related accident; other accidents during the year have been minor and production-related. Short-term sick leave has decreased during the year, but long-term sick leave has increased.

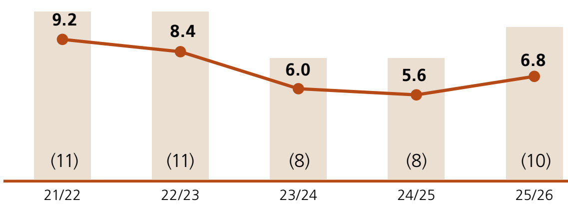
Future activities: Going forward, the phasing out of fossil-based heating and continued reduction of air freight will be prioritised. Several areas have been identified for sourcing of raw materials with a lower CO_2 footprint, with plans for a commercial roll-out. The companies are intensifying their preventive safety work, with an increased focus on risk observations and safety inspections.

KEY PERFORMANCE INDICATORS	25/26	24/25
Total energy use (MWh)	17,994	17,916
Proportion fossil-free energy	79%	76%
Scope 1 & 2 emissions (tCO_2e)	1,473	1,534
tCO_2e/MSEK revenue, Scope 1 & 2	0.6	0.6
tCO_2e/MSEK revenue, Scope 3	27.6	26.3
Work-related accidents with sick leave	10	8
Injury rate	6.8	5.6
Sick leave, (%)	5.1%	5.1%

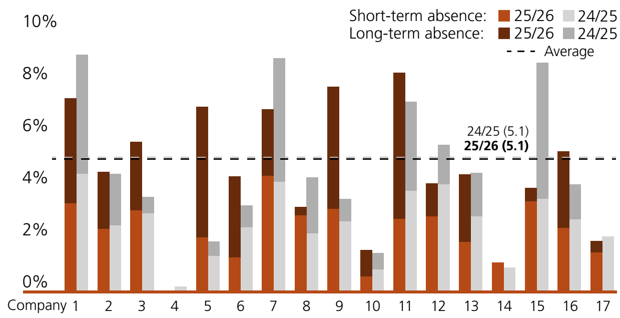
Climate impact from own production

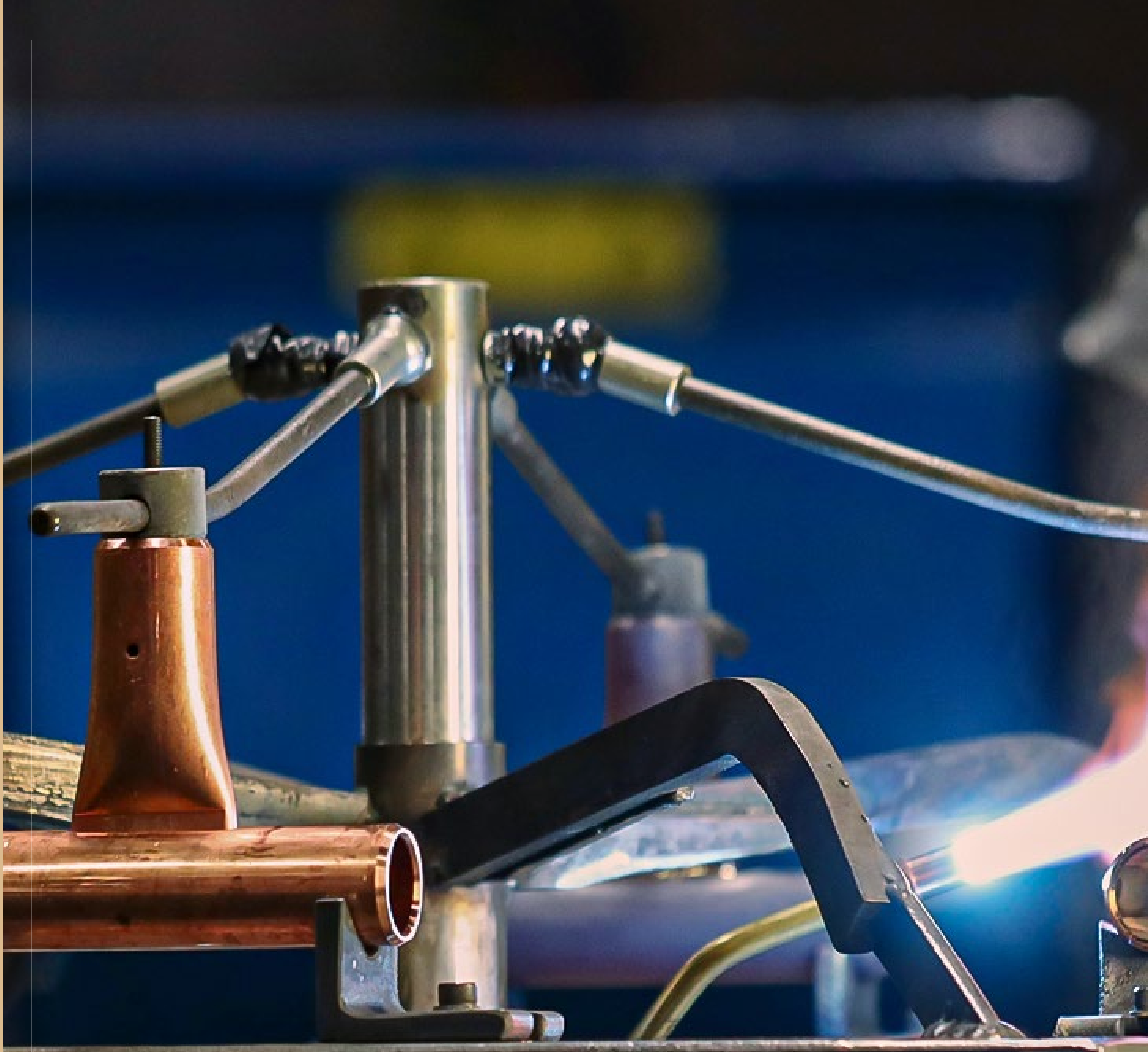


Injury rate, per million hours worked
(Work-related accidents)



Sick leave





SPOTLIGHT - ELPRESS

Head office: Kramfors, Sweden
Business: Electrical connection (crimping) systems
Markets: Energy, industry, installation, transport

Elpress, one of the Group's largest companies, is a leading provider of safe electrical connection systems, whose products and system solutions are of central importance for increased electrification. The products are used both in the manufacture of transformers, for example, and in connecting them to the electricity grid.

Business in the American market has grown year-on-year, with a corresponding increase in freight transport. In January 2025, Elpress decided to shift its transports from air to sea freight between its Swedish production facility in Kramfors and its operations in the US. The decision was based on previous climate reports, which highlighted the significant climate impact of air freight.

Maintaining lead times and keeping down inventory levels required improved planning and close collaboration between purchasing, logistics, production and marketing – both in Sweden and the US.

The transition has had a clear impact: between 2024 and 2025, emissions from freight transport decreased by 28%, corresponding to approximately 540 tonnes CO_2e. The company is continuing to work on increasing the proportion of sea freight in its total transport.

BUSINESSES IN THE DIVISION

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

Control

Number of companies	Proportion of Group's net revenue	Number of employees	Proportion of Group's energy use	Reduced climate impact, own production	Injury rate
16	13% (approx. MSEK 1,350)	445	 9%	-13%	3.7

Control technology for efficient resource utilisation

The Control division consists of niche companies primarily within measurement and control systems technology that contribute to more efficient processes and better resource utilisation – important elements in the development of more sustainable societies. The solutions include sensor technology for industrial processes, environmental and quality monitoring, vehicle control systems and equipment for communication, signal transmission and energy-efficient lighting.

Material sustainability issues:

Most of Control's carbon footprint arises in the supply chain through the materials purchased by the companies, mainly steel and aluminium, plastics and electronics. Orax has switched to recycled aluminium in selected in-house manufactured products – something that will be evaluated for several Control companies where it is commercially feasible.

The use of sold products results in CO_2 emissions, particularly in Direktronik where the company sells a wide range of electronic equipment. The product range is continually reviewed with a focus on even more energy-efficient solutions.

The climate impact from energy use is concentrated in a few production units that use natural gas. Otherwise, green electricity and district heating are mostly used.

The work environment and safety are key areas for the division's companies. The injury rate in the production units has been low over time, and the incidents that occur are mainly linked to assembly steps and are followed up locally. For value-adding distributors, control of the value chain is particularly important, as several companies import from China.

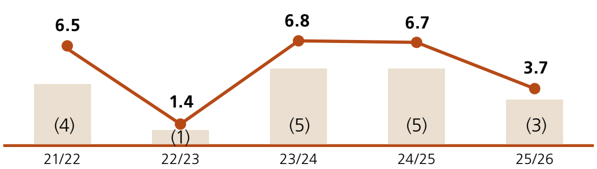
Comments on the year's performance: During the year, energy use has decreased and several companies, such as CP Cases, have reduced their climate impact through an increased proportion of fossil-free energy. This is an important development, particularly in light of strong growth in certain units, which has led to increased emissions from purchased materials in Scope 3 during the year. The number of accidents remains low and is decreasing. However, there are cases of long-term sick leave in some companies, where targeted work environment initiatives are underway.

Future activities: Priority measures to reduce the division's carbon footprint include increasing the proportion of recycled materials in production and reducing waste, as well as finding cost-effective alternatives to natural gas in combustion processes.

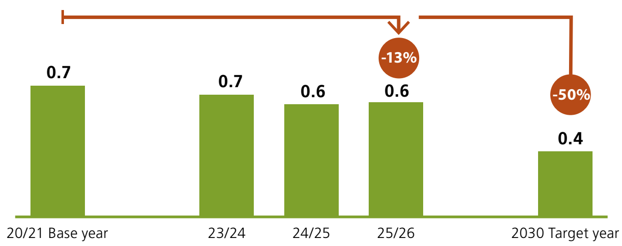
For the division's value-added distributors, the focus remains on sustainability in the supply chain, primarily through supplier audits and efforts to shift away from air transport.

KEY PERFORMANCE INDICATORS	25/26	24/25
Total energy use (MWh)	5,290	5,582
Proportion fossil-free energy	52%	53%
Scope 1 & 2 emissions (tCO_2e)	829	855
tCO_2e/MSEK revenue, Scope 1 & 2	0.6	0.6
tCO_2e/MSEK revenue, Scope 3	17.9	16.8
Work-related accidents with sick leave	3	5
Injury rate	3.7	6.7
Sick leave	3.4%	4.0%

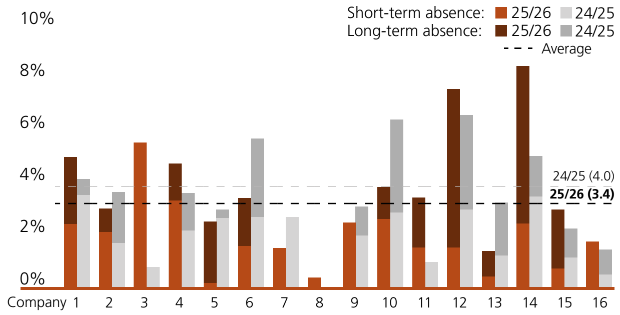
Injury rate, per million hours worked
(Work-related accidents)



Climate impact from own production



Sick leave



SPOTLIGHT - ORAX

Head office: Vårgårda, Sweden

Business: Manufacturing and distribution

Markets: Funeral and cemetery sector, healthcare and elderly care

Orax develops, manufactures and sells products for management and maintenance in the funeral and cemetery sector. The company's climate mapping shows that approximately 82% of emissions arise in raw material extraction and manufacturing, which makes material selection a natural priority in the sustainability work.

A key measure has therefore been to switch to recycled aluminium in selected in-house manufactured products, such as rockfall protection (grave covers and shoring panels), which significantly reduces the climate impact compared to virgin materials. Together with the transition to 100% renewable electricity and electrification of the vehicle fleet, this has contributed to reducing the company's carbon footprint by approximately 69 tonnes CO_2e since 2020.

BUSINESSES IN THE DIVISION

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

TecSec

Number of companies	Proportion of Group's net revenue	Number of employees	Proportion of Group's energy use	Reduced climate impact, own production	Injury rate
14	22% (approx. MSEK 2,300)	996	 22%	-35%	10.4

Security solutions for a safer society

TecSec provides products and solutions with clear societal benefits, such as emergency telephony, fire alarms, fire suppression systems, intrusion and access control systems, road safety cameras, fire-rated doors and roof safety. The product range also includes scaffolding, slip-resistant platforms and fall protection systems, which enable safe maintenance work and reduce the risk of occupational accidents. By preventing accidents and reducing risks, these solutions help to protect both people and critical assets.

Material sustainability issues

TecSec includes several of the Group's largest manufacturing units, such as PcP in Vildbjerg (Denmark) and CWL in Mora (Sweden), which means that material and energy efficiency and a good working environment are key priorities. The climate impact mainly comes from the purchase of materials, such as steel and aluminium for gratings, roof safety and scaffolding, timber and glass for fire doors and electronics for security systems.

Production facilities are mainly located in the Nordic countries, but also in Poland, Estonia and the UK – where oil and gas are still common sources of heating. This means that there is potential to increase the proportion of fossil-free energy, which currently amounts to 47 percent.

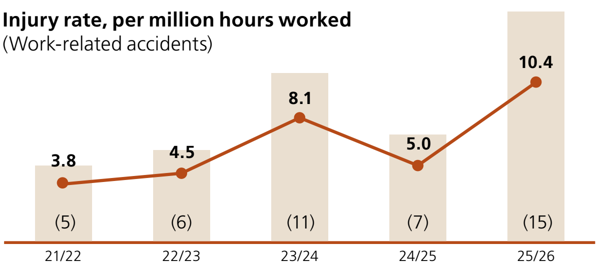
For companies where a larger proportion of manufacturing takes place at suppliers, the focus is on setting sustainability requirements in the purchasing process and on resource-efficient product design. This helps to reduce the environmental impact of purchased products while strengthening customer value.

Comments on the year's performance: Two production facilities have been merged in the UK, which has reduced the use of oil and gas, while own production of renewable energy has increased. The injury rate has increased, driven by a number of minor incidents in one of the division's largest manufacturing companies, and action plans have been implemented.

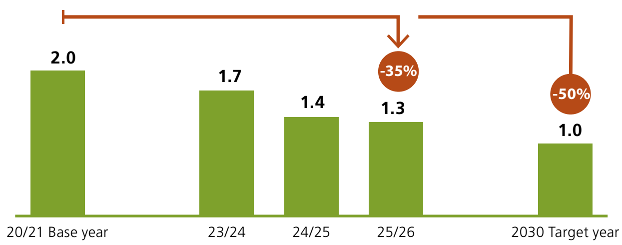
Future activities: TecSec is actively working with supportive dialogue at companies which have a significant impact. The focus is on PcP and CWL, where work is underway to reduce waste, improve design to reduce weight without compromising quality, and on collaboration with suppliers regarding raw materials with a lower climate impact. An important element is finding customers who are prepared to lead the shift to more sustainable solutions. In addition, self-generated solar energy is in focus in the UK and Poland, where the business case for this is strong, as well as a move from gas to district heating in Denmark. Increasing the use of environmentally friendly fuels in customers' backup power systems and sprinkler pumps is continuing.

KEY PERFORMANCE INDICATORS	25/26	24/25
Total energy use (MWh)	13,244	14,479
Proportion fossil-free energy	47%	44%
Scope 1 & 2 emissions (tCO_2e)	2,761	3,039
tCO_2e/MSEK revenue, Scope 1 & 2	1.3	1.4
tCO_2e/MSEK revenue, Scope 3	30.0	29.3
Work-related accidents with sick leave	15	7
Injury rate	10.4	5.0
Sick leave	3.3%	4.1%

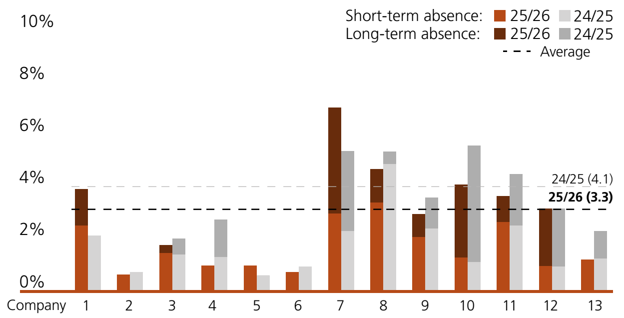
Injury rate, per million hours worked
(Work-related accidents)

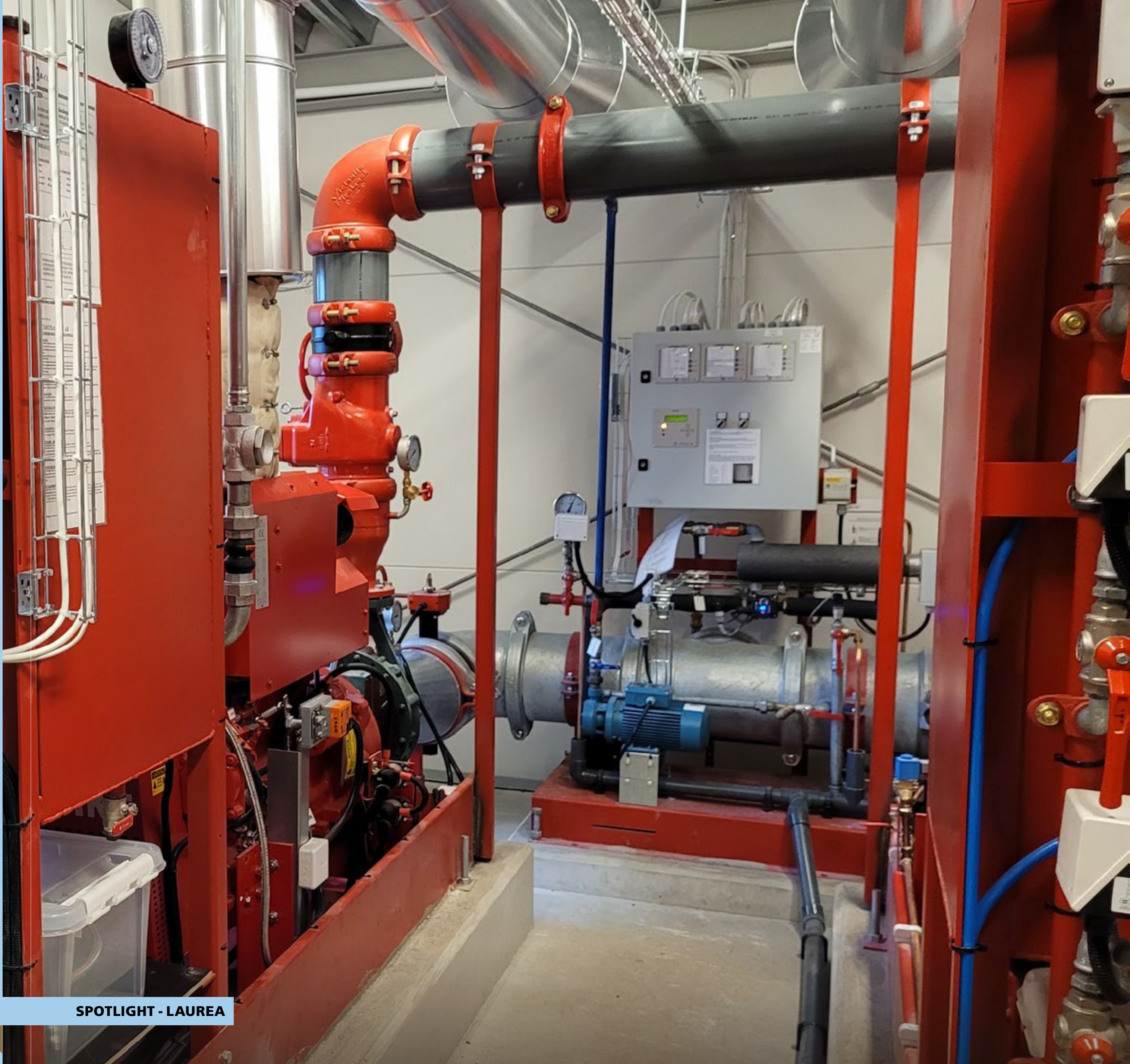


Climate impact from own production



Sick leave





SPOTLIGHT - LAUREA

Head office: Åby, Sweden

Business: Sprinkler systems, silos and cisterns

Markets: Property, industry, logistics

Laurea Group, with subsidiaries R-CON and Bjurenwall, has been part of Lagercrantz since 2017–2018 and develops, installs and maintains fire protection solutions, primarily sprinkler pumps and complete system solutions including water tanks and pump houses.

To reduce emissions in the use phase (Scope 3.11), R-CON is working with alternative fuels. By using EcoPar, a fuel with a lower climate impact than conventional diesel, the climate impact over the lifetime is significantly reduced as fire sprinkler pumps are tested relatively frequently. R-CON fills the tanks with EcoPar on delivery to encourage customers to use this more environmentally friendly alternative. R-CON uses biofuels (such as HVO) in its work vehicles and initiated a feasibility study during the year to expand their use to all its service vehicles. Laurea also offers solar panels as an option for the pump house, which makes it self-sufficient in electricity.

In addition, R-CON is working to clarify its products' climate performance by producing Environmental Product Declarations (EPDs) for sprinkler pumps and is in the final phase of certification according to ISO 14001 and ISO 9001. During the year, anew website was also developed to more clearly communicate the sustainability work to customers and other stakeholders.

BUSINESSES IN THE DIVISION

ARAS Security	**Fireco**	**ISG Nordic**	**Principal Doorsets**
COBS	**Frictape**	**Laurea Group**	**STV**
CW Lundberg	**Idesco**	**Marsden Weighing**	**Suomen Diesel Voima (SDV)**
Door and Joinery	**IHolland***	**PcP**	

**IHolland was acquired in November 2025 and is not included in the figures.*

Niche Products

Number of companies	Proportion of Group's net revenue	Number of employees	Proportion of Group's energy use	Reduced climate impact, own production	Injury rate
20	23% (approx. MSEK 2,400)	730	25% 	-54%	9.3

Diversified portfolio of value-creating technologies

Niche Products includes proprietary products and solutions in specific technological niches, such as dispensing solutions for the food processing industry, flood protection and wetland maintenance equipment. The companies' customer offering is based on high added value through specialisation in close collaboration with customers.

Material sustainability issues

The majority of the companies in Niche Products have energy-intensive production. Therefore, efficiency improvements are important as well as the continued transition to fossil-free solutions, including in relation to internal and external transports. Work environment efforts are also a key priority, with a focus on preventive measures and on strengthening a culture that promotes a safe production environment in the long term, where the goal is to ensure that no serious work-related accidents should occur.

The division also has two facilities that require permits due to the use of polyurethane foam, which are monitored through regular risk assessments and internal environmental audits. Almost 90% of the division's carbon footprint occurs in the value chain, mainly in the production of purchased materials and in the use of fuel-powered products. The companies within Niche Products are therefore actively working to develop circular business models, including the use of renewable and recycled materials, increased spare parts sales and product design that extends the service life. One example is Truxor's amphibious machines that can run on HVO, which in the longer term will enable a reduction in climate impact within Scope 3.11.

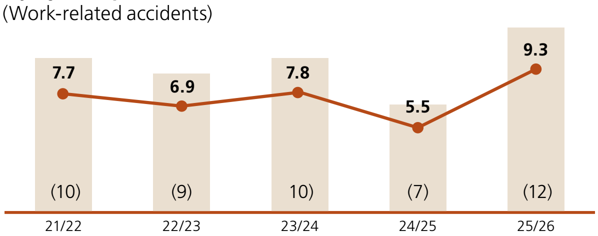
Comments on the year's performance: Emissions within Scope 1 and 2 have decreased by 33% compared to 2024. The reduction is mainly due to the transition to certified electricity (guarantees of origin) at Sajas and an increased proportion of self-generated solar energy. Within Scope 3, companies such as SIB and Forming Function have produced several products in recycled or green aluminium, which is reducing their climate impact within Scope 3.1.

The injury rate has increased during the year, and all incidents have been followed up by the respective company boards.

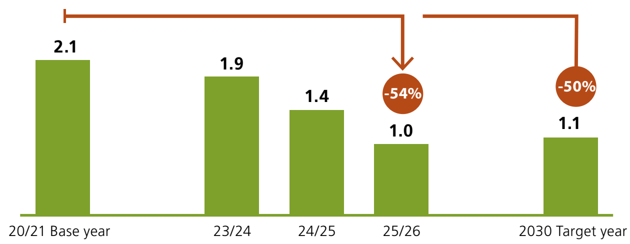
Future activities: In the coming year, a further focus will be placed on increasing the proportion of renewable fuels in internal and external road transports and on reducing the number of air transports within the division. There are additional opportunities to increase the proportion of fossil-free energy, including through a higher share of self-generated and certified renewable electricity. Efforts to strengthen the safety culture continue to receive a high priority. Several companies are training their employees in lean management to increase participation, order and risk awareness.

KEY PERFORMANCE INDICATORS	25/26	24/25
Total energy use (MWh)	15,421	15,470
Proportion fossil-free energy	45%	36%
Scope 1 & 2 emissions (tCO_2e)	2,207	3,301
tCO_2e/MSEK revenue, Scope 1 & 2	1.0	1.5
tCO_2e/MSEK revenue, Scope 3	25.0	23.4
Work-related accidents with sick leave	12	7
Injury rate	9.3	5.5
Sick leave	3.7%	4.2%

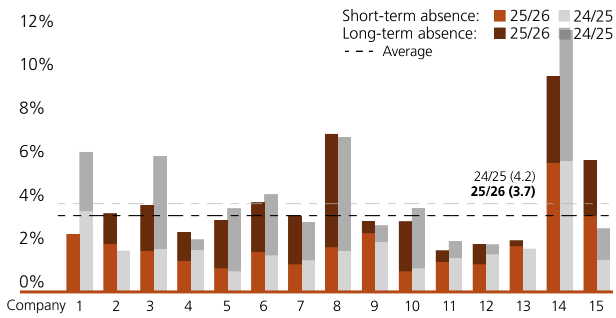
Injury rate, per million hours worked
(Work-related accidents)

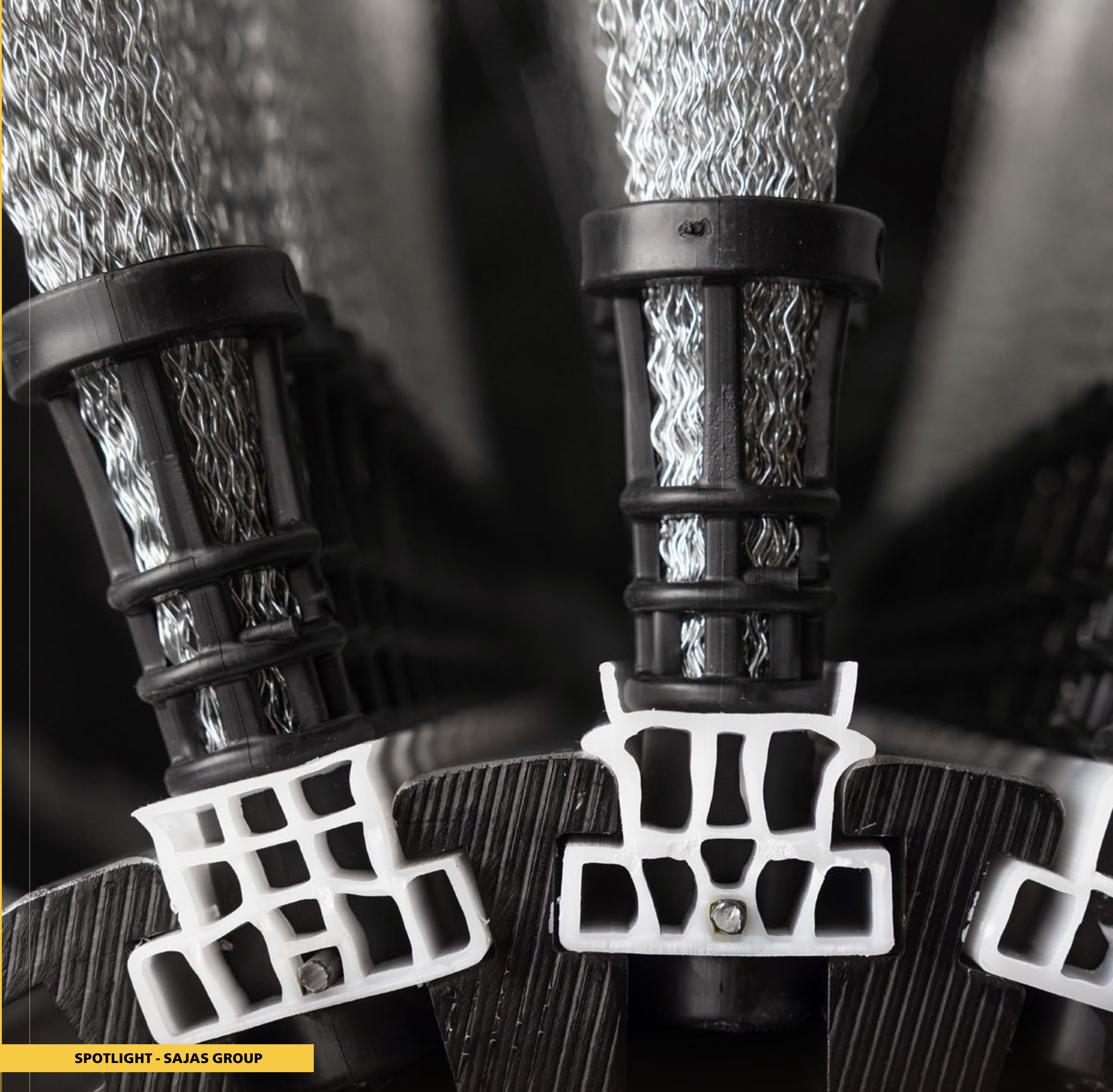


Climate impact from own production



Sick leave





SPOTLIGHT - SAJAS GROUP

Head office: Ylöjärvi, Finland

Business: Manufacturing of brushes

Markets: Infrastructure, industry, agriculture, aviation

Sajas produces brushes for road maintenance, industrial use and agriculture, with a particular focus on customised solutions. The company has the highest energy consumption in the division and has negotiated a new agreement for certified renewable electricity during the year. Combined with energy efficiency improvements, including through the installation of new ovens in production, this has resulted in a total reduction of 90% in Scope 2 CO_2 emissions compared to the previous year.

The sustainability perspective is continually integrated into the business, for example through product design that minimises the need for packaging materials and recycled raw materials. In addition, Sajas works actively on product development within a bio-based product range of brush filaments, with the aim of reducing customers' microplastic emissions. This is a key part in strengthening the company's competitiveness. Finally, Sajas has worked on developing its website and communications regarding the very good work being done to strengthen its position as a responsible player in the market.

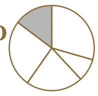
BUSINESSES IN THE DIVISION

Asept	**Hovicon**	**PST**	**Thermod**	**Vendig**
Berelia	**Forming Function**	**Sajas**	**Tormek**	**Wapro**
Enskede Hydrual*	**Prido**	**SIB**	**Truxor**	**Waterproof**
	Profsafe	**Sit Right***	**Van Leeuwen Test Group**	**Westmatic**

**Sit Right and Enskede Hydrual were acquired in November 2025 and are not included in the figures.*

International

Number of companies	Proportion of Group's net revenue	Number of employees	Proportion of Group's energy use	Reduced climate impact, own production	Injury rate
17	18% (approx. MSEK 1,950)	573	15%	-47%	5.2



Critical technology with a global reach

The International division is taking Lagercrantz's model for acquiring and developing niche technology companies into international markets. The division includes, for example, the Group's marine cluster with watertight doors, antennas and robust monitors. The division also includes business-critical solutions, such as hearing aid technology, winter road maintenance equipment, fire ladders, seals and vacuum toilets for railway vehicles.

Material sustainability issues

International has operations in countries where the proportion of fossil-free energy is lower. Natural gas is a common energy source in, for example, Denmark and the UK, where several manufacturing companies depend on it in their production processes. During the year, two major companies were acquired, Epoke and Friggeråkers Verkstäder, which also reinforces the focus on a safe production environment.

Several of the division's companies have segmented and international supply chains where air freight is used for time-critical deliveries. Since air freight has a high carbon intensity, this is a prioritised area of transition, which requires close cooperation with logistics suppliers and improved planning to maintain efficient inventory levels.

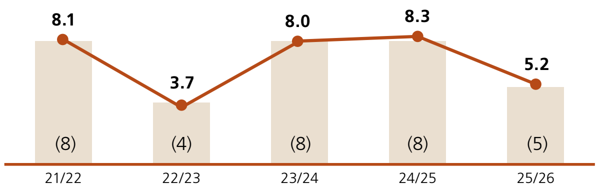
For companies with more material-intensive products, such as road salt spreaders and ship doors, dialogue has been initiated with the respective company management regarding minimising the environmental impact. The focus is on strengthening competitiveness by developing products with lower material intensity, more repairs and spare parts sales for extended service life and increasing the proportion of recycled material, while continuing to meet customers' technical requirements.

Comments on the year's performance: During the year, the proportion of fossil-free energy increased by 7 percentage points, which contributed to a reduced climate impact from Scope 1 and 2. The injury rate decreased, indicating a positive development in the work environment field. Sick leave is mainly influenced by long-term absence that is not work-related. Scope 3 emissions intensity increased marginally during the year, mainly as a result of changes in the product mix.

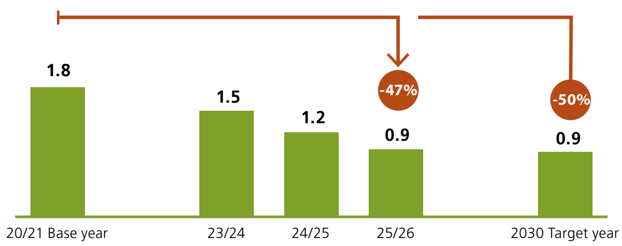
Future activities: Going forward, the focus will be on identifying alternative energy sources to fossil fuels and on implementing measures to improve energy efficiency. Companies using air freight are expected to analyse their underlying needs and consider what can be done in the future to reduce their climate impact while creating business value.

KEY PERFORMANCE INDICATORS	25/26	24/25
Total energy use (MWh)	8,951	9,133
Proportion fossil-free energy	47%	40%
Scope 1 & 2 emissions (tCO_2e)	1,712	2,153
tCO_2e/MSEK revenue, Scope 1 & 2	0.9	1.2
tCO_2e/MSEK revenue, Scope 3	19.8	18.0
Work-related accidents with sick leave	5	8
Injury rate	5.2	8.3
Sick leave	4.4%	4.2%

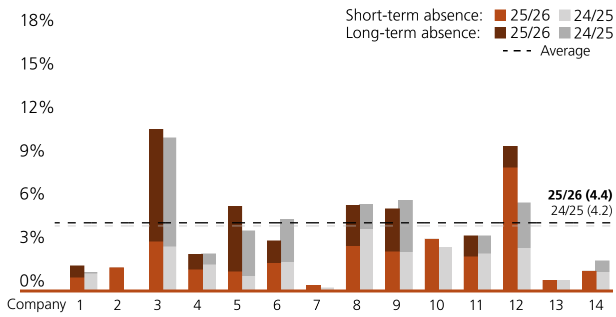
Injury rate, per million hours worked
(Work-related accidents)



Climate impact from own production



Sick leave



SPOTLIGHT - DP SEALS

Head office: Poole, UK

Business: Manufacturing of custom seals

Markets: Automation, defence, healthcare, energy, food

DP Seals is a Lagercrantz company in the UK and was acquired in 2023. The company develops and produces high-quality, custom seals for demanding applications in areas such as defence, subsea systems, healthcare and the energy sector.

Over the past year, DP Seals has taken important steps in its sustainability work. By transitioning to renewable electricity, the company has significantly reduced emissions from its own production. Compared to the previous year, emissions from purchased electricity have decreased by 263 tCO_2e and the proportion of fossil-free energy now amounts to 98%. Concurrently, the work on mapping the climate impact in the value chain has been intensified. By moving from generic to material-specific data, for example, in the Scope 3.1 calculations for rubber and steel, the company has gained a more detailed understanding of where the largest emissions occur – and thus has a better basis for prioritising the right measures going forward.

BUSINESSES IN THE DIVISION

ACTE (Denmark)	E-tech	G9	NST DK	Tebul
ACTE (Norway)	Epoke	Glova Rail	Schmitztechnik	Unitronic
AC Antennas	Friggeråkers Verkstäder	ISIC	Skomø	
DP Seals		Libra	Supply Plus	

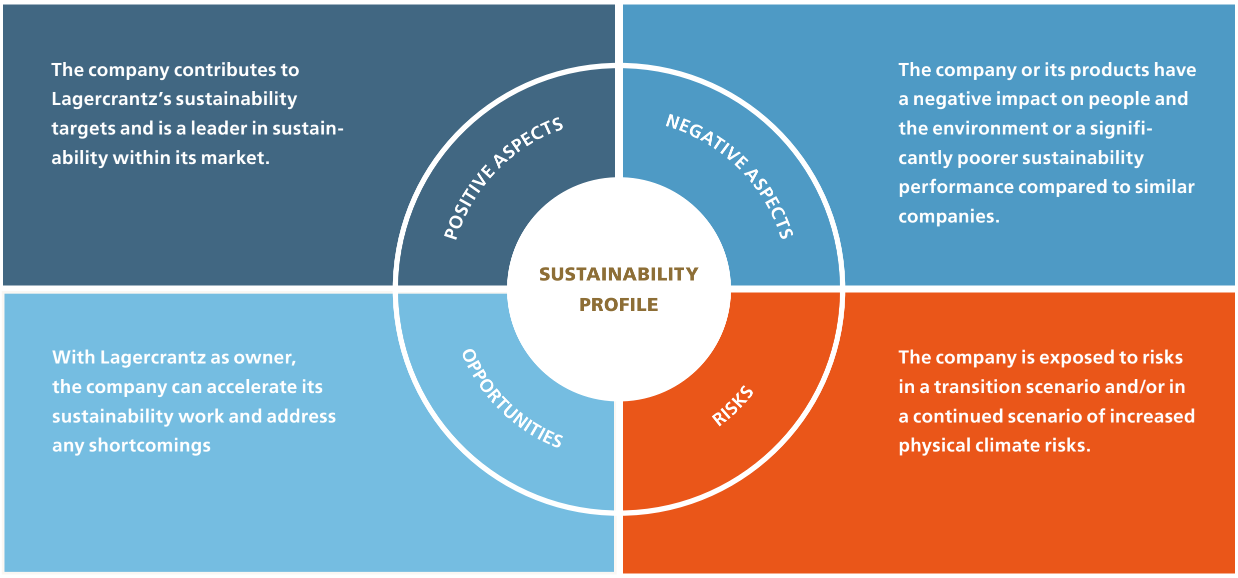
Sustainability in Lagercrantz's acquisition process

Investment focus

Lagercrantz acquires and develops niche businesses that are leaders in their markets, including from a sustainability perspective, and whose products provide a societal benefit. This creates a foundation for long-term competitiveness and good growth prospects. Examples of prioritised areas include components and solutions that enable the green transition, climate adaptation, productivity, improved energy efficiency as well as increased safety and security.

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 other commercial and financial factors to ensure a holistic assessment. Lagercrantz refrains from investing in companies whose activities or products are directly harmful to the environment, people and society.



POSITIVE ASPECTS	NEGATIVE ASPECTS	OPPORTUNITIES	RISKS
• The company provides a societal benefit and contributes to the UN's 17 global sustainable development goals. • Well-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 other environmentally hazard-ous materials in production. • Production with hazardous work processes and/or history of workplace accidents. • High-risk industry and/or pres-ence 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 manu-facturing, which have 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 disrup-tions due to climate change. • Reputational risks, criticism from the media or investors.

Notes

ESRS Content index

Statement on due diligence

The table below shows where in this sustainability report it is described how Lagercrantz identifies, prevents and manages actual and potential negative impacts linked to sustainability.

Steps of due diligence	Sections in the sustainability report
a) Integrate into governance and strategy	GOV.1, GOV.2, SBM-3
b) Dialogue with stakeholders	GOV-2, SBM-2, IRO-1, E1-2, S1-1, S1-2, S1-3, G1-1
c) Identify negative impacts and risks	IRO-1, SBM-3
d) Take actions to manage the impact	E1-1, E1-3, S1-4, G1-2, G1-3
e) Monitoring and reporting	E1-4, E1-5, E1-6, S1-5 , S1-6 S1-9, S1-14, G1-1, G1-3, G1-4

Definitions

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 less than 15 days. Long-term absence is more than 15 days.

Stakeholder dialogues

The table below shows the stakeholder dialogues conducted by Lagercrantz in order to understand material sustainability topics.

Stakeholder	Opportunity for dialogue / forum	Prioritised sustainability topics	Management / level of responsibility
Employees	• Annual performance reviews and employee surveys in each company. • Workplace visits by divisional management at least once a year. • Trade union cooperation. • Dialogue in connection with the appointment of a new MD. • Anonymous whistleblower channel.	• Safe and secure work environment, skills development, gender equality, leadership and corporate culture, incident management.	• Dialogues take place locally in the companies. • The Group monitors material issues through board meetings, its whistle-blower function, sustainability reporting and self-assessment forms.
Customers	• Continual dialogue throughout the year through subsidiaries, customer meetings, follow-ups and trade fairs. • Anonymous whistleblower channel.	• Product quality and innovation, delivery reliability, sustainable and energy-efficient solutions, long-term partnerships.	• Dialogues take place in the companies. The divisions monitor customer trends and the Group analyses overall customer insights in the sustainability work.
Suppliers	• Continual dialogue through subsidiaries, supplier visits and follow-ups. • Anonymous whistleblower channel.	• Responsible sourcing, human rights, climate impact in the value chain, regulatory compliance.	• The companies are responsible for supplier dialogues and follow-ups. The Group imposes requirements through a Code of Conduct and follows up through annual reporting (self-assessment).
Investors	• Continual dialogue throughout the year, e.g. in connection with quarterly reports, capital markets days and informal meetings.	• Transparency in ESG reporting, climate impact and targets, risk management, sustainable growth.	• Dialogue takes place at Group level via the CEO, CFO and Sustainability Manager. Sustainability-related information is included in the Group's reporting and communications to the market.
Owner	• Board meetings and informal meetings.	• Long-term value creation, sustainable business, climate impact, gender equality, ethics and governance. • The owners emphasise that the sustainability reporting process should be value-creating and efficient and focus on what is most material.	• Dialogue at Group level via the Board and Group Management. • Issues are dealt with in the board work and strategic planning.
Community / public authorities	• Dialogue via the subsidiaries' local contacts, permit processes and collaborations.	• Regulatory compliance, climate impact, work environment, local community impact.	• Handled locally by the subsidiaries. • The Group ensures compliance through policy frameworks and follow-up of incidents and reporting.

List of data points in overarching and thematic standards derived from other EU legislation

Disclosure requirements under ESRS	Data point	SFDR	Pillar 3	Benchmark regulation	European Climate Law	Included in the sustain-ability report
ESRS 2 GOV-1 The role of the administrative, management and supervisory bodies in relation to sustainability	21 d-e	•		•		Page 4
ESRS 2 GOV-4 Statement on due diligence	30	•				Page 25
ESRS 2 SBM-1 Strategy, business model, and value chain	40 d i-iv	•	•	•		Page 4
ESRS E1-1 Transition plan for climate change mitigation	14				•	Page 6
ESRS E1-1 Transition plan for climate change mitigation	16 g		•	•		Page 6
ESRS E1-4 Targets related to climate change mitigation and adaptation	34	•	•	•		Page 7
ESRS E1-5 Energy consumption and mix	37-38, 40-43	•				Page 7
ESRS E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	44, 53-55	•	•	•		Page 8
ESRS E1-7 GHG removals and mitigation projects financed through carbon credits	56				•	Not applicable
ESRS E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	66, 66 a		•	•		Not included (phasing in)
ESRS E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	67 c		•			Not included (phasing in)
ESRS E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	69			•		Not included (phasing in)
ESRS E2-4 Pollution of air, water and soil	28	•				Immaterial
ESRS E3-1 Policies related to water and marine resources	9, 13-14	•				Immaterial
ESRS E3-4 Water consumption	28 c, 29	•				Immaterial
ESRS E4 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	16 a i, 16 b-c	•				Immaterial
ESRS E4-2 Policies related to biodiversity and ecosystems	24 b-d	•				Immaterial
ESRS E5-5 Resource use and circular economy	37 d, 39	•				Immaterial
ESRS S1 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	14 f-g	•				Page 5, 6, 10-11
ESRS S1-1 Policies related to own workforce	20-23	•		•		Page 5
ESRS S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns	32 c	•				Page 10
ESRS S1-14 Health and safety metrics	88 b-c, e	•		•		Page 10
ESRS S1-16 Remuneration metrics (pay gap and total remuneration)	97 a	•				Immaterial
ESRS S1-16 Remuneration metrics (pay gap and total remuneration)	97 b	•				Immaterial
ESRS S1-17 Incidents, complaints and severe human rights impacts	103 a	•				Not applicable
ESRS S1-17 Incidents, complaints and severe human rights impacts	104 a	•		•		Not applicable
ESRS S2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	11 b	•				Immaterial
ESRS S2-1 Policies related to value chain workers	17-19	•		•		Immaterial
ESRS S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	36	•				Immaterial
ESRS S3-1 Policies related to affected communities	16-17	•		•		Immaterial
ESRS S3-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	36	•				Immaterial
ESRS S4-1 Policies related to consumers and end-users	16-17	•		•		Immaterial
ESRS S3-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	35	•				Immaterial
ESRS G1-1 Business conduct policies and corporate culture	10 b, 10 d	•				Immaterial
ESRS G1-4 Confirmed incidents of corruption or bribery	24 a	•		•		Immaterial
ESRS G1-4 Confirmed incidents of corruption or bribery	24 b	•				Page 11

Multi-year table

Lagercrantz Group	25/26	24/25	23/24	22/23	21/22	20/21
Total energy use (MWh)	60,899	62,609	63,701	64,694	65,323	60,267
Of which, fossil-free	57%	51%	47%	47%	49%	48%
Scope 1 & 2 emissions (tCO_2e)	8,983	10,890	12,112	12,685	12,645	11,651
CO_2e/MSEK revenue, Scope 1 & 2	0.9	1.1	1.2	1.4	1.6	1.6
CO_2e/MSEK revenue, Scope 3	25.4	24.1	24.9	26.3	28.4	28.1
Work-related accidents with sick leave	45	32	32	25	33	29
Injury rate	7.5	6.0	7.3	5.4	7.0	6.2
Sick leave	4.0%	4.4%	4.1%	4.3%	3.7%	3.3%
Electrify	**25/26**	**24/25**	**23/24**	**22/23**	**21/22**	**20/21**
Total energy use (MWh)	17,994	17,916	17,842	18,084	18,998	18,479
Of which, fossil-free	79%	76%	75%	75%	77%	76%
Scope 1 & 2 emissions (tCO_2e)	1,473	1,534	1,670	1,784	2,097	1,918
CO_2e/MSEK revenue, Scope 1 & 2	0.6	0.6	0.7	0.8	1.1	1.1
CO_2e/MSEK revenue, Scope 3	27.6	26.3	26.3	27.3	28.7	26.4
Work-related accidents with sick leave	10	8	8	11	11	9
Injury rate	6.8	5.6	6.0	8.4	9.2	7.9
Sick leave	5.1%	5.1%	5.0%	5.5%	4.6%	4.2%
Control	**25/26**	**24/25**	**23/24**	**22/23**	**21/22**	**20/21**
Total energy use (MWh)	5,290	5,582	5,632	5,364	5,242	4,426
Of which, fossil-free	52%	53%	49%	52%	53%	57%
Scope 1 & 2 emissions (tCO_2e)	829	855	942	875	868	713
CO_2e/MSEK revenue, Scope 1 & 2	0.6	0.6	0.7	0.7	0.8	0.7
CO_2e/MSEK revenue, Scope 3	17.9	16.8	16.9	18.3	17.6	16.7
Work-related accidents with sick leave	3	5	5	1	4	1
Injury rate	3.7	6.7	6.8	1.4	6.5	1.9
Sick leave	3.4%	4.0%	4.3%	4.1%	3.0%	2.4%
TecSec	**25/26**	**24/25**	**23/24**	**22/23**	**21/22**	**20/21**
Total energy use (MWh)	13,244	14,479	14,495	15,225	15,063	13,478
Of which, fossil-free (%)	47%	44%	42%	41%	44%	40%
Scope 1 & 2 emissions (tCO_2e)	2,761	3,039	3,340	3,531	3,411	3,210
CO_2e/MSEK revenue, Scope 1 & 2	1.3	1.4	1.5	1.7	2.1	2.0
CO_2e/MSEK revenue, Scope 3	30.0	29.3	30.3	32.1	37.4	38.5
Work-related accidents with sick leave	15	7	11	6	5	7
Injury rate	10.4	5.0	8.1	4.5	3.8	5.4
Sick leave, %	3.3%	4.1%	3.7%	3.9%	3.1%	2.8%
Niche Products	**25/26**	**24/25**	**23/24**	**22/23**	**21/22**	**20/21**
Total energy use (MWh)	15,421	15,470	16,290	16,755	16,041	14,470
Of which, fossil-free	45%	36%	31%	28%	27%	27%
Scope 1 & 2 emissions (tCO_2e)	2,207	3,301	3,677	4,073	3,736	3,414
CO_2e/MSEK revenue, Scope 1 & 2	0.9	1.5	1.7	1.9	2.1	2.1
CO_2e/MSEK revenue, Scope 3	25.0	23.4	25.0	27.4	29.3	28.6
Work-related accidents with sick leave	12	7	10	9	10	9
Injury rate	9.3	5.5	7.8	6.9	7.7	7.2
Sick leave	3.7%	4.2%	3.6%	3.9%	4.1%	3.7%
International	**25/26**	**24/25**	**23/24**	**22/23**	**21/22**	**20/21**
Total energy use (MWh)	8,951	9,133	9,440	9,264	9,976	9,361
Of which, fossil-free	47%	40%	32%	32%	33%	34%
Scope 1 & 2 emissions (tCO_2e)	1,712	2,153	2,483	2,421	2,532	2,381
CO_2e/MSEK revenue, Scope 1 & 2	0.9	1.2	1.3	1.5	1.8	1.8
CO_2e/MSEK revenue, Scope 3	19.8	17.9	18.8	19.4	21.5	22.6
Work-related accidents with sick leave	5	8	8	4	8	6
Injury rate	5.2	8.3	8.0	3.7	8.1	6.2
Sick leave	4.4%	4.2%	3.8%	3.8%	3.4%	2.9%

GREENHOUSE GAS EMISSIONS WITHIN SCOPE 1, 2, 3, MULTI-YEAR TABLE (20/21 – 25/26)

tCO_2e	25/26	24/25	23/24	22/23	21/22	20/21
Scope 1 & 2						
Scope 1	4,455	5,055	5,635	5,602	5,415	4,977
Scope 2, market-based	4,528	5,835	6,477	7,084	7,230	6,675
Scope 2, location-based	2,438					
Total, market-based	**8,983**	**10,890**	**12,112**	**12,685**	**12,645**	**11,651**
Total, location-based	*6,893*					
Scope 3						
1. Purchased goods and services	194,350	179,277	184,490	184,791	171,516	158,200
2. Capital goods	1,839	1,982	1,946	1,827	1,525	1,318
3. Energy-related (upstream)	1,749	1,754	1,754	1,821	1,766	1,636
4. Transportation and distribution (upstream)	6,512	5,903	5,870	5,527	5,167	4,478
5. Waste in own operations	386	1,164	920	1,140	1,090	913
6. Business travel	1,523	1,248	965	828	517	423
7. Employee commuting	3,151	2,970	2,918	3,002	2,856	2,789
8. Leased assets (upstream)	14	5	5	5	5	5
9. Transportation and distribution (downstream)	7,529	8,143	8,606	8,405	8,171	8,031
10. Use of products sold	39,153	40,336	42,012	37,844	29,904	26,081
12. End-of-life treatment of products sold	596	638	633	589	515	479
Total	**256,803**	**243,420**	**250,120**	**245,777**	**223,033**	**204,352**
GHG emissions, total market-based	**265,786**	**254,310**	**262,232**	**258,463**	**235,678**	**216,004**
GHG emissions, total location-based	*263,696*					

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