

Sustainability Report 2025

The sustainability report is designed to provide Industrivärden's stakeholders with a pertinent understanding of the Company's sustainability-related impact and ways in which sustainability aspects may affect Industrivärden's development based on risks and opportunities.

Industrivärden is a listed holding company that invests in and works long-term to develop and create value in selected listed companies with good long-term value potential. Active ownership is exercised through sizable ownership stakes and influence in the portfolio companies. Industrivärden's own operations comprise approximately 15 employees at the office in Stockholm. Industrivärden's Board of Directors also plays a key role in the Company's active ownership.

From an overarching perspective, Industrivärden has the greatest sustainability influence through its role as an active owner of its portfolio companies. Sustainability aspects within the framework of active ownership are therefore Industrivärden's most material sustainability area. A number of material sustainability areas have also been identified within the framework of the Company's own operations and upstream value chain; specifically, own workforce, responsible business conduct and climate change mitigation.

General information Basis for preparation of sustainability statements Framework

This sustainability report has been prepared in accordance with the previous wording of Chapter 6 of the Annual Accounts Act (in force prior to July 1, 2024), and the Company's auditor has commented on the report in accordance with FAR's recommendations RevR12.

In terms of both content and structure, the preparation of Industrivärden's sustainability report has drawn inspiration from the Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS) for the 2025 reporting year. Industrivärden is not currently covered by the CSRD. This report is therefore a voluntary presentation of the Company's sustainability work and is not included in the Board of Directors' Report.

Time frame and scope

The sustainability report covers the period January 1 – December 31, 2025, and includes the Parent Company and Group's subsidiaries. When identifying consequences (impacts), risks and opportunities, the report includes Industrivärden's own operations as well as upstream and downstream activities in the value chain.

Reporting pursuant to the EU taxonomy has a low degree of applicability given the nature and size of Industrivärden's own operations. Accordingly, no such report has been prepared.

Material circumstances and development stages

Industrivärden expanded its materiality analysis in 2025 and conducted a double materiality analysis (DMA) inspired by the CSRD and ESRS. The DMA is verified annually by the company's Head of Corporate Communication and Sustainability to ensure that any material changes in sustainability-related impacts, risks and opportunities in the company's value chain are taken into account.

In view of the fact that the results of Industrivärden's 2025 DMA are, in all material respects, consistent with previously identified material areas, the analysis has not resulted in any material changes to the company's management of these areas.

Other

To make Industrivärden's sustainability information available based on the needs of its various stakeholders and in a structured, easily accessible manner, the company publishes an index inspired by and referring to the ESRS. See page 87.

Industrivärden has signed the UN Global Compact and is committed to maintaining focus on the principles of the UN Global Compact during 2025/2026. To address the capital market's interest, general sustainability data is also reported to some of the largest sustainability databases, including S&P Global CSA and Sustainalytics.

Sustainability-related guidelines and frameworks

Policy area	Type	Scope	Determination
Business ethics and anti-corruption	Code of Conduct	Public	Board of Directors
Working conditions – general	Code of Conduct	Public	Board of Directors
Working conditions – parent company	HR policy	Internal	CEO
Sustainability	Code of Conduct	Public	Board of Directors
Environment and climate – general	Code of Conduct	Public	Board of Directors
Environment and climate – parent company	Environment and climate policy	Internal	CEO
Diversity/non-discrimination – general	Code of Conduct	Public	Board of Directors
Diversity/non-discrimination, security, etc. – parent company	HR policy	Internal	CEO
Human rights	Code of Conduct	Public	Board of Directors
Information disclosure and confidentiality	Information policy	Internal	Board of Directors/CEO
Information technology and cyber security	IT policy	Internal	CEO
Insider issues	Insider policy	Internal	Board of Directors/CEO
Data protection	Personal data policy	Internal/public	CEO
Reporting of regulatory non-compliance	Code of Conduct	Public	Board of Directors
Risk management	Risk policy	Internal	CEO

Public documents are available on Industrivärden's website.

Governance

Role of administrative, management and supervisory bodies

Responsibilities

A long-term, sustainable approach is an integral part of Industrivärden's strategy, operations and overall governance. The responsibilities of the Board of Directors include deciding on and monitoring the company's strategy, objectives and forms of active ownership, which encompass the Company's overarching view of sustainability. The Nominating Committee investigates and nominates directors prior to the Annual General Meeting, with focus on ensuring that the Board has the necessary experience, expertise and diversity.

The Company's directors, who have extensive experience from leading positions in a range of businesses and from directorships in large companies, have good sustainability-related expertise. They also have access to Industrivärden's internal corporate governance and sustainability-related expertise.

The Company's double materiality analysis and Industrivärden's material sustainability matters are presented to the Board annually.

The CEO has delegated responsibility for the Company's own sustainability work and sustainability communication to the Head of Corporate Communication and Sustainability. Responsibility for Industrivärden's integrated sustainability analysis of its portfolio companies has been delegated to the respective team managers within the framework of Industrivärden's active ownership.

Additional information on the composition, overall duties, experience and diversity of the administrative, management and supervisory bodies is presented in the Corporate Governance Report on pages 49–56.

Governance

Industrivärden's policies ensure that the Board's and CEO's responsibilities for managing sustainability-related impacts, risks and opportunities are integrated into Industrivärden's governance structure. The framework for Industrivärden's sustainability work is stipulated in the Company's Code of Conduct. Sustainability and corporate governance policies are also in place to direct the business. The CEO is responsible for implementation of the Company's policies. All policies are reviewed annually and revised as needed. Necessary adjustments are made based on operational requirements, external requirements and changes in the operating environment. Key policies and guidelines are presented in the table on page 82.

The framework specifying how Industrivärden is expected to act as a company and responsible owner is detailed in the Code of Conduct, which is reviewed and adopted annually by the Board of Directors and is available on the Company's website. Through active ownership, Industrivärden promotes these principles in the companies in which it is an active owner.

Objectives

Industrivärden expresses explicit sustainability ambitions and publishes relevant data in its respective material sustainability areas. Given the nature and limited scope of its own operations, no specific sustainability goals are set.

Integration of sustainability-related performance in incentive schemes

Pursuant to the Company's remuneration policy, short-term variable cash compensation for employees must be linked to fulfillment of individual criteria that are determined annually and evaluated based on the employee's effort and performance. Such criteria may be sustainability related. Additional information is presented in Industrivärden's remuneration report, available on the Company's website.

Risk management and internal control over sustainability reporting

Risks associated with Industrivärden's sustainability reporting are managed within the framework of the Company's overall financial control and reporting processes. For further information, see the Internal Control section of the Corporate Governance Report on page 53.

Strategy, business model and value chain

Strategy

Industrivärden's strategy is to exercise active ownership through sizeable ownership stakes in selected listed companies. Because sustained value growth can only be created in long-term competitive companies that pay close attention to environmental, social and governance issues, this strategy entails a natural focus on long-term sustainable business models. In its role as owner, Industrivärden therefore emphasizes in its portfolio companies the minimization of sustainability-related risks along with capitalization on sustainability-related opportunities. With its long-term perspective, Industrivärden is able to support and endorse its portfolio companies' strategic initiatives that entail investment today, but that minimize risk and generate significant financial opportunities and value in the longer term.

For additional details on Industrivärden's strategy, see page 12.

Business model

Industrivärden's ownership role is based on having significant influence, industrial expertise, a long-term perspective and financial strength.

Industrivärden has in-depth knowledge of each portfolio company. Sustainability considerations are included in assessments of the companies' governance and structure, as well as their financial and operational performance. Portfolio companies need to have the boards, leadership, organization and resources required to integrate sustainable business practices – and thereby long-term value creation – into their business models, processes and offerings.

For further information on Industrivärden's business model and exercise of active ownership, see pages 12–16.

Value chain

Industrivärden's value chain plays an important role in implementation of the Company's double materiality analysis. At the center are Industrivärden's own operations in the form of ownership and investment activities, comprised of analytical activities and the exercise of active ownership. The Company also manages its own administration. Considering Industrivärden's business model, the most important resources in the Company's own operations are its employees and directors. Industrivärden's upstream activities mainly involve the purchase of equipment and services. Industrivärden's downstream activities are comprised primarily of the Company's eight listed portfolio companies in which Industrivärden, as minority owner, exercises an active ownership role. It is in this role that Industrivärden's greatest sustainability-related impacts, risks and opportunities are found. The portfolio companies are independent listed companies and are responsible for their own sustainability work.

Interests and views of stakeholders

Industrivärden’s various stakeholders and their views play an important role in the design of Industrivärden’s sustainability work. The Company’s stakeholders, listed in the table below, have been identified based on their significant impact on, or status as being impacted by, Industrivärden’s operations and their use of financial and sustainability-related information. Stakeholder views were determined through information gathering and dialogue, primarily within the scope of the Company’s routine interactions, and have been incorporated into the Company’s double materiality analysis. Insights on stakeholder views and expectations influence the Company’s sustainability-related priorities and are reflected in Industrivärden’s strategy.

Management of impacts, risks and opportunities

Industrivärden has mapped its value chain in order to identify, assess and manage the Company’s actual and potential sustainability-related impacts, risks and opportunities. Industrivärden’s stakeholders and the Company itself were then analyzed based on a large number of sustainability areas, applying methodology inspired by ESRS standards for double materiality analyses. The analysis is validated annually based on the previous year’s contacts with Industrivärden’s stakeholders within the scope of the Company’s ongoing operations.

The double materiality analysis assessed each sustainability-related consequence (impact) based on its nature in terms of scale (negative difficulty versus positive advantage), scope (prevalence), irremediability and probability. Risks and opportunities (i.e., financial impact) for Industrivärden were assessed based on their magnitude and probability. Material areas were then identified based on a weighted assessment.

The key sustainability areas of the portfolio companies (downstream in Industrivärden’s value chain) are analyzed regularly within the scope of Industrivärden’s company analysis. Any issues or material deviations identified by Industrivärden are managed within the framework of active ownership.

Material sustainability areas

The following material sustainability areas were identified based on Industrivärden’s double materiality analysis.

As a long-term, committed owner, Industrivärden has an indirect impact on its portfolio companies in broader sustainability-related matters. This company-specific sustainability area is:

- Sustainability aspects within the framework of active ownership

Considering Industrivärden’s owner influence and the portfolio companies’ wide range of operations, this is Industrivärden’s most important sustainability area.

Industrivärden has also identified other material sustainability areas within the scope of its own operations and upstream value chain:

- Own workforce (including working conditions, equal treatment and equal opportunities)
- Responsible business conduct (including corporate culture, protection of whistle-blowers, anti-corruption and bribery prevention)
- Climate change mitigation

Ownership responsibility – sustainability aspects within the framework of active ownership

Impacts, risks and opportunities

Industrivärden has the greatest sustainability impact in its role as long-term, influential owner in its portfolio companies. Active ownership and its significance for sustainable business practices is therefore a company-specific material sustainability area for Industrivärden. Influence is exercised through representation on nominating committees and boards of directors. The portfolio companies themselves are responsible for ensuring that their strategies and objectives are underpinned by the expertise and resources required to carry out well-integrated sustainability work.

Through its participation in the respective portfolio companies’ nominating committees, Industrivärden supports efforts to ensure

Stakeholders, interaction methodology and material matters

Key stakeholders	Interaction methodology	Areas of cooperation and key issues
Employees and potential employees	<ul style="list-style-type: none"> • Ongoing employee dialogue • Annual employee reviews • Staff meetings • Internal training 	<ul style="list-style-type: none"> • Corporate governance and business ethics • Own workforce • Value creation and financial performance
Shareholders, potential investors and other relevant capital market participants	<ul style="list-style-type: none"> • Financial reporting • Website and press releases • Investor relations • Annual General Meeting 	<ul style="list-style-type: none"> • Corporate governance and business ethics • Value creation and financial performance • Active ownership to integrate a sustainability perspective into the business model • Climate • Own workforce • Responsible business conduct
Credit providers and loan investors	<ul style="list-style-type: none"> • Financial reporting • Website and press releases • Investor relations 	<ul style="list-style-type: none"> • Corporate governance and business ethics • Value creation and financial performance • Active ownership to integrate a sustainability perspective into business models • Climate • Own workforce • Responsible business conduct
Portfolio companies	<ul style="list-style-type: none"> • Ongoing communication and meetings • Board representation • Nominating committee representation 	<ul style="list-style-type: none"> • Corporate governance and business ethics • Value creation and financial performance • Sustainable business models
Society incl. supervisory bodies, etc.	<ul style="list-style-type: none"> • Financial reporting • Website and press releases • Sustainability rankings and surveys • Dialogues 	<ul style="list-style-type: none"> • Corporate governance and business ethics • Active ownership to integrate a sustainability perspective into business models • Material sustainability matters

a good board composition in all respects, including the boards' sustainability expertise.

Within the framework of each company analysis, Industrivärden's systematic sustainability analysis also evaluates the portfolio companies' management of sustainability-related impacts, risks and opportunities. By practicing active ownership with a sustainable approach, Industrivärden increases its opportunities to generate long-term attractive returns while reducing risk.

Industrivärden's sustainability analyses are company specific. Material sustainability areas differ somewhat between companies, while certain areas pertain to several or all companies.

Policies, governance and measures

For further information, see page 82 in this sustainability report and pages 49–56 of the annual report.

Generated economic value in Industrivärden

Strong economic performance and financial strength are essential to Industrivärden's capacity to create long-term value for its shareholders and support its portfolio companies over time. Industrivärden's financial performance and growth in net asset value are presented on pages 38–39 and 58–72.

Social responsibility – own workforce

Impacts, risks and opportunities

Industrivärden's own workforce, together with the Company's directors, plays a key role in the successful implementation of Industrivärden's strategy. It is therefore essential that employees have the requisite expertise. Recruitment is focused on the individual's qualifications, professional experience and personal perspective. This approach ensures that Industrivärden's workforce has the necessary skills and diversity, which benefits employees' performance and well-being.

Industrivärden takes steps to create a good work environment in all respects. Employees should enjoy their work, feel involved and be able to develop professionally. Emphasis is placed on the continuous development of employees' skills and on strengthening the organization's capabilities, with a focus on leadership, collaboration and process development. Discrimination is not tolerated. The workplace must also be safe, with an ergonomic environment and health and wellness opportunities. Employee remuneration needs to be market-based and competitive. Work in this area is based on Industrivärden's corporate culture, policies and ongoing employee dialogue.

Industrivärden's model enables the Company to attract, motivate and retain skilled employees while reducing the risk of skills shortage, work environment problems, poor work quality and high employee turnover. Overall, this lowers the risk of a decline in the quality of Industrivärden's ownership activities, which would negatively impact Industrivärden's long-term value growth.

Policies

Industrivärden's fundamental principles regarding employees and the workplace, as well as the practical application of how Industrivärden is expected to act as an employer, are detailed in the company's Code of Conduct. Industrivärden follows the UN's Global Compact and its ten principles, which include labor standards. Industrivärden's HR policy governs the management of its workforce as regards recruitment, safety, employee dialogue, development and more.

Industrivärden's corporate culture, which has been continuously developed over many years, is distinguished by an environment in which all employees can express their opinions, feel involved and engage in development-oriented work with a clear business focus.

Governance, ambitions and measures

Industrivärden strives to offer an attractive, dynamic workplace where employees enjoy their work, feel involved, contribute and are able to develop.

Based on Industrivärden's corporate culture, policies, employee dialogue and training activities, the company works to:

- Ensure Industrivärden has the necessary skills and diversity.
- Enable well-being, participation and commitment.
- Create a respectful, open and responsive work environment free from harassment and discrimination.
- Continuously develop employees' skills.
- Provide a safe work environment.
- Enable a sustainable work-life-parenthood balance.

To achieve this, Industrivärden's employees engage in dialogue with their supervisors on an ongoing basis, addressing personnel-related issues. This dialogue also includes annual employee reviews with particular focus on work environment, forms of cooperation and skills development.

All employees receive annual training in the Code of Conduct, policies and other material sustainability matters.

Workforce structure

The table below is based on well-established key workforce ratios and provides an illustrative overview of Industrivärden's own workforce structure and development over time. See also Note 7 on pages 64–65 for additional information on workforce structure.

	2025-01-01 – 2025-12-31
Work environment measurements	
Number of employees	15
<i>of which, permanent employees</i>	15
<i>of which, full-time employees</i>	15
Employee turnover, new employees, %	14
Employee turnover, departures, %	14
Training hours per employee	9
Employees covered by health and safety management systems, %	100
Number of work-related injuries	0
Work-related ill health (average sick leave relative to total working hours), %	0

Governance responsibility – business conduct

Impacts, risks and opportunities

Corporate governance is the foundation of Industrivärden's business model, in which representatives from Industrivärden's executive management and Board of Directors play a central role in exercising active ownership in the portfolio companies. Industrivärden's ownership ability and business ethics are therefore fundamental requirements for exercising such influence. Great importance is therefore attached to ensuring a good corporate culture and responsible business conduct. This reduces the risk of negative effects on Industrivärden's business and ability to exert influence, which could have a negative impact on Industrivärden's long-term value growth.

Policies

Industrivärden's fundamental principles regarding governance, business ethics and anti-corruption are specified in the Company's Code of Conduct, presented on page 83. Additionally, the Company's HR policy regulates matters such as business-related representation, gifts and oversight of contracting parties, etc. Industrivärden's corporate culture, presented on page 85, also plays a standard-setting role.

Governance, ambitions and measures

Industrivärden's strategy is to exercise long-term active ownership based on responsible business practices.

This approach, which underlies the Company's daily work, is based on the following components:

- A Code of Conduct adopted by the Board of Directors, which prescribes regulatory compliance, good business ethics and anti-corruption.
- A healthy corporate culture developed over time in accordance with the Code of Conduct, which incorporates leadership, standard-setting, etc.
- Secure protection for whistle-blowers through a Code of Conduct that specifies explicit privacy considerations when reporting, along with options for anonymous reporting.
- Regular training of all employees in the Code of Conduct and other related policies, anti-corruption and issues related to corporate culture.

The table below is based on widely used key ratios for responsible business conduct.

Key ratios for governance and business ethics

Corporate governance indicators

Number of company's employees that completed annual training in the Code of Conduct, including anti-corruption and bribery prevention, %	100
Number of Code of Conduct violations	0
Number of convictions for violations of anti-corruption and anti-bribery laws	0

Procedure in the event of suspected Code of Conduct violations

Industrivärden's Code of Conduct establishes the procedure for reporting suspected violations of the Code. All such reports are investigated in a structured, objective manner with due regard for personal privacy and confidentiality. Transparent management of suspected violations increases the prospects for a high-quality investigation. Individuals covered by Code of Conduct provisions can elect to report anonymously via a reporting portal. All material Code violations that are identified are reported annually to the Board's Audit Committee.

Environmental responsibility – climate change mitigation

Impacts, risks and opportunities

In view of Industrivärden's stakeholders' expectations that the Company conduct proactive and transparent climate work, Industrivärden's direct climate impact within the scope of its own operations is deemed to be a material sustainability matter, even though the scope and risk of the Company's climate impact is limited due to the nature and scope of its operations.

Policies

Industrivärden's approach to sustainability-related matters is set out in the Company's Code of Conduct and sustainability principles, which also cover environmental sustainability. Industrivärden also follows the UN's Global Compact and its ten principles, which include the precautionary principle. In addition to these guidelines, Industrivärden's HR policy and environment and climate policy govern the Company's own climate-related approach.

Governance, ambitions and measures

In view of the limited nature and scope of its operations, Industrivärden has not prepared a scenario analysis, transition plan or specific climate target for its own operations. However, the company does aspire to proactively minimize its climate impact.

Measures taken to reduce greenhouse gas emissions include energy optimization and climate compensation for remaining emissions. Environmental consideration is taken in the procurement of goods and services, business travel, etc.

Greenhouse gas emissions

Industrivärden has been calculating and reporting its Scope 1–3 greenhouse gas emissions since 2011. Scope 1 includes company cars, Scope 2 covers electricity and district heating for the company's Stockholm office, and Scope 3 covers business travel as well as purchased goods and services. The increase in 2025 is mainly due to increased business travel.

Emissions from own operations, excluding portfolio companies (tons CO₂e)

Scope 1, 2 and 3 ²	2025	2024	2023	2022	2021
Scope 1	15	13	14	18	14
Scope 2 ¹	10	9	8	8	10
Scope 3	37	18	16	11	10
Total	62	40	38	37	34

Total emissions	2020	2019	2018	2017	2016
Total	47	62	48	68	82

1) Does not include IT equipment, which is mostly reused.

2) Reporting in accordance with the Greenhouse Gas Protocol Corporate Standard using the market-based method.

Index referencing ESRS

This index cross-references, or specifies, relevant sustainability information inspired by the ESRS. Non-applicable and non-material disclosures have been omitted. Disclosures are based on the results of the double materiality analysis.

ESRS	Disclosure requirement	Name of disclosure requirement	Page reference/Comments
General information			
	BP-1	General basis for preparation of sustainability statements.	82
	BP-2	Disclosures in relation to specific circumstances.	82
	GOV-1	The role of the administrative, management and supervisory bodies.	49–52, 83
	GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies.	49–52, 83
	GOV-3	Integration of sustainability-related performance in incentive schemes.	83
	GOV-4	Statement on due diligence.	Application of key aspects and steps in the due diligence process is discussed in the sustainability report.
	GOV-5	Risk management and internal controls over sustainability reporting.	83
	SBM-1	Strategy, business model and value chain.	12–16, 83
	SBM-2	Interests and views of stakeholders.	84
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model.	84
	IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities.	84
	IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement.	Voluntary sustainability report inspired by the CSRD/ESRS.
Environmental information			
E1	SBM-3, E1-2, E1-3, E1-6	Relevant sub-points regarding climate.	86
E1	E-7	Relevant sub-points regarding climate.	86 Removal of greenhouse gases and carbon credits in accordance with point 56 of the European Climate Law. Regulation (EU) 2021/1119, Article 2(1). Purchased Gold Standard carbon credits corresponding to 62 tons of carbon dioxide equivalents
Social information			
S1	SBM-3, S1-1, S1-2, S1-3, S1-4	Relevant sub-points regarding employees.	64, 85
S1	S1-6, S1-9, S1-10, S1-13, S1-14	Relevant sub-points regarding employees.	85
S1	S1-16	Remuneration measurements.	64
S2	SBM-3	Value chain. Impacts, risks and opportunities.	Not material given the nature and scope of the business.
Governance information			
G1	G1-1, G1-2, G1-3	Relevant sub-points regarding governance.	86, Code of Conduct
G1	G1-4	Confirmed cases of corruption and bribery.	86

Auditor’s report on the statutory sustainability report

To the general meeting of the shareholders in AB Industrivärden (publ)
Corporate Identification Number: 556043-4200

Engagement and Responsibility

The Board of Directors is responsible for the statutory sustainability report for the financial year ending 31 December 2025 on pages 82–87 and for ensuring that it is prepared in accordance with the Swedish Annual Accounts Act as it was woded before 1 July 2024.

Scope of Audit

Our examination has been conducted in accordance with FAR’s standard RevR 12 *The auditor’s opinion regarding the statutory sustainability report*. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing (ISA) 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.

Stockholm, February 25, 2026
Deloitte AB

Signature on Swedish original

Hans Warén
Authorized Public Accountant