



# Sustainability Report 2025



# Sustainability Report

*For the financial year 2025*

Koncentra AB, reg.no. 556428-6002, with its registered office in Stockholm, Sweden, is an international industrial group that manufactures, markets and sells high-tech components and systems for selected industrial sectors. Through high technical expertise and close customer relations, the aim is to be an effective and long-term partner to both customers and suppliers. Koncentra has approximately 1,000 employees across Sweden, Finland, Estonia, Germany, France, the Czech Republic, the United States and China.

## 1. Koncentra business model

Acquisitions form a key part of Koncentra's strategy and the companies we acquire are well-managed and profitable businesses with clearly defined markets. The companies are led by motivated and entrepreneurial management teams that are committed to continuing their leadership after the acquisition.

Koncentra's decentralised business model imply that each subsidiary operates under its own brand with an independent management team. Through board representation, Koncentra provides strategic guidance and supports each subsidiary on their development and growth journeys.

## 2. Governance

Sustainability at Koncentra is governed through group-wide policies and guidelines, including our Code of Conduct and the Sustainability Policy. All subsidiaries are ISO 9001 and ISO 14001 certified. This structure allows each subsidiary to drive local initiatives while contributing to our shared Group pillars of Climate Impact, Our People, and Responsible Business Practice.

The Board of Directors regularly monitors the Group's sustainability performance and adopts relevant policies and overall sustainability goals. The CEO of Koncentra has the ultimate responsibility for monitoring the Group's overall sustainability work, ensuring that it is effectively coordinated. The Managing Director of each group company is responsible for integrating and driving sustainability initiatives within their company in line with the Group's strategy.

## 3. Sustainability focus areas

The following sections outline the material sustainability matters, governance, and performance indicators (KPI's) for our three focus areas. These areas have been identified as the most significant to our operations and stakeholders through our initial Double Materiality Assessment (DMA).



We have designated 2025 as our baseline year. This allows us to establish a reliable data foundation across our decentralized Group, which is essential for driving continuous improvement and supporting our target-setting process. As this is an ongoing journey, we expect our focus and reporting to evolve as we continue to refine our assessment and adapt to future regulatory development.

We take a long-term business perspective and are committed to integrating sustainability into our operations through guidance, support, and follow-up. Our sustainability work is based on a shared structure, with concrete actions carried out locally in line with our decentralized business model.

Koncentra's sustainability agenda is currently structured around three pillars:

- Climate Impact – to manage our impact on the climate and support customers in their transition toward low-carbon solutions.
- Our People – to ensure a safe and healthy work environment for all employees.
- Responsible Business Practice – to ensure sound business conduct structures to grow the businesses and support long-term performance.

Progress in these areas is driven by our group companies, who are best positioned to understand their local markets, employees, and customers.

### **3.1 Climate impact (Environment)**

Each subsidiary is responsible for establishing local action plans to manage their environmental and climate performance. We focus on improving energy efficiency and increasing the use of renewable energy where possible. Our work is guided by the objective of complying with environmental laws and regulations while moving long-term toward climate neutrality.

To support this direction, our companies focus on:

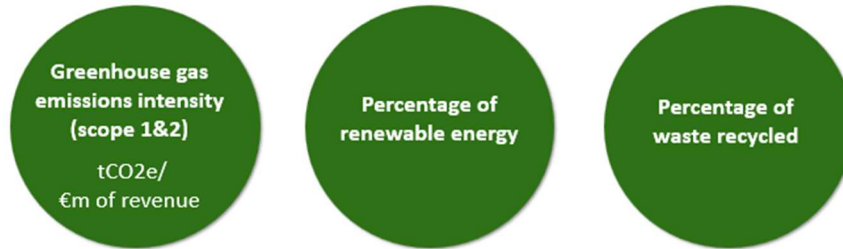
- Improving energy efficiency in production and, where possible, transitioning to lower-carbon energy sources.
- Working with circular practices by seeking ways to reduce, reuse, and recycle materials.

By empowering our local management teams to address specific customer needs, we ensure that our climate progress remains operationally grounded and relevant to the markets we serve.

We have selected the following KPI's because they represent the most direct environmental impacts of our production units, allowing our local teams to monitor progress in a way that is practically linked to their day-to-day operations.



**KPI's for 2025 (baseline year):**



**3.2 Our people**

The Group works actively to uphold safe, fair, and equitable working conditions for our employees. Through our decentralized model, each subsidiary is responsible for fostering a safe work environment and supporting the professional development of its staff.

In line with our current focus and the performance indicators we track, we manage our social and personnel-related risks by:

- Striving for a safe work environment with a long-term goal of zero workplace accidents, which we monitor through injury frequency rates and lost workdays to ensure a proactive approach to safety.
- Promoting employee well-being by monitoring sickness absence and engaging in dialogue with our employees to maintain a healthy workplace culture and support long-term attendance.
- Monitoring employee engagement with the use of tools like eNPS (Employee Net Promoter Score) to track employee satisfaction, ensuring that each subsidiary remains an attractive employer.

By monitoring these metrics at the subsidiary level, our local management teams can respond effectively to the unique needs of their work environments. As 2025 is our baseline year, these results serve as the foundation for our ongoing efforts to ensure a healthy and engaging workplace for all staff.

**KPI's for 2025 (baseline year):**





### 3.3 Responsible business practice

We conduct business in an ethical manner, upholding the highest standards of integrity and fairness. Our decentralized business model requires a strong shared foundation for business ethics to ensure that our growth is sustainable and compliant across all markets.

#### Human rights, anti-corruption and business ethics

Koncentra is committed to respecting human rights and maintaining zero tolerance for discrimination and forced labour, child labour or any form of modern slavery.

We conduct business in an ethical manner, upholding the highest standards of integrity and fairness and maintain a zero-tolerance policy towards all forms of corruption. Koncentra's Code of Conduct defines the expected behaviour of all parties involved in our business, and is based on the UN Global Compact, the UN Universal Declaration of Human Rights and the ILO Core Conventions, as well as the OECD Guidelines for Multinational Enterprises.

To manage our risks in these areas:

- **Human rights:** Employees have the right to organise and engage in collective bargaining. We work to ensure human rights are safeguarded throughout the entire value chain and raise awareness of elevated risks in countries with weaker legal systems.
- **Anti-corruption:** We maintain a zero-tolerance policy towards all forms of corruption. We must not offer, give, request, or accept improper benefits to influence business decisions.
- **Compliance & integrity:** We comply with all applicable laws, including trade sanctions, export control, and data privacy regulations. We value integrity in business relationships and expect suppliers and partners to act in line with our Code of Conduct.

#### Whistleblower system

During 2025, Koncentra implemented a formal whistleblowing function designed to identify irregularities that could impact our employees or the business. This system serves as a vital early-warning tool to maintain high ethical standards and customer confidence. To ensure objectivity and safety for the reporter, our process is managed as follows:

- **Independent reporting channel:** We provide an anonymous reporting channel managed by an external third-party partner. This ensures that any individual who suspects illegal or unethical misconduct can raise a concern without fear of retaliation.
- **Structured governance:** Once a report is registered, it is processed by independent case officers who coordinate with the relevant Whistleblowing Committee. For the baseline year, committees have been established at the company level, typically composed of the local



Board of Directors and the Managing Director, to ensure that every case is handled with appropriate authority and oversight.

- Training and awareness: Information regarding the whistleblowing function is shared across the Group via internal channels and at production sites to ensure all employees understand what constitutes misconduct and how to access the service.
- Protection and confidentiality: We maintain strict confidentiality throughout the process. Our policy ensures that all reports made in good faith are protected, and the system is strictly reserved for serious irregularities rather than general complaints or individual disputes.

The effectiveness of this decentralized committee structure is being evaluated during the current year based on reported case volume and procedural efficiency. All findings are reported to the Group level to ensure continuous learning and consistent application of our Code of Conduct.

**KPI's for 2025 (baseline year):**



**4. Risks and risk control**

Risks related to sustainable development and impact on people and the environment are found in a number of different areas, ranging from operational business risks to regulatory compliance risks. Most of the operational risk management is handled within the subsidiaries' management systems. Each subsidiary is responsible for identifying and managing risks and developing local action plans.

The primary climate-related risks for the Group arise in relation to greenhouse gas emissions from operational activities, energy consumption, and transports. Furthermore, risks related to human rights in the supply chain and cybersecurity have gained increased importance, driven both by evolving legal requirements and a more sophisticated global threat landscape.

**Regulatory changes**

The regulatory landscape for sustainability is undergoing rapid evolution. Following recent adjustments to EU reporting thresholds, Koncentra currently falls outside the mandatory scope of the Corporate Sustainability Reporting Directive (CSRD). However, we continue to use the Double Materiality Assessment (DMA) methodology as a valuable internal tool to identify and prioritize the environmental, social, and governance issues that are most material to our business and our



stakeholders. This ensures our strategy remains aligned with the actual risks and opportunities in our markets.

Risk area	Description	Risk control & mitigation
<b>Climate &amp; environment</b>	Risks related to energy costs, regulatory changes, and the environmental impact of production units.	Local action plans for energy efficiency; monitoring of GHG emissions (Scope 1&2); transition to renewable energy sources where possible.
<b>Health &amp; safety</b>	Risk of workplace accidents or sickness absence, particularly in production-heavy environments.	Implementation of health and safety protocols; regular safety training; tracking of injury frequency rates at the subsidiary level.
<b>Business ethics</b>	Risks of corruption, bribery, or breaches of the Code of Conduct.	Code of Conduct training; anonymous whistleblowing channel; signing of the Code of Conduct by Managing Directors.
<b>Human rights</b>	Potential for human rights violations in the supply chain or unequal treatment.	Zero-tolerance policy for forced/child labor; right to collective bargaining; supplier requirements aligned with the Code of Conduct.
<b>Regulatory compliance</b>	Failure to adapt to evolving sustainability legislation (e.g., CSRD, EU Taxonomy), leading to legal or reputational damage.	Central monitoring of regulatory developments; implementation of a Group-wide sustainability reporting framework; establishing 2025 as a baseline data year.

### 5. Reporting principles and scope

This sustainability report is prepared in accordance with the Swedish Annual Accounts Act (ÅRL) and covers all companies included in the consolidated financial statement of Koncentra for the 2025 financial year.

#### Materiality assessment process

The reporting is based on our Double Materiality Assessment (DMA). This process involved identifying the sustainability matters where Koncentra has the most significant impact (impact materiality) and the matters that have the greatest potential impact on our financial value (financial materiality). By evaluating both perspectives, we ensure that our reporting remains focused on the areas most relevant to our stakeholders and our long-term business success.

#### Data collection and methodology

To ensure a high standard of data quality and comparability, Koncentra has decided for 2025 to serve as the baseline year for our KPI's.



- Data collection: Sustainability data is collected from all subsidiaries through a centralized reporting process. Each Managing Director is responsible for the accuracy of the data provided for their respective companies.
- Calculation methods: Greenhouse gas emissions are calculated in accordance with the GHG Protocol.
- Strategic alignment: While we do not currently report according to the full scope of the ESRS due to our current regulatory status, we have chosen to align our data collection methods with these standards where it adds value to our transparency and helps us prepare for future market expectations.

*This Sustainability Report cover Koncentra AB, company registration number 556428-6002, and its subsidiaries.*