

Sustainability statement



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Introduction

About this report

This sustainability statement presents the Environmental, Social and Governance (ESG) performance and progress of Ferronordic for the period from 1 January to 31 December 2025. The 2025 sustainability statement has been revised to comply with the requirements of the Corporate Sustainability Reporting Directive (CSRD), as transposed into Swedish legislation, and is structured in accordance with the European Sustainability Reporting Standards (ESRS).

Reporting in line with the ESRS framework enhances transparency and provides Ferronordic's stakeholders with a clear and comparable view of the company's sustainability efforts, achievements, and ambitions across key areas.

The ESRS framework currently includes two categories of standards:

- 1. Cross-cutting standards** (ESRS 1 and ESRS 2)
Applicable to all undertakings, regardless of sector.
- 2. Topical standards** (five environmental standards, four social standards, and one governance standard)

The application of these standards is based on a materiality assessment, as described in disclosure requirement IRO-1 on page 70. Only the standards assessed as material to Ferronordic's operations are presented in this report.

The report is divided into four sections: General information, Environmental information, Social information, and Governance information. The report also includes taxonomy reporting in accordance with the EU Taxonomy Regulation. Each section includes ongoing references to the disclosure requirements outlined in the relevant ESRS standards.

General	Environment	Social	Governance
ESRS 1 General requirements	ESRS E1 Climate change	ESRS S1 Own workforce	ESRS G1 Business conduct
ESRS 2 General disclosures	ESRS E2 Pollution	ESRS S2 Workers in the value chain	
	ESRS E3 Water use and marine resources	ESRS S3 Affected communities	
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	ESRS E5 Resource use and circular economy		

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General disclosures



This section includes disclosures in accordance with:

- ESRS 2 General disclosures

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ESRS 2

Basis for preparation

BP-1 General basis for preparation of the sustainability statement

Ferronordic's sustainability statement for the period 1 January 2025–31 December 2025 has been prepared in accordance with the Swedish Annual Accounts Act and the EU Corporate Sustainability Reporting Directive (CSRD), as transposed into Swedish legislation, and the European Sustainability Reporting Standards (ESRS). The report includes all mandatory disclosures required by the ESRS standards adopted by the European Commission in accordance with the CSRD.

The sustainability statement is prepared on a consolidated basis with the same scope as the financial statement. Accordingly, the consolidated ESG data comprises the parent company and all subsidiaries under its control. Unless otherwise indicated, the terms "the Group", "the company", and "Ferronordic" refer to Ferronordic AB together with all its subsidiaries.

The content of this statement is based on the results of the Double Materiality Assessment (DMA) performed in accordance with the requirements set out in the CSRD and ESRS. This assessment, described in more detail in IRO-1 (page 70), considers impacts, risks and opportunities related to Ferronordic's operations and value chain. The extent to which Ferronordic's policies, actions, and targets extend to the value chain is described in the sections related to each sustainability topic. Reporting boundaries for metrics primarily follow Ferronordic's own operations, consisting of the parent company and its subsidiaries.

No information corresponding to intellectual property, know-how or the results of innovation has been omitted from the sustainability statement.

The sustainability statement has been approved by the Board of Directors.



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Unless otherwise stated, Ferronordic uses the time horizons defined by the ESRS throughout its sustainability statement.

- **Short-term:** The reporting period (1 January 2025–31 December 2025)
- **Medium-term:** The end of the reporting period and up to 5 years
- **Long-term:** More than 5 years

Value chain estimation and sources of estimation and outcome uncertainty

Metrics related to Ferronordic's Scope 3 emissions (E1–6) have partly been calculated using indirect sources and estimates. These metrics are therefore characterized by measurement uncertainty, mainly due to variations in data quality and the methodological assumptions applied. The basis for calculation is explained alongside these metrics. The accuracy of Scope 3 emissions could potentially be improved through access to supplier-specific emission factors. Ferronordic acknowledges the high level of uncertainty associated with these metrics and aims to improve and refine its methodology by engaging in dialogue with suppliers in the value chain.

The metrics presented in the report have not been validated by any external body other than Ferronordic's auditors.

Forward-looking statements in this report are based on current assessments and assumptions. Such statements are subject to significant uncertainty as they are affected by future events and conditions beyond Ferronordic's control.

Changes in preparation or presentation of sustainability information

The presentation of Ferronordic's 2025 sustainability statement has been updated to align with the ESRS. Key changes include:

- **Restructuring of the sustainability statement:** The sustainability statement has been reformatted to align with the structure outlined by the ESRS.
- **Additional disclosures:** In compliance with the ESRS requirements, the report includes additional metrics, along with descriptions of policies, actions, and targets. These disclosures offer a more comprehensive view of Ferronordic's sustainability efforts.
- **Double Materiality Assessment:** Ferronordic's materiality assessment has been updated in accordance with the ESRS. The topics covered by the sustainability statement are based on the results of a double materiality assessment, in which Ferronordic has identified and assessed both its impacts on the environment and society, as well as sustainability-related financial risks and opportunities that may affect the company. The assessment also covers Ferronordic's upstream and downstream value chain.

- **Greenhouse gas emissions report:** Ferronordic reports its greenhouse gas (GHG) emissions across Scope 1, Scope 2, and Scope 3, offering a more complete picture of the Group's carbon footprint and environmental impact.
- **EU Taxonomy:** Ferronordic has updated its EU Taxonomy reporting in line with the Commission Delegated Regulation (EU) 2026/73.

Reporting errors in prior periods

No material errors in prior periods have been identified.

Disclosures stemming from other legislation

The sustainability statement does not include information stemming from other legislation or sustainability reporting standards.

Incorporation by reference

Ferronordic has not used incorporation by reference in this report.

Use of phase-in provisions

Ferronordic has chosen to omit all voluntary metrics, except for those related to the company's material sustainability topics. However, an exception is made for the disclosure requirements in ESRS E4, ESRS S2, ESRS S3 and ESRS S4, which under the European Commission's 'Quick Fix' Delegated Regulation are subject to phase-in provisions for companies in wave 1. Furthermore, in accordance with the phase-in provisions set out in Appendix C to ESRS 1, the company has also omitted the following material disclosure requirements and data points in the ESRS:

- ESRS 2 General Disclosures, SBM-3, 48 (e)
- ESRS E1 Climate Change, E1-9: Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

Events after the end of the reporting period

No material sustainability-related events have occurred after the end of the reporting period that would require adjustment or additional disclosures.

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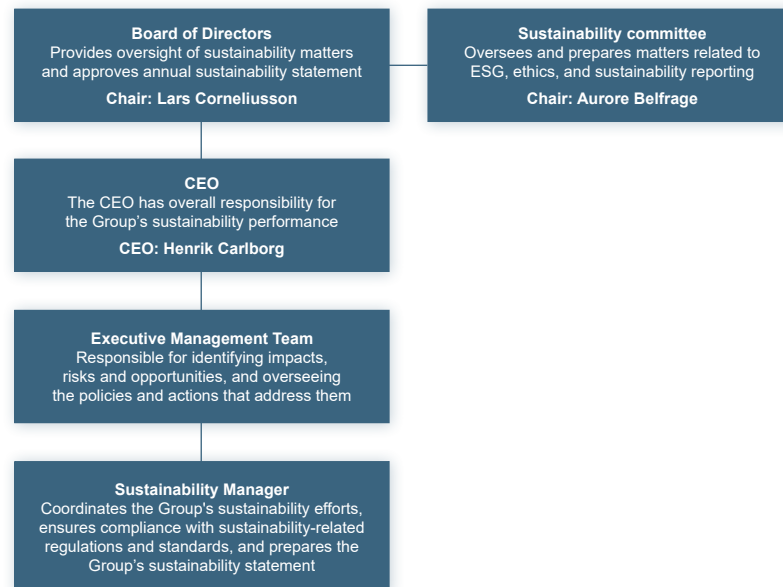
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GOV-1 The role of the administrative, supervisory and management bodies

GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies



Board of Directors

The Board of Directors ('the Board') is Ferronordic's highest administrative body below the annual general meeting (AGM) and holds the ultimate responsibility for the company's organization and management, including the oversight of sustainability matters. The Board is responsible for setting targets within Ferronordic's material sustainability areas and reviews the need for such targets on an annual basis. As of the reporting period, Ferronordic has not established any Group-wide sustainability targets. Nevertheless, the Board monitors developments within material sustainability areas through regular reporting from the CEO and Executive Management Team, including follow-up on KPIs and compliance with policies. The Board's responsibility for sustainability-related matters is formally embedded in its rules of procedure. Ferronordic's annual sustainability statement, including the material topics it covers, has been approved by the Board.

The Board consists of six members, of which two women (33%) and four men (66%). Five (83%) are independent in relation to the company and management, while four (66%) are independent from the company's major shareholders. There are no workers' representatives on the Board.

In its oversight of the implementation of Ferronordic's strategy, major transactions and risk-management processes, the Board takes the Group's material impacts, risks and opportunities into account. When making decisions regarding significant investments, the Board assesses potential trade-offs between financial, operational and sustainability-related consequences. The Board's conclusions and decisions on such trade-offs are recorded in the minutes.

Sustainability is a standing item at regular Board meetings, and the information reported to the Board aims to provide an overall picture of the Group's sustainability performance. Decisions made by the Board are communicated to the CEO and the Executive Management Team, which are responsible for implementing and following up on sustainability-related measures. During the reporting period, the Board received updates on the Group's material sustainability topics and was informed about the CSRD, including its reporting scope and implications.

The Board members bring experience from sectors, products, and geographic markets relevant to Ferronordic's operations. The Board's collective expertise is directly linked to Ferronordic's material impacts, risks and opportunities and includes environmental matters, corporate governance, business ethics, and anti-corruption. Ferronordic ensures sustainability expertise within the Board through continuous training. All Board members have received training in the ESRS and have access to internal or external ESG specialists for expert advice when needed. This access to expertise enables sound governance of Ferronordic's sustainability work and ensures that the Board is equipped to oversee material impacts, risks, and opportunities.

For further information on individual Board members, see page 42–43.

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Sustainability Committee

Ferronordic established a Sustainability Committee in 2023 to support the Board's sustainability work and strengthen decision-making processes. The Committee consists of three Board members, two women (66%) and one man (33%). The Committee prepares sustainability-related matters for the Board's decisions and monitors material ESG-related impacts, risks and opportunities. In 2025, two minutes Committee meetings were held.

The Committee is regularly informed on ESG matters by Ferronordic's Head of ESG. During the reporting period, the Committee has, among other things, addressed Ferronordic's double materiality assessment as well as matters related to regulatory compliance and accountability across the value chain, including potential exposure to markets subject to international sanctions.

CEO and Executive Management Team

The Chief Executive Officer (CEO) is appointed by the Board and responsible for the day-to-day management of the Group, as well as for executing the Board's decisions. The CEO leads the Executive Management Team (EMT), which at the beginning of 2025 consisted of six members responsible for key business areas or functions: one woman (16.7%) and five men (83.3%). At the end of 2025, the EMT consisted of four members, of whom all are men (100%).

During the reporting period, the EMT has continuously addressed matters related to the Group's material sustainability topics. Each member is responsible, within their respective areas, for identifying relevant impacts, risks and opportunities, ensuring compliance with policies, and reporting developments to the CEO. The EMT is also responsible for the operational implementation of the Group's Code of Conduct and for ensuring that guidelines for business ethics are effectively adhered to throughout the organization.

The members of Ferronordic's EMT have extensive experience in sectors, products, and geographical markets relevant to the company. Each member also possesses a relevant background and expertise tailored to their area of responsibility, ensuring informed and effective leadership. All members have received training in the ESRS and have access to additional ESG expertise when required.

For more information on the members of the EMT, see page 44.

Sustainability Manager

Ferronordic's Sustainability Manager has operational responsibility for coordinating the Group's sustainability efforts. This includes monitoring performance, ensuring compliance with sustainability-related regulations and standards, and preparing the company's sustainability statement.

The Sustainability Manager follows up on and coordinates the controls used to manage sustainability-related impacts, risks and opportunities. These controls are carried out in collaboration with the relevant functions and include, among other things, risk classification, KPI monitoring, supplier assessments, incident reporting and quality assurance of reporting flows. Results and any deviations are reported by the Sustainability Manager to the company's General Counsel, who is also Head of ESG, and who in turn reports directly to the CEO and regularly informs the Sustainability Committee.

Material impacts, risks, and opportunities addressed by the Board

During the reporting period, the Board addressed all material impacts, risks and opportunities in connection with its approval of the double materiality assessment. A complete list of these is presented in SBM-3 on page 65-69.

GOV-3 Integration of sustainability-related performance in incentive schemes

Ferronordic does not currently integrate sustainability-related performance in its incentive schemes.

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The following table indicates where information on Ferronordic's due diligence processes is disclosed in the sustainability statement.

Core elements of due diligence	Page	Does the disclosure relate to people and/or the environment?	Core elements of due diligence	Page	Does the disclosure relate to people and/or the environment?
a) Embedding due diligence in governance, strategy and business model	ESRS 2, GOV-2 p. 57	People and environment	d) Taking actions to address those adverse impacts	G1-1 p. 120	People
	ESRS 2, GOV-3 p. 58	People and environment		G1-3 p. 122	People
	ESRS 2, SBM-3 p. 65	People and environment		S1-4 p. 104	People
	SBM-3* E1 p. 81 S1 p. 101	People and environment		E1-3 p. 83 E2-2 p. 92 E5-2 p. 97	Environment
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2, IRO-1 p. 70	People and environment	e) Tracking the effectiveness of these efforts and communicating	MDR-T* E1-4 p. 84 E2-3 p. 92 E5-3 p. 98	Environment
	IRO-1* E1 p. 79 E2 p. 91 E5 p. 95 G1 p. 119	People and environment		MDR-T* S1-5 p. 105	People
	ESRS 2, SBM-2 p. 64	People and environment		MDR-M* E1-5 p. 84 E1-6 p. 85 Entity specific (E5) p. 99	Environment
	ESRS 2, GOV-2 p. 57	People and environment		MDR-M* G1-4 p. 122	People and environment
	ESRS 2, IRO-1 p. 70	People and environment		MDR-M* S1-9 p. 107 S1-10 p. 107 S1-13 p. 108 S1-14 p. 109 S1-16 p. 110 S1-17 p. 111	People
c) Identifying and assessing adverse impacts	IRO-1* E1 p. 79 E2 p. 91 E5 p. 95 G1 p. 119	People and environment			
	ESRS 2, SBM-3 p. 65	People and environment			
	SBM-3* E1 p. 81 S1 p. 101	People and environment			

* In topical standards

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Ferronordic's risk management and internal control related to sustainability reporting cover the entire reporting chain, from data collection and validation to consolidation and final reporting. The process is led by the Sustainability Manager in close cooperation with other relevant functions, such as HR and Finance. The work is supported by a dedicated sustainability reporting software. Risks are identified through annual reviews of reporting areas and assessed based on their likelihood and potential impact on the reporting.

The main risks in the process relate to incorrect or incomplete information due to human error or incomplete data. To mitigate the risk of material misstatements, qualitative information is validated and reviewed by responsible personnel within the relevant function. To mitigate the risk of material misstatements related to quantitative data, Ferronordic uses a reporting tool provided by Position Green that enables traceability throughout the reporting process and supports the company in ensuring the quality of the reporting. The software ensures standardization of terms

and calculations in accordance with ESRS requirements, enabling consistency in reporting. It also allows Ferronordic's Sustainability Manager to review data, identify potential deviations, and address errors reported by its subsidiaries, thereby ensuring the accuracy and reliability of the final report.

Ferronordic continuously evaluates key sustainability reporting areas, reviews existing controls and introduces new controls where necessary. Regular training is provided for key personnel, and sample reviews are performed as part of the internal control process. Identified risks are prioritized based on their likelihood and potential impact on the Group's sustainability reporting and are escalated to the Sustainability Committee when necessary. Consolidated risk assessments and significant deviations are reported annually to the EMT and the Board of Directors. The results of the risk assessments and control activities are communicated back to the relevant function, which subsequently updates its procedures or data sources as needed.



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Strategy, business model and value chain

SBM-1 Strategy, business model and value chain

Business model and strategy

Ferronordic is a dealer of construction equipment and trucks. The operations primarily include sales, rental, service and repair, and rebuilding construction equipment, trucks, and associated equipment, spare parts, and components.

Addressing the global climate challenge and reducing dependence on fossil fuels is a central part of the company's sustainability efforts and an integrated part of its operations. This is mainly achieved by actively promoting fuel-efficient machines and vehicles and ensuring that such equipment is regularly maintained and replaced in order to optimize fuel consumption. Ferronordic also works actively with its customers to reduce their fuel consumption, including through training of machine operators and drivers. Reduced fuel consumption contributes both to lower environmental impact and improved profitability for the company's customers.

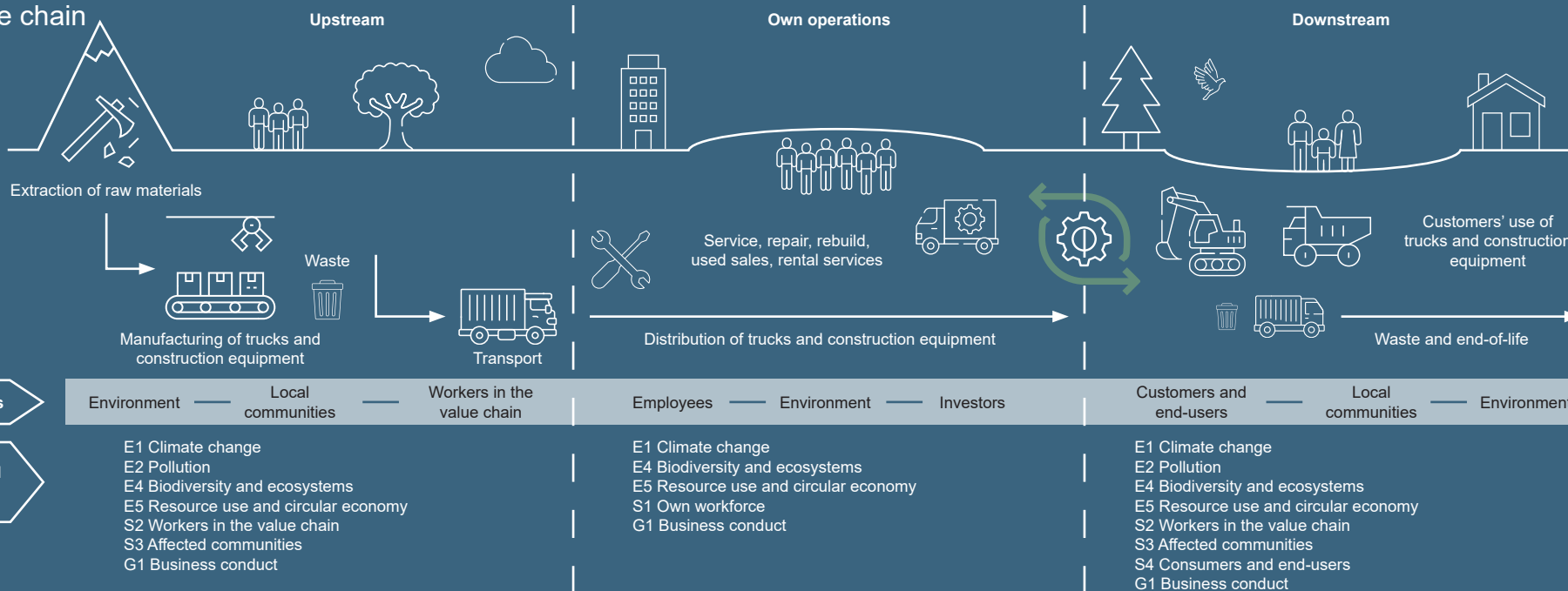
Ferronordic sees a growing opportunity to provide machines and trucks with alternative fuel systems and lower environmental footprint, such as gas-powered or battery-electric trucks. Ferronordic currently offers a range of electric trucks and

construction equipment. In Germany, the company has a separate rental business based on electric trucks. During 2025, Ferronordic also began offering transport services with electric trucks and its own drivers in Germany. While the operations are currently limited in scale, it has the potential to grow and provide the company with valuable insights into how electric trucks can be used. Through sales, rental and associated services for electric and gas-powered vehicles, Ferronordic supports its customers in reducing environmental impact and accelerating the transition towards more sustainable operations. Ferronordic's strategic ambition is to strengthen integration with its customers by providing support throughout the entire lifecycle of their equipment and by fostering long-term partnerships.

Value chain

Below is a non-exhaustive illustration of Ferronordic's value chain, showing where the company's material impacts, risks, and opportunities occur, including the affected stakeholder groups.

Ferronordics value chain



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Upstream value chain: Ferronordic purchases trucks, construction equipment, and spare parts from its partners, such as Volvo CE, Volvo Trucks, Renault Trucks, Hitachi Construction Machinery, Sandvik, Link-Belt Cranes, Bergmann, Mecalac, and Ammann. Ferronordic maintains and prioritizes long-term partnerships to ensure access to high-quality products with efficient fuel consumption, and cooperates with suppliers that meet the company's requirements regarding quality and ethics, and shares the company's environmental ambitions.

Own operations: Ferronordic is a dealer for a number of manufacturers of construction equipment and trucks, primarily from the Volvo Group, but also from other manufacturers. Ferronordic is independent of these manufacturers but considers them to be its partners. Within this framework, the company is engaged in the sale, servicing, and maintenance of various types of construction equipment, trucks,

and associated equipment. The company currently operates in the USA, Germany, and Kazakhstan. Ferronordic does not provide any products or services that are banned in any of these markets. Through its operations, Ferronordic creates economic value for its customers, partners, and shareholders, while striving to contribute to the transition towards a low-carbon society. The company promotes a safe, supportive, and inclusive working environment for its employees.

Downstream value chain: The company's customers purchase and operate trucks and construction equipment in, among other areas, transport and logistics, general construction, road construction, mining, and quarries and aggregates. Customers that invest in and use newer, more energy-efficient construction equipment and trucks with emission-reducing technologies contribute to lower emissions compared with older or traditional diesel-powered alternatives.



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Markets, customer groups, and products and services offered

USA

Ferronordic's subsidiary Rudd Equipment Company is a leading dealer of construction equipment in the Midwestern US and one of the largest dealers in the US for, among others, Volvo CE, Hitachi Construction Machinery, Sandvik, Link-Belt, and Bergmann. Rudd offers sales, rental, rebuilding, service, and repair of construction equipment to industries including construction and mining, and associated industries.

Germany

Ferronordic's German subsidiary is the largest private dealer in Germany for Volvo Trucks and Renault Trucks. The operations include sales, rental, service and technical support of trucks, trailers, and other commercial vehicles to customers primarily within the transport and logistics sector. The company's customers also include other users of trucks, such as waste management companies and construction companies.

Kazakhstan

In Kazakhstan, Ferronordic's operations include sales of construction equipment from Volvo CE, Mecalac, and Ammann, and service and repair for construction, mining and associated industries. Ferronordic is also responsible for service, sales and repairs of Sandvik mobile crushers throughout the country.

Number of employees per country 2025

USA	358
Germany	398
Kazakhstan	46
Sweden	10
Total employees	812

Sustainability-related priorities

The UN Sustainable Development Goals (SDGs) aim to promote shared knowledge, facilitate cooperation, generate and harmonize regulatory frameworks, and drive technological development, which ultimately contributes to impact and change. Ferronordic supports these 17 goals, all of which have some form of connection to the company's operations. Particular focus is placed on the goals where Ferronordic can have the greatest potential to achieve both immediate and long-term positive impact.

Ferronordic has not currently established measurable Group-wide sustainability targets per product category, market or customer group, but is reviewing the need to develop such goals in the future. The company's current product and service offerings are aligned with its environmental sustainability priorities, with specific potential identified in the areas of electrification and circular use of equipment.



	Environment	Social	Governance
The UN's sustainable development goals (SDGs)	<ul style="list-style-type: none"> 12 Responsible consumption and production 13 Climate action 15 Life on land 	<ul style="list-style-type: none"> 3 Good health and well-being 5 Gender equality 8 Decent work and economic growth 10 Reduced inequalities 11 Sustainable cities and communities 	<ul style="list-style-type: none"> 16 Peace, justice and strong institutions 17 Partnerships for the goals
Ferronordic's priorities	<ul style="list-style-type: none"> Minimize the company's negative environmental impact Support customers in reducing their negative environmental impact 	<ul style="list-style-type: none"> Provide healthy and safe working conditions for employees Promote an inclusive workplace with equal opportunities Ensure training and skills development Offer quality products and services that contribute to the safety of customers and their surroundings 	<ul style="list-style-type: none"> Promote and enable responsible business conduct Conduct due diligence
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Ongoing formal and informal dialogue with Ferronordic's stakeholders is essential to understanding their expectations and how the company can create long-term value and adapt its business strategy accordingly. Ferronordic's key stakeholders include customers, partners, employees, shareholders, and creditors, while authorities, value chain workers, and affected communities form part of the broader stakeholder group. Views from these groups, together with wider societal and environmental trends, are continuously considered and form the foundation for Ferronordic's strategic development. Their perspectives also serve as key inputs to the company's materiality assessment and due diligence process, described in more detail in IRO–1 (page 70). Ferronordic's ambition is to remain continuously informed and responsive to the impacts, risks, and opportunities identified through stakeholder dialogue.

Stakeholder engagement is organized and conducted by different functions within the company depending on the stakeholder group. Ferronordic's CFO, HR, Sustainability Manager, and General Counsel are primarily involved in these processes. The EMT and the Board receive regular updates on stakeholders' views and concerns. Stakeholders' input has been considered during the year but has not resulted in any material changes to Ferronordic's business strategy or business model.

- Ferronordic engages in daily operational dialogues with *customers, suppliers and business partners*, including through feedback channels, trade fairs, customer and supplier surveys, and meetings. The purpose is to understand needs and expectations, improve the Group's product and service offerings, ensure compliance with Ferronordic's Code of Conduct, and strengthen partnerships.
- Ferronordic continuously monitors updates from *regulatory authorities* and other relevant authorities to ensure regulatory compliance in its markets and to update internal compliance processes.
- Engagement with *investors and shareholders* is primarily conducted by Ferronordic's CEO and/or CFO through meetings, conference calls, capital markets days, and the Annual General Meeting. The Chairman of the Board also maintains regular contact with Ferronordic's investors and major shareholders. The purpose is to understand sustainability-related expectations and to align sustainability initiatives and performance.
- Ferronordic engages with its *creditors* through meetings and other forms of dialogue to ensure confidence in the Group's financial and ESG performance.
- Ferronordic maintains regular dialogue with its *employees*, including through performance and development reviews, training, intranet updates, local work councils, and the whistleblowing channel. The purpose is to ensure that employees' perspectives are taken into account, as their interests and views constitute a fundamental part of shaping Ferronordic's strategy and business model.
- Plans to formalize engagement with *workers in the value chain* and *affected communities* are currently under review.

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Material impacts, risks, and opportunities

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Ferronordic has identified nine out of ten topical ESRS standards as material to the company. While other topics within the ESRS may be relevant for the company to manage and monitor, either within its operations or across the value chain, they have not been assessed as material for reporting purposes. As this is Ferronordic's first double materiality assessment conducted in accordance with the ESRS framework, there are no changes in impacts, risks, or opportunities to report compared to previous periods.

The table below lists Ferronordic's material impacts, risks, and opportunities, indicating whether they relate to the company's own operations or to its value chain, along with the anticipated time horizon for their occurrence.

As part of the double materiality assessment, Ferronordic has carried out an overall qualitative analysis of the resilience of the company's strategy and business model in relation to material impacts, risks and opportunities and the time horizons defined in ESRS. Ferronordic assesses that the Group has a strong capacity to manage impacts where the company has direct influence, as well as to prevent and mitigate identified sustainability-related risks. The company is also

well positioned to capture opportunities related to electrification. Based on the resilience analysis, the business model is considered robust and flexible in relation to material impacts, risks and opportunities, which are currently assessed to be manageable within the scope of the existing strategy and business model. As of the reporting date, no specific changes to the strategy or business model have been decided or planned as a direct result of material impacts, risks or opportunities.

As of the reporting date, Ferronordic has not identified any material current financial effects on the Group's financial position, financial performance or cash flows as a result of material sustainability-related impacts, risks or opportunities. As of the reporting date, no material adjustments to asset values have been made as a result of sustainability-related risks. Disclosures on expected financial effects are not provided this year in accordance with the applied phase-in provisions (see BP-2 page 56).

Topic-specific disclosures in accordance with SBM-3 are presented in the respective topical standards.

Material impacts

ESRS sub-topic	Description	Impact materiality			Originating from or connected to the business model	Time horizon
		Upstream value chain	Own operations	Downstream value chain		
E1 Climate change						
<ul style="list-style-type: none"> Climate change mitigation Energy 	Greenhouse gas (GHG) emissions GHG emissions, primarily arising from the value chain, with a negative impact on the climate and the environment.	-	-	-	Impact originating from the business model	Short Medium Long
E2 Pollution						
<ul style="list-style-type: none"> Pollution of air 	Air pollution in the use phase Air pollution from products with combustion engines, including NOx, as well as noise, with negative impacts on the environment, human health, and other living organisms.			-	Impact originating from the business model	Short Medium Long

Impacts

+ Positive - Negative

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ESRS sub-topic	Description	Impact materiality			Originating from or connected to the business model	Time horizon
		Upstream value chain	Own operations	Downstream value chain		
<ul style="list-style-type: none"> • Pollution of water • Pollution of living organisms and food resources 	Pollution of water Potential water pollution in the value chain, with negative impacts on the environment, people and other living organisms.	–		–	Impact connected to the business model	Short Medium Long
	Pollution of soil Potential pollution of soil in the value chain, with negative impacts on the environment, people and other living organisms.	–		–	Impact connected to the business model	Short Medium Long
E4 Biodiversity and ecosystems						
<ul style="list-style-type: none"> • Direct impact drivers of biodiversity loss 	Greenhouse gas (GHG) emissions GHG emissions, primarily arising from the value chain, with indirect negative impacts on biodiversity and ecosystems.	–	–	–	Impact originating from the business model	Short Medium Long
<ul style="list-style-type: none"> • Direct impact drivers of biodiversity loss 	Pollution Pollution, primarily air pollution from the use phase of sold products with internal combustion engines, with negative impacts on biodiversity and ecosystems.	–		–	Impact originating from the business model	Short Medium Long
<ul style="list-style-type: none"> • Direct impact drivers of biodiversity loss • Impacts on the state of species • Impacts on the extent and condition of ecosystems 	Land-use change and degradation Changes in land use and land degradation in the value chain may result in negative impacts on biodiversity and ecosystems.	–		–	Impact connected to the business model	Short Medium Long
<ul style="list-style-type: none"> • Direct impact drivers of biodiversity loss 	Natural resources exploitation Virgin materials are among the resources used in Ferronordic's value chain. The extraction and processing of these materials may have adverse impacts on ecosystems and biodiversity.	–		–	Impact connected to the business model	Short Medium Long
E5 Resource use and circular economy						
<ul style="list-style-type: none"> • Resource outflows related to products and services 	Resource use as a business model Ferronordic's operations extend the lifespan of trucks and construction equipment through service and repair, rebuilding, rental and sales of used products, with a positive impact on resource efficiency and the environment.		+		Impact originating from the business model	Short Medium Long
<ul style="list-style-type: none"> • Resources inflows, including resource use 	Virgin materials Virgin materials are among the resources used in Ferronordic's value chain. The extraction and processing of these materials may have adverse environmental impact.	–			Impact connected to the business model	Short Medium Long
<ul style="list-style-type: none"> • Waste 	Generation of waste Residual materials and waste arising in the value chain may, if not properly managed, result in negative environmental impacts.	–		–	Impact connected to the business model	Short Medium Long

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ESRS sub-topic	Description	Impact materiality			Originating from or connected to the business model	Time horizon
		Upstream value chain	Own operations	Downstream value chain		
S1 Own workforce						
<ul style="list-style-type: none"> Working conditions Equal treatment and opportunities for all 	Working conditions Ferronordic ensures secure and fair working conditions through transparent terms of employment and benefits, adequate and non-discriminatory wages, and respect for freedom of association.		+		Impact originating from the business model	Short Medium Long
<ul style="list-style-type: none"> Working conditions 	Health and safety Work activities in own operations may entail health and safety risks for certain occupational groups.		-		Impact originating from the business model	Short Medium Long
<ul style="list-style-type: none"> Equal treatment and opportunities for all 	Training and skills development Continuous training and skills development, with positive impacts on employees' development and motivation.		+		Impact originating from the business model	Short Medium Long
<ul style="list-style-type: none"> Equal treatment and opportunities for all 	Unbalanced gender distribution Low representation of women in Ferronordic's workforce.		-		Impact connected to the business model	Short Medium Long
S2 Workers in the value chain						
<ul style="list-style-type: none"> Working conditions Equal treatment and opportunities for all 	Working conditions Potential negative impacts primarily relate to labor rights issues, including secure employment, freedom of association, health and safety, collective bargaining, wages, discrimination, and diversity.	-		-	Impact connected to the business model	Short Medium Long
<ul style="list-style-type: none"> Other work-related rights 	Child labor and forced labor Potential occurrence of child labour and forced labour in the value chain, particularly in upstream tiers of the supply chain and in high-risk regions.	-		-	Impact connected to the business model	Short Medium Long
S3 Affected communities						
<ul style="list-style-type: none"> Communities' economic, social and cultural rights 	Environmental impacts Environmental impacts from activities in the value chain may pose health risks to local communities and affect the right to a clean, safe and healthy environment.	-		-	Impact connected to the business model	Short Medium Long
<ul style="list-style-type: none"> Communities' economic, social and cultural rights 	Safety Potentially inadequate safety measures in the value chain may pose safety risks to local communities.	-		-	Impact connected to the business model	Short Medium Long

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+ Positive - Negative

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ESRS sub-topic	Description	Impact materiality			Originating from or connected to the business model	Time horizon
		Upstream value chain	Own operations	Downstream value chain		
<ul style="list-style-type: none"> Communities' economic, social and cultural rights Rights of indigenous peoples 	<p>Right to land and property Activities in the value chain may affect rights to land and property, with a risk of physical or economic displacement of local communities.</p>	-		-	Impact connected to the business model	Short Medium Long
	<p>Political rights and civil liberties Restrictions on political rights and civil liberties in parts of the value chain may negatively affect local communities' participation, freedom of expression, and access to information.</p>	-		-	Impact connected to the business model	Short Medium Long
<p>S4 Consumers and end-users</p>						
<ul style="list-style-type: none"> Personal safety of consumers and/or end-users 	<p>Product safety Ferronordic provides high-quality and safe trucks and construction equipment with a strong focus on safety features, resulting in positive impacts on the health and safety of users and surrounding communities.</p>			+	Impact originating from the business model	Short Medium Long
<p>G1 Business conduct</p>						
<ul style="list-style-type: none"> Corruption and bribery 	<p>Corruption and bribery Risk of corruption and bribery in the company's operations and value chain.</p>	-	-	-	Impact originating from the business model	Short Medium Long
<ul style="list-style-type: none"> Protection of whistle-blowers 	<p>Whistleblower protection If Ferronordic's whistleblower protection is inadequate, individuals reporting misconduct may be exposed to significant risks.</p>		-		Impact originating from the business model	Short Medium Long
<ul style="list-style-type: none"> Management of relationships with suppliers including payment practices 	<p>Relationship with business partners Strong relationships with business partners contribute to effective management of environmental, social and governance-related matters in the value chain.</p>		+		Impact connected to the business model	Short Medium Long

Impacts

+ Positive - Negative

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Material risks and opportunities

ESRS sub-topic	Description	Risk or opportunity	Where in the value chain does it occur	Time horizon
E1 Climate change				
• Climate change mitigation	Zero-emission trucks and construction equipment Opportunities related to the growth potential for zero-emission trucks and construction equipment.	▲	Downstream value chain	Medium Long
G1 Business conduct				
• Corruption and bribery	Corruption and bribery Any actual or perceived association with corruption or bribery may pose significant reputational risks for Ferronordic.	▼	Own operations Upstream value chain Downstream value chain	Short Medium Long
• Corruption and bribery	Incidents Risk of products being re-exported to countries or persons subject to international sanctions, posing potential compliance and reputational risks for Ferronordic.	▼	Downstream value chain	Short Medium Long

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▲ Opportunity ▼ Risk

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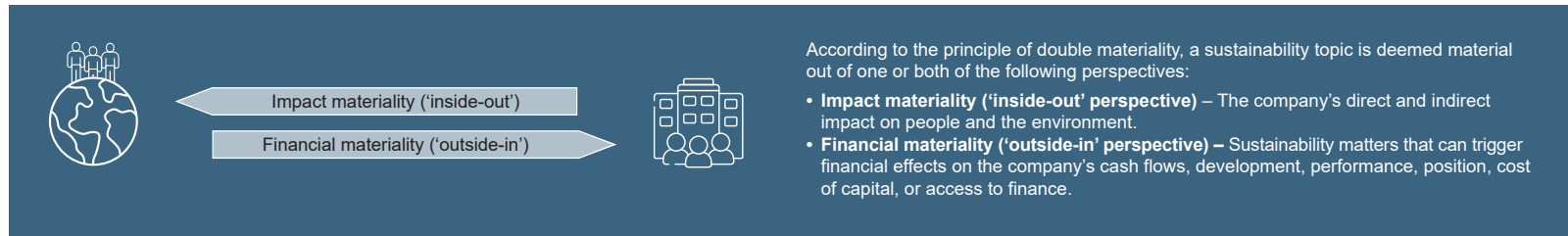
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Double materiality assessment

IRO–1 Description of the processes to identify and assess material impacts, risks and opportunities



To identify and gain a deeper understanding of the Group's material impacts on people and the environment, as well as related business risks and opportunities, Ferronordic has conducted a double materiality assessment (DMA) in accordance with the requirements of the European Sustainability Reporting Standards (ESRS). A DMA is the process through which a company determines the material topics and relevant information to be included in its sustainability reporting. The assessment covered both Ferronordic's own operations and the impacts, risks, and opportunities arising through business relationships across the value chain. As this is Ferronordic's first DMA under the ESRS framework, there are no changes in the process to report compared to previous periods.

The assessment is integrated into Ferronordic's overall risk management processes and serves as a tool for identifying sustainability-related issues that may affect the company's strategy and value creation. Identified opportunities, particularly related to electrification, and risks, for example corruption and bribery, are managed within Ferronordic's regular strategy processes, business planning and investment decisions, and are followed up in the same manner as other strategic initiatives.

The results are considered to provide a fair representation of Ferronordic's material impacts, risks, and opportunities. However, the methodology also has limitations. Ferronordic therefore aims to continuously develop and improve both the methodology and the overall process, and to ensure updates in response to changing circumstances, trends, underlying assumptions, or regulatory requirements.

Ferronordic's double materiality assessment was conducted in five steps:

1. Value chain mapping
2. Identification of actual and potential ESG-related impacts, risks, and opportunities
3. Stakeholder engagement
4. Materiality assessment
 - Impact materiality assessment
 - Financial materiality assessment
5. Validation of the result

1. Value chain mapping

To enhance the understanding of exposure to and impact on the environment, people, risks, and opportunities, Ferronordic has conducted a mapping of the company's value chain, identifying relevant activities, resources, and stakeholders across the upstream and downstream value chain. This process has enabled deeper insights into the company's value chain and supported the identification of material sustainability topics.

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2. Identification of actual and potential ESG-related impacts, risks, and opportunities

Ferronordic has reviewed all sustainability topics covered by the ESRS. Other sustainability topics not explicitly covered by ESRS have also been identified. Based on the ESRS, an initial assessment of the relevance of each topic in relation to Ferronordic's operations and value chain has been carried out in order to focus on areas where impacts, risks, and opportunities are likely to arise. Ferronordic has considered the characteristics of its business activities, products and services, geographic locations, and stakeholders across the value chain. Particular focus has been placed on parts of the value chain in geographical areas with elevated risks related to human rights, as well as on activities assessed to give rise to significant negative climate impact.

Ferronordic has also considered risks and opportunities that may arise from the impacts and dependencies identified in the assessment, and evaluated how these links may give rise to financial effects for the Group. The analysis resulted in an initial mapping of Ferronordic's actual and potential positive and negative impacts on people and the environment, along with associated financial risks and opportunities. All impacts, risks, and opportunities have been categorized by time horizon (short-, medium- and long-term) and by where in the value chain they are concentrated.

3. Stakeholder engagement

The materiality assessment is based on dialogues with external stakeholders and internal dialogues with different functions in the Group. During 2024, Ferronordic focused on engaging with its suppliers and customers, with particular focus on any negative impact on human rights in the value chain. Internal subject-matter experts in functions for, among others, HR, health and safety, legal and compliance, and finance have also been consulted with in the DMA process to identify relevant impacts, risks, and opportunities.

Ferronordic has not conducted direct engagement with the stakeholder groups affected communities and workers in the value chain as part of the double materiality assessment. Instead, the company has used sector-specific secondary data as a basis for the identification of actual and potential impacts.

4. Materiality assessment

Ferronordic has used the methods outlined in the ESRS for impact and financial materiality assessments. The assessment involved consultation with internal experts from Group functions, including HR, health and safety, legal and compliance, and finance. The assessment also considered findings from stakeholder dialogue, public risk analyses at country and industry levels, as well as how companies in the value chain have assessed their impact on similar matters. External sources used in the impact assessment include ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure), SASB (Sustainability Accounting Standards Board), CSR Risk Check, UN Human Rights Tool, and scientific research papers.

Impact materiality assessment

Ferronordic has identified and assessed 61 actual and potential impacts. In accordance with ESRS, three parameters of scale, scope, and irremediable character have been used when assessing the severity. All parameters have been assessed based on a scale between 1 (low) to 5 (high).

- Scale has been assessed based on how grave the negative impact is or how beneficial the positive impact is on the environment or people
- Scope has been assessed based on how widespread the negative or positive impact is
- Remediability has been assessed based on whether and to what extent the negative impact could be remediated
- For potential impacts, the likelihood of occurrence has been estimated

Negative environmental and social score: Severity (scale + scope + remediability)			
	Scale	Scope*	Remediability
5	Very high: Major disruption with long-term consequences	Global/Entire populations/ All customers/end-users	Permanent
4	High: High consequence that can cause substantial disruption and requires immediate attentions	Entire region/Business divisions/ Majority	High
3	Medium: Medium consequence that is manageable within reasonable means	Several large areas/ Departments/Large groups/ Roughly half of customers	Reversible with material efforts/costs
2	Low: Low consequences on people/environment that are easily managed or mitigated	Multiple locations/Groups/ Minority of customers	Low
1	Very low: Minimal consequence on people/environment	Isolated location/Few individuals	Easily reversible

* Dependent on the most affected stakeholder group

Positive environmental and social score: Scale + scope		
	Scale	Scope*
5	Very high: Major disruption with long-term consequences	Global/Entire populations/All customers/end-users
4	High: High consequence that can cause substantial disruption and requires immediate attentions	Entire region/Business divisions/Majority
3	Medium: Medium consequence that is manageable within reasonable means	Several large areas/Departments/Large groups/ Roughly half of customers
2	Low: Low consequences on people/environment that are easily managed or mitigated	Multiple locations/Groups/Minority of customers
1	Very low: Minimal consequence on people/environment	Isolated location/Few individuals

* Dependent on the most affected stakeholder group

Likelihood of potential impacts	
	Likelihood
5	Almost certain (>75%)
4	Likely (50–75%)
3	Possible (25–50%)
2	Low (10–25%)
1	Rare (<10%)

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The threshold for material impacts has been defined as a sloped line that balances the severity of the impact with its likelihood. The threshold is designed to give precedence to severity over likelihood, meaning that all impacts with a severity rating above 4 are considered material regardless of likelihood. Additionally, impacts that are less severe but more likely to occur were also considered. For impacts related to human rights, severity has been given particular priority, and a lower threshold has therefore been applied.

Financial materiality assessment

Ferronordic has identified and assessed 43 sustainability related risks and opportunities. Each risk and opportunity has been assessed based on the size of the potential financial effect and their likelihood of occurrence. The size of the potential financial effect has been assessed in relation to revenue or value of assets. Both parameters have been assessed based on a scale between 1 (low) to 5 (high). Where possible, quantifications of the effects of the risks and opportunities were made and supplemented with qualitative assessments.

Financial scoring: Revenue or assets + likelihood		
	Revenue or assets (Size of financial effect)	Likelihood
5	Major (20–100% of revenue or asset value)	Almost certain (>75%)
4	Very high (10–20% of revenue or asset value)	Likely (50–75%)
3	High (5–10% of revenue or asset value)	Possible (25–50%)
2	Moderate (2.5–5% of revenue or asset value)	Low (10–25%)
1	Minor (1–2.5% of revenue or asset value)	Rare (<10%)

The threshold for financial materiality has been set as a sloping line that balances the size of the financial effect and likelihood. Each risk and opportunity where the product of size of financial effect and likelihood was above the threshold has been considered material.

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5. Validation of the result

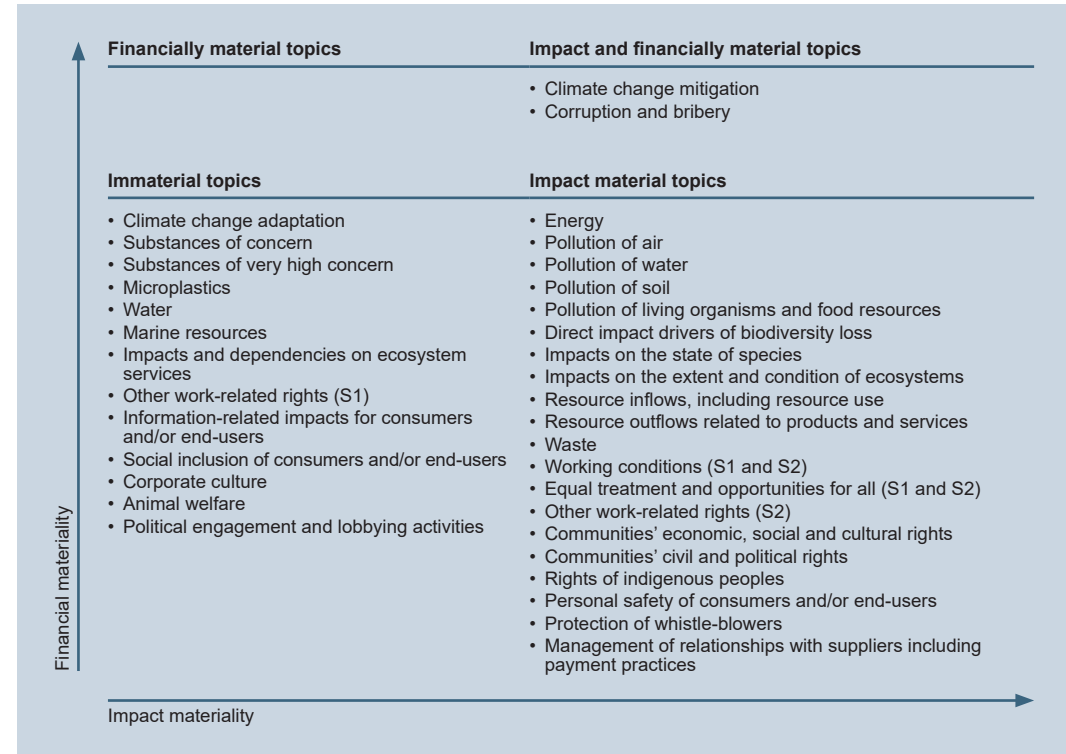
The results of the double materiality assessment have been presented to and validated by Ferronordic's Sustainability and Ethics Committee, a committee organized under the Board of Directors.

Internal control

Ferronordic has applied a predefined process in conducting the double materiality assessment, with ongoing controls to ensure objectivity and consistency in the analysis. The assessment has been carried out with the support of a digital third-party platform, specifically designed to structure and document the identification and assessment of sustainability-related impacts, risks, and opportunities. The platform enables a systematic, transparent and traceable analysis process. The assessment has been overseen by Ferronordic's Sustainability Committee, which has been responsible for reviewing and approving the methods and criteria used. As such, the committee has served as a control and decision-making body to ensure the robustness of the methodology and that the results reliably reflect the company's most material impacts, risks, and opportunities.

Results

Through the double materiality assessment, Ferronordic has identified the following ESRS-topics as material to the Group. A detailed description of the identified impacts, risks, and opportunities for each topic is presented in SBM-3 on page 65–69, as well as within the respective topical sections of this report.



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Ferronordic's sustainability statement includes disclosure requirements that provide relevant information on material sustainability topics for the Group. The following criteria have been applied to each ESRS data point:

- It relates to a material impact, risk, or opportunity identified through the double materiality assessment and is applicable to the Group's context.
- It provides relevant information for users of the sustainability statement.

Ferronordic has opted to apply phase-in provisions and has therefore omitted disclosures in ESRS E4, ESRS S2, ESRS S3, ESRS S4 as well as disclosure requirement E1-9: Anticipated financial effects from material physical and transition risks and potential climate-related opportunities.

Below is a list presenting the disclosure requirements included in the sustainability statement, as well as a list presenting data points derived from other EU legislation.

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	BP-2	Disclosures in relation to specific circumstances	56
	GOV-1	The role of the administrative, management and supervisory bodies	57-58
	GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	57-58
	GOV-3	Integration of sustainability-related performance in incentive schemes	58
	GOV-4	Statement on due diligence	59
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	SBM-1	Strategy, business model and value chain	61-63
	SBM-2	Interests and views of stakeholders	64
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	65-69
E1 Climate change	IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	70-73
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	E5-2	Actions and resources related to resource use and circular economy	97
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S1 Own workforce	S1-1	Policies related to own workforce	103
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	S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	104
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List of datapoints that derive from other EU legislation

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ESRS 2 General disclosures	GOV-1	21 d	Board's gender diversity	SFDR; Benchmark Regulation	57
	GOV-1	21 e	Percentage of board members who are independent	Benchmark Regulation	57
	GOV-4	30	Statement on due diligence	SFDR	59
	SBM-1	40 d i	Involvement in activities related to fossil fuel activities	SFDR; Pillar 3; Benchmark Regulation	Non-material
	SBM-1	40 d ii	Involvement in activities related to chemical production	SFDR; Benchmark Regulation	Non-material
	SBM-1	40 d iii	Involvement in activities related to controversial weapons	SFDR; Benchmark Regulation	Non-material
ESRS E1 Climate change	SBM-1	40 d iv	Involvement in activities related to cultivation and production of tobacco	Benchmark Regulation	Non-material
	E1-1	14	Transition plan to reach climate neutrality by 2050	EU Climate Law	82
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	E1-6	44	Gross Scope 1, 2, 3 and Total GHG emissions	SFDR; Pillar 3; Benchmark Regulation	85
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	E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks	Benchmark Regulation	Phase-in provision
	E1-9	66 a	Disaggregation of monetary amounts by acute and chronic physical risk	Pillar 3	Phase-in provision
	E1-9	66 c	Location of significant assets at material physical risk	Pillar 3	Phase-in provision
	E1-9	67 c	Breakdown of the carrying value of its real estate assets by energy-efficiency classes	Pillar 3	Phase-in provision
E1-9	69	Degree of exposure of the portfolio to climate-related opportunities	Benchmark Regulation	Phase-in provision	
ESRS E2 Pollution	E2-4	28	Amount of each pollutant listed in Annex II of the EPRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	SFDR	Non-material
ESRS E3 Water and marine resources	E3-1	9	Water and marine resources	SFDR	Non-material
	E3-1	13	Dedicated policy	SFDR	Non-material
	E3-1	14	Sustainable oceans and seas	SFDR	Non-material
	E3-4	28 c	Total water recycled and reused	SFDR	Non-material
	E3-4	29	Total water consumption in m ³ per net revenue on own operations	SFDR	Non-material
ESRS E4 Biodiversity and ecosystems	ESRS 2-SBM-3-E4	16 a i		SFDR	Non-material
	ESRS 2-SBM-3-E4	16 b		SFDR	93
	ESRS 2-SBM-3-E4	16 c		SFDR	93
	E4-2	24 b	Sustainable land/agriculture practices or policies	SFDR	Non-material
	E4-2	24 c	Sustainable oceans/seas practices or policies	SFDR	Non-material
	E4-2	24 d	Policies to address deforestation	SFDR	Non-material
ESRS E5 Resource use and circular economy	E5-5	37 d	Non-recycled waste	SFDR	Non-material
	E5-5	39	Hazardous waste and radioactive waste	SFDR	Non-material

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	ESRS 2–SBM3–S1	14 f	Risk of incidents of forced labour	SFDR	101
	ESRS 2–SBM3–S1	14 g	Risk of incidents of child labour	SFDR	101
	S1–1	20	Human rights policy commitments	SFDR	103
	S1–1	21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	Benchmark Regulation	103
	S1–1	22	Processes and measures for preventing trafficking in human beings	SFDR	103
ESRS S1	S1–1	23	Workplace accident prevention policy or management system	SFDR	103
Own workforce	S1–3	32 c	Grievance/complaints handling mechanisms	SFDR	104
	S1–14	88 b and c	Number of fatalities and number and rate of work-related accidents	SFDR; Benchmark Regulation	109
	S1–14	88 e	Number of days lost to injuries, accidents, fatalities or illness	SFDR	109
	S1–16	97 a	Unadjusted gender pay gap	SFDR; Benchmark Regulation	110
	S1–16	97 b	Excessive CEO pay ratio	SFDR	110
	S1–17	103 a	Incidents of discrimination	SFDR	111
	S1–17	104 a	Nonrespect of UNGPs on Business and Human Rights and OECD guidelines	SFDR; Benchmark Regulation	111
	ESRS 2–SBM3–S2	11 b	Significant risk of child labour or forced labour in the value chain	SFDR	112
	S2–1	17	Human rights policy commitments	SFDR	113
ESRS S2	S2–1	18	Policies related to value chain workers	SFDR	113
Workers in the value chain	S2–1	19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	SFDR; Benchmark Regulation	113
	S2–1	19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	Benchmark Regulation	113
	S2–4	36	Human rights issues and incidents connected to its upstream and downstream value chain	SFDR	113
	S3–1	16	Human rights policy commitments	SFDR	115
ESRS S3	S3–1	17	Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines	SFDR; Benchmark Regulation	115
Affected communities	S3–4	36	Human rights issues and incidents	SFDR	115
	S4–1	16	Policies related to consumers and end-users	SFDR	117
ESRS S4	S4–1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	SFDR; Benchmark Regulation	117
Consumers and end-users	S4–4	35	Human rights issues and incidents	SFDR	117
	G1–1	10 b	United Nations Convention against Corruption	SFDR	120
ESRS G1	G1–1	10 d	Protection of whistleblowers	SFDR	120
Business conduct	G1–4	24 a	Fines for violation of anti-corruption and anti-bribery laws	SFDR; Benchmark Regulation	122
	G1–4	24 b	Standards of anti-corruption and anti-bribery	SFDR	122

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This section includes disclosures in accordance with:

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- EU Taxonomy regulation
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ESRS E1

Climate change

The transport and construction equipment sectors play a central role in the global climate transition. As a dealer in these areas, Ferronordic carries both a responsibility and an opportunity to contribute to reducing emissions. By promoting electrification, energy efficiency, and the development of sustainable technologies, Ferronordic actively works to reduce its climate impact throughout the value chain.

IRO–1 Identification and assessment of material impacts, risks and opportunities

Ferronordic has conducted a double materiality assessment to identify material climate-related impacts, risks, and opportunities. The assessment covers both the Group's own operations and activities across the value chain. To assess its climate impact, Ferronordic has analyzed historical greenhouse gas (GHG) emissions data (Scopes 1–3) originating from its own operations as well as from relevant parts of the value chain. The assessment has also included potential future sources of emissions in line with increasing electrification. Given the characteristics of the business, emissions in the value chain (Scope 3), particularly from the use of sold trucks and construction equipment (Scope 3.11), are considered to represent the most significant share of the Group's indirect climate impact.

Climate-related scenario analysis

To assess future physical risks, transition risks and transition opportunities, Ferronordic has integrated a climate-related scenario analysis into its materiality assessment. The analysis is based on two scenarios developed by the IPCC:

- RCP 8.5: a scenario in which no emissions reductions are expected.
- RCP 2.6: a scenario aligned with the objectives of the Paris Agreement to limit global warming.

Each identified climate-related physical risk, transition risk, and transition opportunity has been analyzed based on both scenarios to assess potential impacts in the short, medium, and long term. The scenarios have been used to evaluate how different levels of regulation, energy prices and technological development may affect Ferronordic's assets and operations, as well as to assess the financial impacts on revenue and investments. The scenario narratives extend to the year 2100 and are collectively considered to provide a sufficiently broad range to capture both transition-driven and physical climate-related risks and uncertainties relevant to Ferronordic's operations.

	RCP 2.6 – Low-emission scenario	RCP 8.5 – High-emission scenario
Energy use	Low energy consumption and a sharp decline in oil use. New renewable energy technologies are introduced at scale	High energy consumption and continued strong dependence on fossil fuels
Policy action	Political decisions, taxes, and regulations targeting GHG emissions	No or limited implementation of climate policies
CO₂ emissions	Low-emission pathway aligned with the objectives of the Paris Agreement	Continued high-emission pathway
Extreme weather	Limited increase in extreme weather events	Extreme weather events, floods, increased wildfires, and rising sea levels
Societal transformations	Major transformations in society, infrastructure, and buildings	Minimal societal changes. Infrastructure remains fossil fuel dependent
Customer and investor requirements	Changed requirements with increased focus on sustainability	Unchanged behaviors and demands

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Physical climate risks

Physical risks include environmental events that may impact Ferronordic's assets and business operations. Ferronordic has analyzed how acute risks, such as extreme weather events, and chronic risks, such as those arising from increasing average temperatures, may impact the company's assets and operations in the short, medium, and long term. The analysis has been conducted with a focus on specific locations where Ferronordic operates and, where possible, specific locations in the value chain. Where location-specific data have been unavailable, an analysis

at national level has been applied.

At present, no material climate-related physical risks have been identified. However, depending on how the climate evolves, certain assets may become increasingly exposed to weather-related impacts, particularly in the longer term. Ferronordic therefore recognizes the need for further analysis to reduce uncertainty in its assessments and aims to continue improving its methodology to ensure that the company's exposure to climate risks is captured as accurately as possible.

Classification of climate-related hazards (according to the Commission delegated regulation (EU) 2021/2139)

	Temperature-related	Wind-related	Water-related	Solid mass-related
Chronic	<ul style="list-style-type: none"> ✓ Changing temperature (air, freshwater, marine water) ✓ Heat stress ✓ Temperature variability ✗ Permafrost thawing 	<ul style="list-style-type: none"> ✗ Changing wind patterns 	<ul style="list-style-type: none"> ✓ Changing precipitation patterns and types (rain, hail, snow/ice) ✓ Precipitation or hydrological variability ✗ Ocean acidification ✗ Saline intrusion ✓ Sea level rise ✓ Water stress 	<ul style="list-style-type: none"> ✗ Coastal erosion ✗ Soil degradation ✓ Soil erosion ✗ Soilfluction
Acute	<ul style="list-style-type: none"> ✓ Heat wave ✓ Cold wave/frost ✓ Wildfire 	<ul style="list-style-type: none"> ✓ Cyclone, hurricane, typhoon ✓ Storm (including blizzards, dust, and sandstorms) ✓ Tornado 	<ul style="list-style-type: none"> ✗ Drought ✓ Heavy precipitation (rain, hail, snow/ice) ✓ Flood (coastal, fluvial, pluvial, groundwater) ✗ Glacial lake outburst 	<ul style="list-style-type: none"> ✗ Avalanche ✓ Landslide ✓ Subsidence

✓ Hazard included in assessment

✗ Hazard not relevant to include due to geographical location and characteristics of Ferronordic's assets

Transition risks and opportunities

Transition-related risks and opportunities arise in connection with the transition to a low-carbon and climate-resilient economy. They may result from various factors, including climate-related regulations, market shifts, technological developments, and reputation and public perception. To identify transition events that may affect Ferronordic, the company continuously monitors political, technological, market, and reputational developments.

As part of the climate-related scenario analysis, Ferronordic has identified key transition events and assessed these over the short, medium and long term. Identified transition events include, among other things, changing customer requirements and market preferences towards zero-emission products, technological development and suppliers' innovation capabilities, as well as increasingly stringent environmental and climate-related legislation.

The assessment showed that Ferronordic's exposure to transition risks is limited in the short term, as the business is primarily dealer- and service-based and does not involve its own emissions-intensive manufacturing. In the medium and long term, exposure is assessed to increase, mainly as a result of changing customer requirements, technological developments and regulatory changes that may affect demand for diesel-powered versus zero-emission products. In relation to these developments, a material transition opportunity was identified in the form

of increased demand for zero-emission trucks and construction equipment, particularly under a low-emission scenario (RCP 2.6). Transition risks and opportunities have been assessed qualitatively based on likelihood, potential financial impact and duration, and have been included in Ferronordic's double materiality assessment.

Given Ferronordic's business model as a dealer and service partner without its own manufacturing or energy-intensive production, no assets or business areas have been identified that are incompatible with a transition to a climate-neutral economy. At the same time, parts of the offering, particularly those related to diesel-powered products, may be affected by a transition in the longer term. This is managed through a gradual expansion of the offering of electrified and low-emission solutions, as well as flexibility in the product and service portfolio.

Consistency with financial assumptions

As of the end of the reporting period, no critical climate-related assumptions have been identified or applied in the preparation of the Group's financial statements.

For more information about the methodology behind the double materiality assessment, see IRO-1 on page 70-73.

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SBM–3 Material impacts, risks, and opportunities

Based on the climate-related scenario analysis, Ferronordic conducted a comprehensive resilience assessment of the company's strategy and business model in 2024 in relation to climate-related physical and transition risks, with a focus on the long term. No part of the business or the value chain was excluded from the analysis. The assessment was based on assumptions regarding regulatory developments (such as more stringent emissions regulations), continued developments and trends in electrification, and changing customer requirements (for example, increased demand for electrified products). The analysis also considered potential financial effects related to changes in energy prices, shifts in demand and investment needs associated with electrification, as well as how broader macro-economic conditions, such as interest rate levels and economic developments in the company's markets, may influence these financial effects. Measures described in E1–3 (page 83), in particular investments related to the offering of zero-emission trucks and construction equipment, were taken into account in the assessment.

Ferronordic considers itself to have a strong ability to adapt its strategy and business model to climate change over the short, medium and long term. This adaptability is supported by a diversified product and service offering that includes both diesel-powered and electric solutions. This diversification enables Ferronordic to meet current demand while positioning the company for a future transition towards fully electric solutions. Skills development within service operations and electrified products is ongoing. The company assesses that it has ongoing access to financing within the scope of its ordinary operations and that, at present, the cost of capital is not considered a material obstacle to the implementation of measures. At the same time, uncertainties remain, primarily related to customers' willingness to invest and

the pace of technological development. These uncertainties are managed through continuous market monitoring and flexibility in the product and service portfolio.

Through the double materiality assessment, Ferronordic has identified material climate-related impacts and opportunities, which are presented below. No material financial risks have been identified in this area.

Impacts

Greenhouse gas (GHG) emissions

Ferronordic has identified GHG emissions as a highly material topic for the Group. Direct emissions from the company's own operations (Scope 1) and indirect emissions from purchased energy (Scope 2) contribute to climate change, but represent a relatively small share of Ferronordic's total climate impact. The most significant emissions occur within Ferronordic's value chain (Scope 3). These emissions are primarily related to the use of sold construction equipment and trucks (Scope 3.11).

Opportunities

Zero-emission trucks and construction equipment

Increased demand for zero-emission trucks and construction equipment, driven by regulatory requirements, technological development and changing customer preferences, constitutes a material business opportunity for Ferronordic. Ferronordic offers electric trucks in Germany and electric construction equipment in the USA. This financial opportunity is currently expected to materialize in the medium to long term.

Material impact or opportunity	ESRS sub-topic	Impact materiality			Risks and opportunities	Time horizon
		Upstream value chain	Own operations	Downstream value chain		
Greenhouse gas (GHG) emissions	<ul style="list-style-type: none"> Climate change mitigation Energy 	-	-	-		Short Medium Long
Zero-emission trucks and construction equipment	<ul style="list-style-type: none"> Climate change mitigation 				▲	Medium Long

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E1–1 Transition plan

Ferronordic does not currently have a formally adopted transition plan to mitigate climate change. However, the company continuously evaluates the need for such a plan as regulations, market conditions, and technology evolve.

Ferronordic operates and makes investments that contribute to reduced emissions in the value chain. By offering construction equipment and trucks with alternative fuel systems and lower environmental impact, Ferronordic supports its customers' transition towards more energy-efficient and low-emission operations.

In Germany, Ferronordic has established an electric truck rental fleet, representing a concrete step towards a fossil-free transport sector.

Ferronordic's operations are not covered by Article 12 of the Commission Delegated Regulation (EU) 2020/1818 and are therefore not excluded from the EU Paris-aligned benchmarks. Ferronordic has no operational or revenue-generating exposure to coal, oil or gas-related activities.

E1–2 Policies

Ferronordic's environmental efforts are based on the Group's Environmental Policy, which aims to ensure that the company manages its environmental impact in the delivery of products and services. The policy forms the foundation for how Ferronordic identifies, assesses and manages its material environmental and climate-related impacts throughout the value chain.

Through the Environmental Policy, Ferronordic commits to applying environmentally responsible practices in the delivery, maintenance, and servicing of construction equipment and trucks, with the objective of reducing overall environmental impact. The policy defines Ferronordic's key environmental focus areas: reduction of CO₂ emissions, energy conservation, air quality, extended product life, biodiversity, and responsible end-of-life treatment. Ferronordic strives to offer products with high durability, reduced environmental impact and long service life, enabling customers to reduce their emissions and improve resource efficiency.

At present, the Environmental Policy does not include specific commitments relating to the expansion of renewable energy, the management of transition risks or climate adaptation.

The Environmental Policy has been developed by Ferronordic's Sustainability Manager and approved by the Group's CEO, who is responsible for ensuring that the policy is communicated, implemented, and supplemented with the necessary instructions. The policy applies to the parent company and its subsidiaries, including all employees and consultants working within or on behalf of the Group. To ensure that the policy remains relevant and effective, it is reviewed annually by the Group's General Counsel in cooperation with the Sustainability Manager. Ferronordic monitors the effectiveness of its policies through ongoing operational follow-up and annual reporting.

The Environmental Policy is communicated to employees through internal communication channels and onboarding programs, and is made available to external stakeholders upon request. Suspected breaches of the policy may be reported to an immediate manager, the HR department, the General Counsel or anonymously via Ferronordic's whistleblowing function, which is also available to external parties.

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E1–3 Actions

During 2025, Ferronordic has, in line with the Group's Environmental Policy, implemented climate-related actions focused on reducing emissions and improving energy efficiency in its own operations, as well as enabling emissions reductions across the value chain. The actions are designed to address material climate-related impacts while at the same time capturing business opportunities associated with the climate transition.

Implemented and planned actions are expected to contribute to reduced greenhouse gas emissions over time, primarily within Scope 2 through energy efficiency measures and the use of renewable electricity, and within Scope 3 through the offering of zero-emission trucks and construction equipment.

Capital expenditures related to Ferronordic's German electric truck rental operations are reported within the Group's taxonomy reporting, (see CCM 6.6 on page 89). For other actions implemented during 2025, as well as for planned future actions, Ferronordic has not yet prepared separate quantifications of operating or capital expenditures.

The financial resources used consist of the Group's existing financial resources and are reflected in the Group's financial statements, primarily through the balance sheet and the overall financing structure presented in the annual report. The implementation of climate-related actions is mainly carried out within the framework of the company's ordinary capital and operating budgets and is dependent on the availability of financial and operational resources in the respective markets. Ferronordic assesses that the Group's current financial position is sufficient to support the implementation of decided actions in the near term. Future financial resource needs related to climate-related actions are assessed within the framework of the company's ordinary budgeting and investment processes, and have not yet been quantified.

Actions in Ferronordic's operations**Renewable electricity and energy efficiency**

Within the German operations, Ferronordic has taken several concrete actions during the year to reduce energy consumption and use renewable energy, including:

- the purchase of electricity with guarantees of origin (GOs) certifying its renewable origin,
- installations of LED lighting and motion detectors in facilities, and
- installations of new heating systems and energy-efficient doors in several work-shops.

Fuel efficiency in service operations

Within the US operations, Rudd has expanded its service fleet with twelve larger service vehicles equipped with systems that enable the operation of tools and equipment without continuous engine idling. The measure is expected to reduce fuel consumption and thereby greenhouse gas emissions. In Kazakhstan, new service vehicles have also been acquired, which are expected to result in lower emissions compared to previous vehicles.

Planned actions (2026-2030)

Ferronordic plans further investments in the climate transition, primarily within the German operations. The actions aim to reduce energy consumption and emissions and to strengthen the long-term resource efficiency of the operations, and include, among other things:

- the installation of solar panels at all company-owned workshops in Dresden, Leipzig, Kassel, Hannover, and Limburg,
- full electrification of the German company car fleet,
- continued energy modernization of German workshops through new heating systems and energy-efficient doors, and
- modernization of the German truck rental fleet by replacing existing vehicles with new, CO₂-optimized vehicles in accordance with VECTO standards.

Actions in the value chain**Zero-Emission Trucks and Construction Equipment**

Ferronordic contributes to climate change mitigation in the value chain through its product offering. Through the sale and rental of electric trucks and construction equipment, Ferronordic enables customers to replace fossil-fueled alternatives, thereby contributing to reduced emissions in the value chain, primarily within Scope 3.11. In 2025, Ferronordic sold 14 electric trucks in Germany and 14 electric construction machines in the US.

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sustainability**E1–4 Targets**

Ferronordic aims to reduce its greenhouse gas emissions, both from its own operations and by supporting value chain actors in their transition to a low-carbon economy. A central element of the company's strategy is to enable customers to transition towards more sustainable operations through the offering of alternative technologies with lower climate impact, including electric solutions.

As part of this, Ferronordic is evaluating the possibility of establishing targets

Development of the share of electric products sold	2022	2023	2024	2025
Share of sold electric trucks in Germany (%)	1.2	4.8	1.7	1.9
Share of sold electric construction equipment in the USA (%)	-	-	1.3	3

to increase the share of electric trucks sold in the German market, as well as the share of electric construction equipment sold in the US market. The timing for when such targets may be established has not yet been determined, as Ferronordic is currently assessing market conditions, technological development and customers' ability to transition in order to ensure that future targets are both ambitious and realistically achievable.

Ferronordic has a long-term ambition to achieve net-zero emissions by 2050. At present, the company has not established quantified interim targets or a detailed timeline for reducing its greenhouse gas emissions. Recognizing the importance of concrete targets in driving measurable progress, Ferronordic aims to define and disclose such targets, covering emissions within Scope 1, Scope 2 (market-based), and Scope 3. The timeline for when such targets may be established has not yet been determined.

E1–5 Energy consumption and mix

Energy consumption and mix	2025
(1) Fuel consumption from coal products (MWh)	0
(2) Fuel consumption from crude oil and petroleum products (MWh)	16,316
(3) Fuel consumption from natural gas (MWh)	26,463
(4) Fuel consumption from other fossil sources (MWh)	0
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	2,533
(6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	45,312
Share of fossil sources in total energy consumption (%)	96.2
(7) Consumption from nuclear sources (MWh)	640
Share of consumption from nuclear sources in total energy consumption (%)	1.4
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	5
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	1,159
(10) The consumption of self-generated non-fuel renewable energy (MWh)	0
(11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	1,165
Share of renewable sources in total energy consumption (%)	2.5
Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)	47,116

Energy values and percentages are rounded to the nearest whole number. Totals and shares may therefore differ slightly from the exact values due to rounding.

Energy intensity per net revenue	2025
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/SEK m)	10.3

**Accounting principles**

Ferronordic's energy consumption and energy intensity are based on the operations of the entire Group. Energy consumption includes purchased electricity and heat and follows the same boundaries as those applied in the reporting of greenhouse gas (GHG) emissions under Scope 1 and Scope 2.

Energy mix refers to the distribution between fossil energy, renewable energy and nuclear energy in Ferronordic's total energy consumption. Data on energy consumption and energy mix are reported by the parent company and its subsidiaries through the Group's reporting system. The energy mix is based on information from national energy authorities and contractual arrangements with energy suppliers. Ferronordic applies a conservative approach and reports renewable electricity only in cases where contractual documentation substantiating the origin of the energy is available.

To calculate energy intensity per net revenue, Ferronordic uses the Group's total energy consumption as the numerator and total net revenue as the denominator. Net revenue corresponds to the Group's total net sales and is disclosed in Note 6 (page 136) of the annual report.

As Ferronordic's operations are in their entirety attributable to the transport and construction equipment sector, which is generally considered to have a high climate impact from a value chain perspective, both the numerator and the denominator comprise the Group's total energy consumption and total net revenue, respectively.

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E1–6 Greenhouse Gas (GHG) Emissions

Ferronordic reports greenhouse gas (GHG) emissions by Scope 1, Scope 2 and Scope 3, and presents total GHG emissions on both a location-based and a market-based basis. The disclosure covers emissions from the Group's own operations as well as material emissions in the value chain. Ferronordic has not established a quantitative target for reducing greenhouse gas emissions. All material Scope 3 emissions are reported for the first time in 2025, and this year therefore constitutes the base year for Scope 3 reporting.

Scope 1

Scope 1 emissions refer to direct emissions from operations under the Group's control and include emissions from the use of refrigerants in air conditioning systems, fuel consumption in company vehicles, and oil- and gas-powered heating systems. In 2025, Ferronordic's Scope 1 emissions decreased by 20.4%, primarily driven by reduced emissions from company vehicles.

Scope 2

Scope 2 emissions refer to indirect emissions arising from the generation of purchased energy in the form of electricity and district heating used in the Group's operations.

Scope 3

Scope 3 emissions refer to other indirect emissions arising in the Group's value chain. For Ferronordic, these emissions are primarily driven by Category 11 Use of sold products, which constitutes the most significant share of the Group's total climate impact.

Total emissions

Total GHG emissions amounted to 1,046,656 tCO₂e in 2025. The increase is primarily driven by an expanded reporting scope (including Category 11 Use of sold products), which limits comparability with 2024.

Ferronordic continuously works to improve the quality of its emissions reporting and calculation methodologies. In 2026, the company intends to further develop processes for data collection and monitoring of GHG emissions and, where consistent with the business model, identify and evaluate opportunities for emissions reductions.

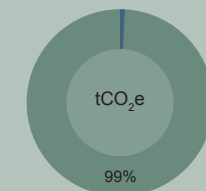
GHG emissions	2024	2025	2025/ 2024 (%)
Scope 1 GHG emissions			
Gross Scope 1 GHG emissions (tCO ₂ e)	12,076	9,610	-20.4
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	-	0	-
Scope 2 GHG emissions			
Gross location-based Scope 2 GHG emissions (tCO ₂ e)	1,106	1,377	24.5
Gross market-based Scope 2 GHG emissions (tCO ₂ e)	1,011	1,104	9.1
Significant Scope 3 GHG emissions			
Total Gross indirect (Scope 3) GHG emissions (tCO ₂ e)	3,100	1,035,942	33,317.5 ¹
1 Purchased goods and services	-	899	-
2 Capital goods	-	23,787	-
3 Fuel and energy-related activities (not included in Scope 1 or Scope 2)	2,922	2,257	-22.8
5 Waste generated in operations	-	90	-
6 Business travel	178	579	225.3 ²
7 Employee commuting	-	2,101	-
11 Use of sold products	-	983,603	-
13 Downstream leased assets	-	22,626	-
Total GHG emissions			
Total GHG emissions (location-based) (tCO₂e)	16,282	1,046,930	6,330¹
Total GHG emissions (market-based) (tCO₂e)	16,187	1,046,656	6,366¹

¹ The significant increase in Scope 3 emissions and total GHG emissions in 2025 is primarily due to an expanded reporting scope, with additional Scope 3 categories included for the first time. In particular, Category 11 Use of sold products has a material impact. The results are therefore not directly comparable with 2024.

² The methodology for Category 6 was developed further in 2025 and includes additional modes of transport, which means that the results are not directly comparable with 2024.

GHG intensity per net revenue	2025
Total GHG emissions (location-based) per net revenue (tCO ₂ e/SEK m)	229,3
Total GHG emissions (market-based) per net revenue (tCO ₂ e/SEK m)	229,2

Distribution of emissions, 2025



■ Scope 1 ■ Scope 2
■ Scope 3

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**Accounting principles**

Ferronordic follows the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard published by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), with reference to additional guidance provided in the GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard, GHG Protocol: Technical Guidance for Calculating Scope 3 Emissions, and GHG Protocol: Scope 2 Guidance. The greenhouse gases considered in the calculations are CO₂, CH₄, N₂O, HFCs, PFCs, SF₆ and NF₃.

Ferronordic applies an operational control approach, meaning that the Group reports 100% of GHG emissions from operations over which Ferronordic or its subsidiaries have operational control. This is in line with ESRS 1, paragraphs 62–67. The reporting covers the company's operations in the USA, Germany, Kazakhstan, and Sweden for the reporting period 1 January–31 December 2025. Local operations report their respective measurement data into Ferronordic's reporting tool via Position Green. The reported data is subsequently consolidated at Group level, and all calculations and consolidation are performed in Position Green.

Ferronordic primarily applies an activity-based methodology for calculation of emissions within Scope 1 and Scope 2. For Scope 3 calculations, a combination of methodologies is applied, including spend-based methods as well as calculations based on product- and supplier-specific data where such information is available.

The selection of emission factors is based on their established use and regular updates. Within Scope 1 and Scope 2, emission factors from DEFRA, EPA, AIB and IEA are primarily used, as they provide official country- and energy-specific factors. Within Scope 3, Exiobase is used, as it is suitable for spend-based calculations. Where supplier-specific emissions data are available, these are prioritized as they are assessed to provide higher data quality than generic emission factors.

Ferronordic strives to apply the latest Global Warming Potential (GWP) values published by the IPCC (AR6), based on a 100-year time horizon. Where AR6-based emission factors have not yet been available, emission factors based on AR5 have been applied. Any deviations are not assessed to have a material impact on the overall level of reported GHG emissions.

Uncertainty in Ferronordic's emission reporting consists of a combination of uncertainties related to emission factors, activity data, and underlying assumptions. The greatest uncertainty is associated with Scope 3, where data collection is generally more limited and to a greater extent based on estimates.

Below is a description of the methods used to calculate Ferronordic's direct and indirect greenhouse gas emissions. Ferronordic has not assessed all Scope 3 categories to be material for reporting. However, the relevance of categories excluded from reporting for 2025 will continuously be evaluated.

Scope 1

Calculations are primarily based on data on actual consumption obtained from supplier invoices. In cases where actual consumption cannot be determined, cost data in combination with average fuel prices are used to estimate consumption. Emission calculations are based on emission factors from DEFRA (2025, 2024), EPA (2024) and AIB (2024).

Ferronordic does not conduct any activities covered by regulated emissions trading schemes and therefore has no Scope 1 emissions subject to such regulations.

Scope 2

Calculations are primarily based on actual electricity and heat consumption from supplier invoices. In cases where such data are unavailable, consumption is estimated based on the area of offices or workshops and standard energy consumption values per square meter. Ferronordic reports on both market-based and location-based emissions.

Location-based method

The location-based method uses average national or regional emission factors for the electricity grid where consumption occurs. These factors are based on the national energy mix. Emission calculations are based on country-specific emission factors from AIB (2025) and IEA (2025).

Market-based method

The market-based method is based on supplier- or contract-specific emission factors and is adjusted for the purchase of electricity with guarantees of origin that verify the renewable origin of the electricity. Ferronordic purchases electricity with guarantees of origin in Germany, meaning that market-based emissions for these facilities are reported as zero.

Scope 3

Ferronordic reports material Scope 3 emissions as well as other Scope 3 emissions for which reliable data for calculations are available.

3.1 Purchased goods and services

This category includes emissions from the production of goods and services purchased by Ferronordic during the reporting period and not covered in other Scope 3 categories. Emissions from the production of sold trucks and construction equipment are included in category 3.11 Use of sold products.

Ferronordic applies a spend-based calculation method. The calculation is based on an assessment of the most significant purchasing categories within the Group, excluding purchases of construction equipment and trucks. These purchases have been grouped into spend categories, and for each category, the most relevant emission factor from Exiobase has been applied. Ferronordic reports amounts in Swedish kronor (SEK), with conversion from local currency having already been performed by the finance function. As a result, the expenditures used are consistent with the financial information presented in the annual report.

3.2 Capital goods

This category includes emissions from the production of capital goods acquired by Ferronordic during the reporting period. Emissions from the production of trucks acquired for Ferronordic's rental fleet in Germany are based on supplier-specific data. For other capital goods, Ferronordic applies a spend-based calculation method.

The calculation under the spend-based method is based on an assessment of the Group's most significant investment items. These items have been grouped into investment categories, and for each category, the most relevant emission factor from Exiobase has been applied. Ferronordic reports amounts in Swedish kronor (SEK), with conversion from local currency having already been performed by the finance function. As a result, the expenditures used are consistent with the financial information presented in the annual report.

3.3 Fuel- and energy-related activities (not included in Scope 1 or Scope 2)

This category includes emissions from the production and distribution of fuels and energy purchased and consumed by Ferronordic during the reporting period, which are not included in Scope 1 or Scope 2. Emission calculations are based on the same reported data on fuel and energy consumption as used for Scope 1 and Scope 2, supplemented with emission factors representing upstream emissions.

3.4 Upstream transportation and distribution

Upstream transportation and distribution includes transport activities that are primarily performed and controlled by Ferronordic's suppliers. Ferronordic does not have access to reliable data on these transport activities, such as transport distances and modes of transport, which limits the ability to calculate emissions accurately. This category is therefore not reported quantitatively.

3.5 Waste generated in operations

This category includes emissions from the handling and treatment of waste generated in Ferronordic's operations and managed by third parties. Ferronordic applies a waste-type-specific method, where emission calculations are based on emission factors from DEFRA (2025) for specific waste types and treatment methods.

For one of Ferronordic's subsidiaries, supplier-specific data on waste types, weight and treatment methods are not available. For this subsidiary, estimates are made based on waste quantities and waste types in comparable operations within the Group.

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Accounting principles, cont.

3.6 Business travel

This category includes emissions from business travel where employees travel using vehicles owned or operated by third parties, such as aircraft, trains, buses, and rental cars. Ferronordic applies a methodological hierarchy to ensure that the highest-quality data are used:

1. Emission data from the Group's travel agencies and transport providers, where such information is available.
2. A spend-based method in local currency, where costs for each mode of transport are multiplied by relevant emission factors from Exiobase.

The methodology for Category 3.6 was developed further in 2025 and includes additional modes of transport, which means that the results are not directly comparable with 2024.

3.7 Employee commuting

This category includes emissions from employees' commuting between home and the workplace. Ferronordic applies a distance-based method. Data have been collected through an employee survey conducted in 2024, which included information on commuting distances, modes of transport, and commuting frequency. The survey was completed by 41% of the total workforce. The results were subsequently scaled up to reflect the total workforce at the end of the reporting period. Emissions are calculated by mode of transport using relevant emission factors primarily from NTM (2018, 2021) and DEFRA (2022), depending on the mode of transport.

3.8 Upstream leased assets

This category is not considered relevant as the extent of leased assets is very limited and the associated emissions are assessed to be negligible in relation to Ferronordic's total GHG emissions.

3.9 Downstream transportation

Ferronordic has very limited responsibility for the transportation of sold trucks and construction equipment as these are primarily collected by the customer, who arranges the transport independently. Furthermore, Ferronordic currently lacks access to reliable data, such as transport distances and modes of transport, which makes it difficult to produce a reasonable and accurate estimation of emissions. This category is therefore not reported quantitatively.

3.10 Processing of sold products

This category is not considered relevant in relation to Ferronordic's operations as no further processing or additional treatment of sold products takes place after the point of sale.

3.11 Use of sold products

This category includes the total expected emissions from the use phase of the trucks and construction equipment sold by Ferronordic during the reporting period. For practical reasons, the category has been expanded to also include emissions from the manufacturing of sold trucks and construction equipment. To avoid double counting, the corresponding production-related emissions are excluded from Category 3.1. Calculations have been performed on a per-model basis for both construction equipment and trucks, where Ferronordic has, to the greatest extent possible, used supplier-specific emission data. Where such information has not been available, data for comparable models have been used. In some cases, assumptions regarding fuel consumption have been made in order to calculate emissions.

3.12 End-of-life treatment of sold products

This category includes emissions from waste management and end-of-life treatment of products sold by Ferronordic during the reporting period, at the end of their useful life. Ferronordic has neither control over nor access to reliable data on how sold trucks and construction equipment are treated at end of life by customers or third parties. Considering the long useful life of the products and the lack of reliable data, emissions within this category cannot be reasonably and accurately estimated. This category is therefore not reported quantitatively.

3.13 Downstream leased assets

This category includes emissions from the operation of trucks and construction equipment owned by Ferronordic and leased out to customers during the reporting period. Ferronordic operates rental fleets consisting of electric and diesel-powered trucks in Germany and offers rental of construction equipment in the USA.

For construction equipment leased out to customers in the USA, emissions are calculated based on the actual number of operating hours during the rental period. Where possible, supplier-specific emission factors per operating hour have been used. Where such data are not available, supplementary assumptions have been made in accordance with the methodology applied for Category 3.11.

For trucks leased out to customers in Germany, emissions are calculated using a distance-based method. Distances have been estimated based on standard distances per vehicle type. Relevant emission factors from Umweltbundesamt (UBA, 2024) and DEFRA (2024) have been applied.

3.14 Franchises

This category is not considered relevant as Ferronordic does not operate any franchise activities.

3.15 Investments

In accordance with the GHG Protocol, reporting requirements for this category include equity investments, debt investments and project finance. Ferronordic does not have any such financial investments and therefore reports no greenhouse gas emissions within this category.

GHG intensity per net revenue

To calculate greenhouse gas intensity per net revenue, Ferronordic uses the Group's total greenhouse gas emissions (Scope 1, Scope 2 and material Scope 3 categories) as the numerator and the Group's total net revenue as the denominator. Net revenue corresponds to the Group's total net sales and is disclosed in Note 6 (page 136) in the annual report. Limitations of the metric are primarily related to uncertainties in Scope 3 data, where estimates and, in some cases, proxy-based emission factors have been applied.

E1–9 Anticipated financial effects

Business opportunities related to the climate transition in zero-emission trucks and construction equipment are assessed to be material. Quantified financial effects in accordance with ESRS E1–9 are not disclosed for the financial year 2025, as this disclosure is subject to phase-in provisions.

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EU Taxonomy regulation disclosures

Ferronordic's EU Taxonomy report has been prepared in accordance with the EU Taxonomy Regulation (2020/852). The report considers amendments to applicable delegated acts, including the Commission's Delegated Regulation (EU) 2026/73. The EU Taxonomy Regulation establishes a common classification system for sustainable economic activities in relation to the EU's six environmental objectives:

1. Climate change mitigation (CCM)
2. Climate change adaptation (CCA)
3. Sustainable use and protection of water and marine resources (WTR)
4. Transition to a circular economy (CE)
5. Pollution prevention and control (PPC)
6. Protection and restoration of biodiversity and ecosystems (BIO)

The EU Taxonomy defines which economic activities fall within the scope of the Taxonomy ("Taxonomy-eligible") and establishes criteria for determining whether an economic activity qualifies as environmentally sustainable ("Taxonomy-aligned"). For an economic activity to be considered taxonomy-aligned, it must make a substantial contribution to one or several of the environmental objectives, whilst not causing significant harm to any of the remaining objectives. In addition, the Company must comply with established minimum safeguard requirements relating to human rights, anti-corruption, fair competition, and taxation.

Methodology to identify eligible activities

Ferronordic has, to the best of its ability, assessed its operations to determine which economic activities are taxonomy-eligible and, where applicable, may be assessed as taxonomy-aligned, based on the company's interpretation of the criteria set out in the Taxonomy Regulation, relevant delegated acts, supporting information on NACE codes, and available guidelines from the European Commission. This assessment is conducted annually by the Group's finance department and the Sustainability Manager. The EU Taxonomy report covers all entities within the Group.

In its assessment, Ferronordic has identified that a smaller proportion of the Company's economic activities are eligible for the *Climate Change Mitigation (CCM)* objective, while a larger proportion are eligible for the *Transition to a Circular Economy (CE)* objective. These activities are described below.

Climate Change Mitigation (CCM)

- For its new workshops in Germany, Ferronordic invests in solar panels to generate electricity for its own requirements and sells any excess power generated back to the electricity market. Such investments are recognized as CapEx under *CCM 4.1 Electricity generation using solar photovoltaic technology*.
- In Germany, Ferronordic invests in electric trucks to provide sustainable transport solutions via rental or transport-as-a-service. Net investments in Ferronordic's electric rental fleet are recognized as CapEx under *CCM 6.6 Freight transport services by road*, while rental revenues are recognized as turnover. In previous financial years, corresponding investments were reported under *CCM 6.15 Infrastructure enabling low-carbon road transport and public transport*. The reclassification to CCM 6.6 has been made to better reflect the underlying economic activity.
- To support its customers and facilitate the transition to low-emission transport, Ferronordic invests in stationary chargers at its workshops in Germany, available to customers and employees. Such investments are recognized as CapEx under *CCM 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings and parking spaces attached to buildings*. Maintenance of such charging stations is recognized as OpEx.

Transition to a Circular Economy (CE)

- Ferronordic repairs, refurbishes, and maintains construction equipment and trucks for its customers. Sales from service activities related to these operations are recognized as revenue under *CE 5.1 Repair, refurbishment and remanufacturing*.
- Ferronordic stores, sells, and replaces spare parts on the machines and trucks of its customers. Sales of spare parts are recognized as revenue under *CE 5.2 Sale of spare parts*.
- Ferronordic offers trade-in solutions to customers seeking a new machine or truck. Ferronordic accepts a used machine or truck as partial payment for a new one and offers the used vehicle to customers for whom a used machine or truck may be a more efficient solution. Sales of used construction equipment and trucks are recognized as revenue under *CE 5.4 Sale of second-hand goods*.

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Methodology for assessing aligned activities

The EU Taxonomy requires that economic activities classified as taxonomy-aligned meet the criteria for substantial contribution, the “do no significant harm” (DNSH) principle, and minimum safeguards. At present, Ferronordic lacks sufficiently detailed and verifiable data to fully assess compliance with all DNSH criteria, primarily with respect to climate-related risk assessments and environmental impacts

related to the supply chain. Therefore, Ferronordic reports no taxonomy-aligned activities for the financial year 2025. Ferronordic continuously works to further develop its data collection and documentation processes in order to enable a more detailed assessment of taxonomy alignment in future reporting periods.



Accounting principles

For the calculation of turnover, CapEx and OpEx, Ferronordic has applied the definitions set out in the EU Taxonomy and the accounting principles applied in Ferronordic's Annual Report. To estimate the proportion of eligible activities, Ferronordic includes the IFRS-based accounting amounts relating to such activities for turnover, CapEx and OpEx in the numerator against

the corresponding total amounts for turnover, CapEx and OpEx in the denominator. The figures used in the calculation of turnover, CapEx and OpEx are derived from Ferronordic's financial reporting and have been reconciled with the audited financial statements. This process ensures that no amounts have been double-counted in the disclosures provided.

Ferronordic reports only Taxonomy-eligible activities in this report and has not assessed the activities as Taxonomy-aligned.

Ferronordic has not issued any green bonds during the reporting year.

In accordance with Commission Delegated Regulation (EU) 2026/73, Ferronordic has applied the 10% materiality threshold for CapEx and OpEx. As the Taxonomy-eligible activities represent less than 10% of the respective denominators, the Company has chosen to present these amounts as non-material in the reporting templates.

Turnover

Total turnover corresponds to Ferronordic's revenue as presented in the consolidated income statement (SEK 4,566m) on page 124. Revenue consists of the total value of goods and services generated during the year and recognized in accordance with IFRS 15.

Taxonomy-eligible turnover amounted to SEK 2,039m, corresponding to 45% of revenue, and relates to the following activities:

- CE 5.1 Service and repair: SEK 612m (526)
- CE 5.2 Sale of spare parts: SEK 1,180m (1,036)
- CE 5.4 Sale of second-hand goods: SEK 210m (248)
- CCM 6.6 Revenue from rental of electric trucks: SEK 37m (18)

The remaining share of turnover primarily relates to sales of new trucks and machines as well as other rental operations, which are not covered by the Taxonomy.

Capital Expenditure (CapEx)

Ferronordic's total CapEx amounted to SEK 955m (1,007) and includes the Group's total investments in tangible and intangible assets (excluding goodwill and right-of-use assets). It also includes expenditures relating to acquisitions. The information is presented in Note 11 Property, plant and equipment on page 142.

Taxonomy-eligible CapEx amounted to SEK 1.5m, corresponding to 0.16% of total CapEx, and relates to the following activities:

- CCM 4.1 Investments in solar panels: 0.15 MSEK (0)
- CCM 6.6 Investments in Ferronordic's fleet of electric trucks: 1.3 MSEK (98)
- CCM 7.4 Investments in charging stations for electric vehicles: 0.07 MSEK (1.3)

The remaining share of CapEx not covered by the Taxonomy primarily relates to investments in other rental operations, which are not covered by the Taxonomy.

As these investments represent less than 10% of the CapEx denominator, Ferronordic has chosen not to perform a Taxonomy assessment for these activities. The amounts are therefore presented as non-material in the reporting templates.

Operating Expenditure (OpEx)

Ferronordic's total OpEx amounted to SEK 666m (717). OPEX based on Taxonomy mainly include renovations, short-term-leasing cost, maintenance and repair and other direct OPEX related to services of assets in real estate, facilities and equipment, whether it is conducted by the company itself or a third party.

Taxonomy-eligible OpEx amounted to SEK 2.5m, corresponding to 0.39% of total OpEx, and relates to the installation, maintenance and repair of charging stations for electric vehicles (CCM 7.4).

As these costs represent less than 10% of the OpEx denominator, Ferronordic has chosen not to perform a Taxonomy assessment for these activities. The amounts are therefore presented as non-material in the reporting templates.

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Summary KPIs 2025

KPI (1)	Total (2)	Breakdown by environmental objectives of Taxonomy aligned activities										Proportion of enabling activities (12)	Proportion of transitional activities (13)	Not assessed activities considered non-material (14)	Taxonomy aligned activities in previous financial year (2024) (15)	Proportion of Taxonomy aligned activities in previous financial year (2024) (16)	
		Proportion of Taxonomy eligible activities (3)	Taxonomy aligned activities (4)	Proportion of Taxonomy aligned activities (5)	Climate Change Mitigation (6)	Climate Change Adaptation (7)	Water (8)	Circular Economy (9)	Pollution (10)	Bio-diversity (11)							
		SEK	%	SEK	%	%	%	%	%	%	%						%
Turnover	4,565,549,578	45	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CapEx	954,813,789	0	0	0	0	0	0	0	0	0	0	0	0	0.16	0	0	0
OpEx	665,564,453	0	0	0	0	0	0	0	0	0	0	0	0	0.39	0	0	0

Turnover 2025

Economic Activities (1)	Code (2)	Environmental objective of Taxonomy aligned activities											Enabling activity (12)	Transitional activity (13)	Proportion of Taxonomy aligned in Taxonomy eligible (14)
		Taxonomy eligible turnover (Proportion of Taxonomy eligible Turnover) (3)	Taxonomy aligned turnover (monetary value of Turnover) (4)	Taxonomy aligned turnover (Proportion of Taxonomy aligned Turnover) (5)	Climate Change Mitigation (6)	Climate Change Adaptation (7)	Water (8)	Circular Economy (9)	Pollution (10)	Bio-diversity (11)					
		%	SEK	%	%	%	%	%	%	%	%	E			
5.1 Repair, refurbishment and remanufacturing	CE 5.1	13	0	0	0	0	0	0	0	0	0	-	-	0	
5.2 Sale of spare parts	CE 5.2	26	0	0	0	0	0	0	0	0	0	-	-	0	
5.4 Sale of second-hand goods	CE 5.4	5	0	0	0	0	0	0	0	0	0	-	-	0	
6.6 Freight transport services by road	CCM 6.6	1	0	0	0	0	0	0	0	0	0	-	-	0	
Sum of alignment per objective															
Total KPI (Turnover)				45											

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ESRS E2

Pollution

The transport and construction equipment sector constitutes a significant source of environmental impact. For Ferronordic, air pollution within the value chain primarily arises during the use phase of the trucks and construction equipment that the Group sells and rents out. Ferronordic recognizes the need to reduce this impact and is actively working to promote the transition to technologies that enable lower emissions.

IRO–1 Identification and assessment of material impacts, risks and opportunities

Ferronordic has conducted a double materiality assessment to identify material pollution-related impacts, risks, and opportunities. The assessment covered the Group's facilities, all business activities (sales, rental, and aftermarket), as well as activities in both the upstream and downstream segments of the value chain. Particular focus was placed on the use phase of the Group's sold and rented products. The analysis was based on the assumption that Ferronordic's direct pollution-related impacts are limited, while the main impacts arise indirectly in the value chain.

The assessment was based on a qualitative analysis of environmental risks, supported by internal data, industry-specific risk indicators, and international tools for assessing value chain impacts, such as ENCORE. No formal consultations with affected communities were conducted within the scope of this assessment. Instead, Ferronordic engaged internal stakeholders who are in regular contact with customers, local communities and authorities in the areas where the Group operates. For further information about the methodology behind the double materiality assessment, see IRO–1 on page 70–73.

Through the double materiality assessment, Ferronordic has identified material pollution-related impacts, which are presented below. All impacts are assessed as negative but are mainly indirect and connected to the value chain. Pollution-related impacts from the company's own operations are not considered material. No material financial risks or opportunities have been identified in this area. Financial

opportunities related to zero-emission trucks and construction equipment are presented in E1 Climate change.

Impacts

– Air pollution in the use phase

The use of sold and rented trucks and construction equipment with internal combustion engines causes air pollution, including nitrogen oxides (NOx), and noise. The impacts are linked to customers' operating environments in the markets where Ferronordic operates and can therefore not be attributed to specific individual locations. These emissions may have negative effects on the environment, human health and other living organisms.

– Pollution of water and soil

Pollution of water and soil are potential negative impacts that may occur within Ferronordic's value chain. The risks are particularly relevant in the mining industry, which is present in both the upstream and downstream value chain, where accidental leaks of chemicals and heavy metals may contaminate water sources and soil. Such pollution may in turn affect living organisms and food resources. The extent of these risks depends on how activities in the value chain are managed and which preventive measures are implemented.

Material impact	ESRS sub-topic	Impact materiality			Time horizon
		Upstream value chain	Own operations	Downstream value chain	
Air pollution in the use phase	• Pollution of air			–	Short Medium Long
Pollution of water and soil	• Pollution of water and soil • Pollution of living organisms and food resources	–		–	Short Medium Long

Impacts
– Negative

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E2–1 Policies

Ferronordic's Environmental Policy commits the Group to develop, use and promote environmentally friendly technologies, products and services, and to reduce its environmental impact throughout the value chain. The policy specifically relates to identified impacts regarding air pollution and emissions to air through its focus on reduced CO₂ emissions and improved air quality resulting from products sold and rented out. At present, Ferronordic has no specific policies or formal requirements directed at suppliers or other actors in the value chain regarding the prevention of soil and water pollution. The Environmental Policy addresses these risks at an overarching level through a value chain perspective and an ambition to reduce negative environmental impact in cooperation with value chain partners. Ferronordic collaborates with suppliers who share the company's environmental ambitions. A full overview of the policy is provided in E1–2 (page 82).

To prevent pollution within its own operations, Ferronordic has local policies adapted to each market. These policies aim to prevent spills of fuels and oils handled within the Group's own operations that may pose a risk of soil or water contamination in surrounding areas. They also include procedures for the management of hazardous waste, as well as preparedness and response measures in the event of incidents or spills. The Managing Director of each subsidiary is responsible for ensuring that these policies are communicated, implemented and monitored in accordance with the Group's environmental policy and applicable legislation. Compliance is monitored through ongoing internal controls. Policies are reviewed as needed based on changes in legislation, internal deviations or incidents.

E2–2 Actions

Reduced emissions have been made possible through market developments of trucks and construction equipment powered by alternative fuel systems, such as battery-electric solutions. In line with Ferronordic's Environmental Policy, the Group cooperates with suppliers that develop technologies and products with zero or very low emissions and actively promotes electric alternatives to customers in the markets where Ferronordic operates, both through sales and rental operations. By facilitating the transition to electric solutions, Ferronordic contributes not only to reducing greenhouse gas emissions but also to lower emissions of harmful air pollutants, such as nitrogen oxides. This contributes to improved air quality, reduced

noise levels and a healthier environment. Actions to reduce air pollution arising in the downstream value chain are not managed through separate action or investment plans but are integrated into Ferronordic's ordinary business operations and are ongoing without a defined end date.

Restoration of polluted soil or water is rarely relevant to Ferronordic's own operations. However, contingency measures are in place to manage such situations should they occur. Further information on Ferronordic's climate mitigation measures is provided in E1–3 (page 83).

E2–3 Targets

Ferronordic has not currently established any quantitative and/or time-bound targets related to material pollution-related impacts. Quantitative targets have not been set as Ferronordic, as a dealer, lacks direct control over emissions in the use phase and currently lacks reliable data to measure and monitor non-greenhouse gas emissions in the customer segment.

Ferronordic is evaluating the possibility of establishing targets to increase the share of electric trucks sold in the German market and the share of electric construction equipment in the US market, as described in E1–4 (page 84). These future targets are also expected to contribute to reduced air pollution and noise within Ferronordic's value chain.

E2–4 Pollution of air

Material non-greenhouse gas air pollutants arise within Ferronordic's value chain, primarily downstream in the use phase of sold trucks and construction equipment. These pollutants are outside the company's control and data availability. Emissions

of non-greenhouse gas pollutants from Ferronordic's own operations are not assessed as material. Consequently, Ferronordic does not collect or report quantitative data on air pollution in accordance with E2–4.

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ESRS E4

Biodiversity and ecosystems

This section of the sustainability statement addresses material impacts related to biodiversity and ecosystems. Ferronordic's operations have limited direct impact on biodiversity. However, indirect impacts may arise through its products and value chain. The information presented in this section has been prepared in accordance with the phase-in provisions of the European Commission's so-called Quick Fix Regulation, adopted on 11 July 2025.

Identification and assessment of material impacts, risks and opportunities

Ferronordic has conducted a double materiality assessment to identify material impacts, risks, and opportunities related to biodiversity and ecosystems within its own operations and across the value chain. The assessment covered physical risks, transition risks, systemic risks, as well as dependencies on biodiversity and ecosystem services.

As part of the assessment criteria, Ferronordic considered geographical proximity to protected areas, industry-specific risk indicators, and international tools for assessing dependencies and impacts on biodiversity and ecosystems. Ferronordic has not applied scenario analyses but is evaluating the possibility of using established scenarios in future assessments. No formal consultations with affected communities were conducted within the scope of this assessment. Instead, Ferronordic involved internal stakeholders who maintain regular contact with customers, local communities and authorities in the areas where the Group operates. For further information about the methodology applied in the double materiality assessment, see IRO-1 on page 70–73.

Ferronordic has not identified any material dependencies on biodiversity or ecosystem services, and no systemic risks have been noted.

The Group does not operate in areas with sensitive biodiversity. However, a small number of its workshops are located approximately one kilometer from protected areas (Natura 2000 sites, nature reserves and national parks). To the best of Ferronordic's knowledge, the Group's operations have no negative impact on these protected areas or habitats of species, as the distance is considered sufficient for any potential impact to be negligible. Consequently, no need for biodiversity-related mitigation or compensation measures has been identified at present. Ferronordic assesses that there is currently no need for a formal transition plan, as the primary impacts occur within the value chain and not directly within the Group's own operations.

Material impacts, risks, and opportunities

Through the double materiality assessment, Ferronordic has identified material impacts related to biodiversity and ecosystems, which are presented below. All impacts are assessed as potentially negative for biodiversity but are mainly indirect and attributable to the value chain. No material financial risks or opportunities have been identified in this area. Ferronordic has not found that the Group's operations affect threatened species or cause material negative impacts in the form of desertification.

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Impacts

🟡 Greenhouse gas emissions and pollution

Greenhouse gas emissions (see Climate Change, page 79) and pollution (see Pollution, page 91) affect both global and local ecosystems. They may degrade habitats for species and contribute to biodiversity loss.

🟡 Land-use change and degradation

Land-use changes resulting from infrastructure projects, mining, road construction, and other construction activities within the value chain may lead to habitat loss and ecosystem fragmentation, threatening species dependent on these areas.

Activities in the value chain may also cause land degradation, for example through ecotoxicity from runoff from mining operations, or through soil sealing, where land is covered by impermeable materials such as asphalt and concrete – disrupting natural processes.

🟡 Natural resources exploitation

Virgin materials are among the resources used in Ferronordic's value chain. The extraction and processing of these materials may have adverse impacts on ecosystems and biodiversity.

Material impact	ESRS sub-topic	Impact materiality			Time horizon
		Upstream value chain	Own operations	Downstream value chain	
Greenhouse gas (GHG) emissions	• Direct impact drivers of biodiversity loss	🟡	🟡	🟡	Short Medium Long
Pollution	• Direct impact drivers of biodiversity loss	🟡		🟡	Short Medium Long
Land-use change and degradation	• Direct impact drivers of biodiversity loss • Impacts on the state of species • Impacts on the extent and condition of ecosystems	🟡		🟡	Short Medium Long
Natural resources exploitation	• Direct impact drivers of biodiversity loss	🟡		🟡	Short Medium Long

Impacts
🟡 Negative

Policies

Ferronordic's Environmental Policy commits the Group to develop, use and promote environmentally friendly technology, products and services, and to reduce its environmental impact throughout the value chain. A full overview of the policy is provided in E1–2 (page 82).

Actions

At this stage, Ferronordic has no specific actions or dedicated resources that directly address impacts on biodiversity and ecosystems. However, the company assesses that actions implemented to mitigate the effects of climate change, as described in E1–3 (page 83), also contribute to reducing climate and pollution-related effects that may impact biodiversity and ecosystems. At present, Ferronordic lacks reliable data to quantify how the Group's climate-related actions have affected biodiversity.

Targets

Ferronordic has not currently established any quantitative and/or time-bound targets related to material impacts on biodiversity and ecosystems. The company expects that future targets aimed at mitigating the effects of climate change will also contribute to addressing related impacts on biodiversity and ecosystems. For more information, see E1–4 (page 84).

Metrics

Ferronordic does not report any quantitative metrics relating to impacts on biodiversity and ecosystems. The Group's indirect ability to contribute to reducing negative impacts arises primarily from reduced emissions and pollution, achieved through the sale of zero-emission trucks and construction equipment. This is monitored through Ferronordic's greenhouse gas emissions, as disclosed in E1–6 (page 85).

Impacts related to land-use change, land degradation and the exploitation of natural resources occur mainly in the outer parts of the value chain and are outside the company's control and data availability. Therefore, Ferronordic does not report specific metrics in these areas.

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ESRS E5

Resource use and circular economy

Efficient resource use is central to reducing environmental impact and promoting long-term sustainability. For Ferronordic, this is also an important and integrated part of the business model. Through service, repair, rebuilding, rental, and sales of used trucks and construction equipment, Ferronordic contributes to a circular economy that reduces resource consumption and maximizes lifecycle value.

IRO–1 Identification and assessment of material impacts, risks and opportunities

Ferronordic has conducted a double materiality assessment to identify material impacts, risks and opportunities related to resource use and circular economy within its own operations and across the value chain. The assessment covered all business areas and focused on resource inflows, resource outflows and waste.

For Ferronordic, resource inflows primarily consist of trucks, construction equipment, spare parts and components purchased from external manufacturers. Resource outflows primarily include the sale of new and used trucks and construction equipment, refurbished and repaired trucks and construction equipment, as well as rental operations. Waste within the company's own operations is mainly generated through service and workshop activities. Ferronordic's most material resource categories, based on volume and environmental impact, consist of trucks, construction equipment, spare parts and components.

To identify where resource-related impacts, risks and opportunities arise, Ferronordic has conducted a qualitative review of its own activities, purchasing and sales flows, and typical waste streams within its own operations and across the value chain. Considering the company's role as a dealer and service provider without own manufacturing, it was assessed that the most significant resource-related impacts largely occur indirectly in the value chain (manufacturing, use phase and end-of-life), while Ferronordic's direct impact is linked to its ability to extend the lifespan of products.

The assessment was conducted with the involvement of internal representatives from relevant functions, such as procurement, aftermarket and rental. No formal consultations with affected communities have been conducted within the scope of this assessment. Instead, Ferronordic involved internal stakeholders who maintain regular contact with customers, local communities and authorities in the areas where the Group operates. For further information about the methodology behind the double materiality assessment, see IRO–1 on page 70–73.

Through the double materiality assessment, Ferronordic has identified material impacts related to resource use and the circular economy, which are presented below. No material financial risks or opportunities have been identified in this area. As circular principles are already integrated into Ferronordic's business model and business processes, no separate transition is considered necessary. Opportunities related to the circular economy primarily consist of increased demand for services and repairs, rebuilding, rental operations and used products. Based on the current assessment and the thresholds applied in the double materiality assessment, these are not considered to constitute material financial opportunities. In a business-as-usual scenario, the identified material impacts are expected to remain. This entails continued positive impacts through extended product lifespans and reduced need for new production, while negative impacts in the value chain persist.

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Impacts

+ Resource use as a business model

Extending the lifespan of trucks and construction equipment is an integral part of Ferronordic's business model and is primarily carried out within the service and aftermarket operations, as well as the rental business. Through service, repair and rebuilding of construction equipment, trucks, engines and components, efficient use of resources and reduced environmental impact are promoted. Ferronordic also offers rental services and sales of used trucks and construction equipment, which maximize utilization rates and enable a more efficient allocation of resources among multiple users.

- Virgin materials

Ferronordic's material resource inflows primarily consist of fully manufactured trucks, construction equipment, spare parts, and components purchased from external manufacturers. The production of these products requires material resources, including virgin materials. The extraction and processing of such materials may result in negative environmental impacts.

As part of its materiality assessment, Ferronordic has considered the circularity of the company's resource inflows at an overarching level. As Ferronordic is a distributor without its own manufacturing operations, its insight into, and ability to influence material choices, material intensity, and the share of recycled material is limited.

- Generation of waste

The production and use of trucks and construction equipment generate significant amounts of residual materials and waste, including production by-products, used tires, and oils. The waste is assessed to include both hazardous and non-hazardous waste. Proper and responsible waste management is crucial, as incorrect handling may lead to negative environmental impacts. The extent of these risks depends on how activities throughout the value chain are managed and which preventive measures are implemented.

Material impact	ESRS sub-topic	Impact materiality			Time horizon
		Upstream value chain	Own operations	Downstream value chain	
Resource use as a business model	• Resource outflows related to products and services		+		Short Medium Long
Virgin materials	• Resource inflows, including resource use	-			Short Medium Long
Generation of waste	• Waste	-		-	Short Medium Long

Impacts

+ Positive - Negative

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E5–1 Policies

Ferronordic's environmental efforts are guided by the Group's environmental policy, which constitutes an overarching framework for how the Group manages its environmental impact within its own operations and across the value chain. The policy is based on a life-cycle perspective, in which efficient resource use and circular solutions are central to how Ferronordic develops, delivers, and serves products. These principles form the core of the company's circular business model and mean that measures to avoid or minimize waste are prioritized over waste treatment.

Although the waste hierarchy is not explicitly stated in the environmental policy, its principles are applied in operations. Ferronordic prioritizes waste prevention through service and repair that extend the lifespan of products, as well as reuse through the sale of used equipment and rental operations. Where applicable, rebuilding is also used to return components and machines to use within the value chain. These activities constitute the company's main contribution to circular resource use and aim to reduce the need for newly produced resources by treating

end-of-life products and components as resources rather than waste. When reuse or rebuilding is not possible, waste is managed through material recycling or other recovery methods in accordance with local requirements, and as a final step, waste is disposed of in compliance with applicable legislation. Ferronordic monitors the effectiveness of its policies through ongoing operational follow-up and annual reporting. The follow-up is carried out through regular reviews of internal procedures, for example related to waste management, as well as through monitoring of relevant operational data linked to circular activities such as rebuilding and sales of used units. This data is collected from local business systems in the respective markets and consolidated as part of the Group's sustainability reporting. Eco-design and the management of post-consumer waste are of limited applicability to Ferronordic as the company does not develop, design or manufacture its own products.

A full overview of Ferronordic's environmental policy is provided in E1–2 (page 82).

E5–2 Actions

Ferronordic promotes the circular economy through its ordinary business processes, which include service and repair, rebuilding, the sale of used trucks and construction equipment, and rental operations. The actions are implemented within the company's own operations in the markets where Ferronordic operates and have indirect impacts upstream and downstream in the value chain. The actions are ongoing and have no fixed end date. The goal is to ensure that trucks and construction equipment are used for as long as possible. This contributes to extending the use of existing resources, reducing the need for new production, and promoting reuse and rebuilding.

Service and repair

Ferronordic extends the lifespan of trucks and construction equipment through service and repair. These activities ensure that equipment remains functional for as long as possible, thereby reducing the need for new materials and energy-intensive manufacturing processes. When a product reaches the end of its life cycle, Ferronordic ensures that components and materials are handled in accordance with applicable legislation and local procedures, including recycling where possible or responsible disposal.

Rebuilding center

Rudd's rebuilding center specializes in major component rebuilds for construction and mining equipment. The center also performs full machine rebuilds. By restoring

components, Rudd reduces both waste generation and the demand for newly manufactured parts. Full machine rebuilds extend the useful life of older equipment and further reduce the need for new resources. The number of rebuilt units in 2025 is reported under entity-specific metrics (page 99).

Used trucks and construction equipment

Ferronordic sells used trucks and construction equipment as part of its circular offering. By returning equipment to the market, the company extends product lifetimes and reduces the need for new production. Equipment is inspected and refurbished as necessary before resale to ensure reliability and high quality. The number of used units sold in 2025 is reported under entity-specific metrics (page 99).

Rental

Ferronordic offers rental of trucks and construction equipment, including electric models. The rental model provides customers with cost-effective and flexible access to high-quality equipment without the need for long-term ownership. It supports the principles of the circular economy by maximizing the utilization rate of each machine and truck and enables a more efficient allocation of resources among multiple users.

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E5–3 Targets

Ferronordic recognizes the importance of setting measurable targets to drive continuous improvements in resource use and circularity. Although the company has not yet established formal targets in this area, there is an ambition to do so over time in line with Ferronordic's business model and environmental ambitions. Ferronordic will communicate its targets once they have been established.

The reason why such targets have not yet been established is that the outcomes of circular activities are to a large extent dependent on external factors, such as customer demand and market conditions. Ferronordic can offer and enable service and repair, rebuilding, sales of used equipment, and rental, but has limited ability to unilaterally control the volumes of these activities. Despite the absence of formal targets, Ferronordic monitors the effectiveness of its policies and actions through indicators related to service and repair, rebuilding, sales of used equipment, and rental operations.

E5–4 Resource inflows

Ferronordic's material resource inflows primarily consist of fully manufactured trucks and construction equipment, spare parts, and components purchased from external manufacturers. The company therefore has limited insight into and control over the materials used in manufacturing processes within the supplier value chain. Against this background, Ferronordic is currently unable to report quantitative information in accordance with ESRS E5–4.

E5–5 Resource outflows

Ferronordic's material resource outflows primarily include new and used trucks and construction equipment, refurbished and repaired trucks and construction equipment, as well as rental operations. The company has no product development or manufacturing and is therefore not responsible for material choices for products placed on the market. Against this background, the disclosures required under ESRS E5-5 are considered not applicable to Ferronordic's business model. Instead, Ferronordic monitors its contribution through entity-specific metrics.

Waste has been identified as a material impact in the value chain. Ferronordic has limited insight into and control over how waste is managed in upstream and downstream stages. Against this background, Ferronordic currently does not collect or report quantitative data on waste in the value chain in accordance with ESRS E5–5.



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Entity-specific metrics: Resource outflows

Ferronordic monitors its work on resource use and the circular economy through a number of internal key performance indicators that reflect the Group's business model and key processes, such as rebuilding and used sales. As the company does not have any manufacturing, entity-specific metrics are used that better

capture resource efficiency and circularity in these processes than the standardized ESRS metrics. An increase in these indicators is considered to signal improved resource efficiency, a reduced need for virgin materials, and a stronger contribution to the circular economy.

Rebuilding

In the US, Rudd operates a rebuild center specializing in the repair and rebuilding of machines and major components for construction and mining equipment. The number of rebuilt units is used as an indicator of resource recirculation.

Number of rebuilt units	December 2023	2024	2025
Transmissions	2	6	4
Cylinders	1	22	14
Dropbox		2	0
Gear drives		5	2
Rigid haulers		2	1
Articulated haulers		4	1
Wheel loaders		3	6
Other components	3	10	10

Used trucks and construction equipment

Sales of used units illustrate the extent to which the business contributes to circular flows through the reuse of existing products. In 2025, Ferronordic sold a total of 301 used units.

Number of used units sold	2021	2022	2023	2024	2025
USA	-	-	4*	73	113
Germany	241	211	394	300	174
Kazakhstan	6	24	54	35	14

* December 2023

**Accounting principles**

Ferronordic's metrics for rebuilding and sales of used units are entity-specific metrics under ESRS E5. Data are reported annually as part of the Group's annual and sustainability report. Information is collected from local business systems for service and sales.

Data are validated and consolidated by the Group's Sustainability Manager. The metrics are limited by the fact that Ferronordic currently lacks corresponding environmental data that translates the number of rebuilt and used units into quantified effects in terms of material savings, reduced waste, or reduced emissions.

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ESRS S1

Own workforce

This section of the sustainability statement addresses material impacts on Ferronordic's own workforce. Ferronordic's employees are at the core of the business and are a key driver of the Group's long-term success. Ferronordic strives to provide a safe, supportive, and inclusive working environment in which every individual can grow and contribute to the Group's long-term objectives.

SBM-3 Material impacts, risks, and opportunities

As of 31 December 2025, Ferronordic had 812 employees, of which 358 in the USA, 398 in Germany, 46 in Kazakhstan, and 10 in Sweden. Ferronordic's workforce consists of a wide range of professional roles, including service technicians, parts and warehouse personnel, sales staff, trainees, administrative employees, and senior management.

The double materiality assessment covered all employees and consultants working in or, on behalf of, the Group. The information in this section therefore relates to all groups that are or may become affected by material impacts related to the Group's operations. Where a specific group of employees is particularly affected, this is stated in the description of the relevant material impact. Risks affecting specific groups have been identified through local occupational health

and safety reviews, risk assessments and incident follow-ups. For further information about the methodology behind the double materiality assessment, see IRO-1 on page 70-73.

For a description of how the interests and perspectives of its own workforce are considered in Ferronordic's strategy and business model, see ESRS 2 SBM-2 (page 64).

Through the double materiality assessment, Ferronordic has identified material impacts related to its own workforce, which are presented below. Positive impacts are assessed to apply to all employees across the Group's markets. No material financial risks or opportunities have been identified in this area. Ferronordic has not assessed there to be any significant risk of child labor or forced labor in its own operations.



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+ Working conditions

The Group ensures secure and fair working conditions for all employees by applying transparent employment terms and benefits in accordance with applicable laws and regulations of the jurisdictions in which the Group operates. Respect for workers' rights is central to the Group's approach, including the right to join trade unions and other representative organizations. This is particularly important in regions where the general risk of violations of workers' rights is assessed to be elevated.

By offering adequate, fair, and non-discriminatory wages, the Group actively works to create a workplace characterized by respect, dignity and security.

- Health and safety

Ferronordic's business model involves activities and work processes that carry potential health and safety risks for certain occupational groups, particularly technicians in service and repair. While accidents and exposure to hazardous substances can occur, such incidents are rare, and the Group works systematically to identify, prevent and manage risks in daily operations.

+ Training and skills development

Ferronordic invests systematically and strategically in skills development to support both employees' individual development and the Group's long-term competitiveness. Skills development includes technical training as well as management and leadership programs and is regarded as an important tool for attracting, motivating and retaining employees.

- Unbalanced gender distribution

Ferronordic operates in an industry traditionally characterized by relatively low representation of women. Ferronordic also faces this challenge and is actively working to strengthen diversity within the organization. A lack of diversity may have a negative impact on workplace culture and contribute to dissatisfaction and increased employee turnover.

Material impact	ESRS topic	Impact materiality	
		Own operations	Time horizon
Working conditions	<ul style="list-style-type: none"> Working conditions Equal treatment and opportunities for all 	+	Short Medium Long
Health and safety	<ul style="list-style-type: none"> Working conditions 	-	Short Medium Long
Training and skills development	<ul style="list-style-type: none"> Equal treatment and opportunities for all 	+	Short Medium Long
Unbalanced gender distribution	<ul style="list-style-type: none"> Equal treatment and opportunities for all 	-	Short Medium Long

Impacts

+ Positive - Negative

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S1–1 Policies

Ferronordic has established a Group-wide policy framework governing its work on social sustainability and the management of material impacts related to its own workforce. These policies constitute a central tool for addressing the material impacts identified and described in SBM–3 (page 67). The purpose is to ensure a safe, inclusive, and fair working environment across all countries of operation, in line with international standards and applicable national legislation.

The Code of Conduct sets out the fundamental principles for how Ferronordic and its employees are expected to act in their daily work. It includes commitments to prevent unethical behavior, ensure a safe and healthy working environment, respect employees' right to freedom of association, and promote fair competition. The Code applies to all employees and consultants within the Group, including the members of the Board of Directors of Ferronordic AB.

The Human Rights Policy reflects Ferronordic's commitment to respect human rights and to ensure that the Group does not cause or be involved in violations of such rights. The policy is aligned with the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the UN Global Compact, and the ILO Declaration on Fundamental Principles and Rights at Work. The policy makes clear that Ferronordic opposes all forms of child labor, forced labor, modern slavery, harassment, and discrimination, both in its own operations and throughout its value chain. The policy does not explicitly mention human trafficking, but the concepts of forced labor and modern slavery encompass such forms of exploitation. Compliance is ensured through due diligence processes and regular monitoring. Where a negative impact is identified, corrective action plans are developed and implemented.

The Equality, Diversity, and Non-Discrimination Policy establishes that Ferronordic shall be an inclusive organization in which all employees have equal rights, opportunities, and working conditions. The policy includes commitments to prevent discrimination based on gender, age, ethnicity, culture, nationality, disability, religion, political belief, sexual orientation, or any other personal characteristics.

In addition, Ferronordic takes into account all grounds of discrimination prohibited under applicable national legislation in each market. Efforts related to diversity are integrated into recruitment, competence development, and leadership programs. In certain markets, additional local measures are implemented to promote inclusion, such as monitoring of employment quotas for persons with disabilities, network for female employees, and language training for newly hired employees with a different native language.

In addition to the Group-wide policies, Ferronordic also has local policies and routines. In the area of **health and safety**, local management systems are applied that are adapted to country-specific legislation and regulatory requirements. Local adaptations ensure compliance with national rules and complement the Group's overall commitments. Operational responsibility for employee health and safety lies with the Managing Director of each subsidiary. Through training, regular follow-ups and ongoing risk assessments, the Group ensures a safe working environment and the prevention of accidents.

The policies apply to all employees as well as to all consultants working in or, on behalf of, the Group. Implementation is carried out through manager training, mandatory onboarding programs, web-based training, internal communication campaigns and follow-up through HR processes. The Group's CEO is responsible for ensuring that the policies are duly communicated, implemented and complied with. To ensure that each policy remains relevant and effective, they are reviewed annually by the Group's General Counsel together with the management of the subsidiaries and relevant functions.

The policies are communicated to employees via internal communication channels and onboarding programs and are available to external stakeholders upon request. Engagement and dialogue with employees are an integral part of Ferronordic's policy work. Feedback from different parts of the organization is considered in the development and review of the policies, supporting continuous improvement. For further information about employee dialogue, see S1–2.

S1–2 Processes for engaging with own workers and workers' representatives

Ferronordic has established processes to engage employees and, where applicable, their representatives on matters related to both actual and potential impacts on its own workforce. Dialogue is conducted through a combination of direct interaction with employees and formal representative structures to ensure that employees' perspectives are considered in decision-making across the Group. Different local agreements related to working conditions, trade union, and personnel matters apply in each market where Ferronordic operates.

Responsibility for ensuring effective dialogue rests with the Managing Director of each subsidiary, supported by local management and HR. Engagement with employees takes place at varying frequencies across the Group, but includes at a minimum annual performance and development dialogues, regular employee surveys (in accordance with local practice), internal communication channels, information sessions and structured consultation forums. These methods are adapted to national legislation, market conditions and organizational structure. In markets where formal workers' representatives exist, ongoing dialogue is main-

tained through structured meetings. Across all markets, dialogue with employees typically takes place before, during and after decision-making and covers planning, implementation and follow-up.

To ensure that diverse perspectives are heard, Ferronordic seeks to particularly engage employees or groups that may be more exposed to risks or face barriers to participation, such as internationally recruited employees, women and employees with disabilities. Such groups are identified through HR data and occupational health and safety risk assessments. Across the Group, various inclusion initiatives are implemented to promote equal opportunities and participation, including language training and network for female employees. To the extent that the transition towards a more climate-neutral business affects Ferronordic's own workforce, this is addressed within existing dialogue forums with employees and their representatives.

The effectiveness of employee dialogue is evaluated through regular feedback, surveys and follow-up, enabling the Group to assess how the dialogue contributes to a transparent, safe and inclusive workplace culture.

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sustainability**S1–3 Processes to remediate negative impacts and channels for own workers to raise concerns**

Ferronordic is committed to addressing and, where applicable, remedying all material negative impacts on individuals within its own workforce that the Group has caused or contributed to. When such impacts are identified, dialogue with the affected individuals or groups is prioritized to understand their experiences and needs. This is carried out through thorough investigations in consultation with relevant employees and managers. Remedial actions are decided and managed by the part of the organization responsible for the issue in question. The effectiveness of the actions is evaluated through follow-up with those affected and, where necessary, adjusted measures.

Employees are encouraged to raise work-related concerns directly with their immediate manager or, where appropriate, with local management, local legal staff, or HR. If none of these approaches are considered appropriate, or if anonymity

is preferred, all employees can report concerns or complaints through Ferronordic's whistleblowing function, which includes protection against retaliation. Contact details for the whistleblowing function are available on Ferronordic's website, and further information is provided in G1–1 (page 120).

Ferronordic ensures that employees are aware of and have confidence in these channels through onboarding processes and regular internal communication. The Group's General Counsel evaluates, at least annually and more frequently if necessary, the effectiveness and accessibility of the reporting and grievance mechanisms to ensure that they remain reliable, transparent and fit for purpose. Reported cases are followed up by the responsible function, with feedback provided to the reporting party where possible.

S1–4 Actions

Ferronordic works to prevent negative and promote positive impacts on its own workforce. Ferronordic has established a Group-level framework to address material areas, while action plans are developed and implemented at local level. These plans are followed up through regular Group reviews.

Local action plans and initiatives are presented below as examples of ongoing work. No material operating or capital expenditures have been allocated specifically to these actions. However, resources such as HR capacity, training time, management support, and digital systems are used on an ongoing basis. Many of the actions are integrated into continuous improvement processes and therefore do not have a defined end date.

Employees' views and ideas are an important part of the process for identifying and developing actions aimed at preventing negative impacts. Risk assessments are carried out where appropriate to ensure that planned actions do not result in unintended negative impacts for employees. Actions related to health and safety are implemented in line with Ferronordic's Human Rights Policy and local HSE systems, while actions related to diversity are aligned with the company's commitments under the Equality, Diversity and Non-Discrimination Policy. The effectiveness of actions is followed up through employee surveys, exit interviews and KPIs such as employee turnover, sick days, and workplace accidents.

Health and Safety

Health and safety are a priority across the Group. Ferronordic aims to ensure that working conditions are as safe as possible, with the ambition to continuously improve safety performance and prevent workplace accidents and injuries.

The Group implements a range of measures to minimize the risk of workplace accidents and invests continuously in training, protective equipment and safety procedures to ensure a safe work environment. In the event of incidents, causes are thoroughly investigated and, where needed, support and rehabilitation are provided to enable a safe return to work.

During 2025, Ferronordic's subsidiaries implemented local initiatives to strengthen health and safety performance and reduce risks and the occurrence of workplace accidents:

- *In the USA*, safety programs and training operations have been expanded, including a new digital learning management system that improves accessibility and effectiveness. This work will continue in 2026.
- *In Germany*, regular safety audits and improvements in workshops have been carried out, focusing on safe workflows and accident prevention.
- *In Kazakhstan*, all HSE policies have been reviewed, the quality of protective equipment has been improved, and safe-driving training was conducted. Additional training is planned for 2026.

Diversity

Ferronordic works to promote gender equality, diversity and equal opportunities. During 2025, the following measures were implemented to strengthen inclusion and address unbalanced gender representation and other forms of inequality:

- *In Germany*, a women's network was established to address challenges and drive initiatives for equal treatment. Diversity topics are also included in management training. These efforts strengthen both fair working conditions and the company's long-term attractiveness as an employer.
- *In Kazakhstan*, the Group strengthened gender representation by appointing a female Managing Director.

In addition to these initiatives, further local actions during 2025 aimed to create positive effects for employees, including measures to increase fairness in compensation systems, improved opportunities for skills development and initiatives to support balance between work and private life.

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S1-5 Targets

Ferronordic currently works primarily with local targets and actions, including in areas of health and safety, training and skills development, and diversity. These initiatives are driven by the Group's subsidiaries based on local needs and operating context.

At Group level, Ferronordic has not yet established any quantitative and/or time-bound targets related to material impacts on its own workforce. The ambition

is to gradually develop a more unified framework with Group-wide targets. The timeline for when such targets may be in place has not yet been determined. The Group monitors developments in health and safety and other employee-related matters using key indicators such as sick days, workplace accidents and employee turnover, as well as through employee surveys and local HR reports.

S1-6 Characteristics of the Group's employees

Ferronordic is headquartered in Sweden and operates in four countries. As of 31 December 2025, the total number of employees amounted to 812. A complete overview of the Group's workforce is presented below.

Employee headcount by gender	Sweden	USA	Germany	Kazakhstan	Total	Number of employees by country	
Male	7	302	330	31	670	Sweden	10
Female	3	56	68	15	142	USA	358
Other	0	0	0	0	0	Germany	398
Not reported	0	0	0	0	0	Kazakhstan	46
						Total number of employees	812

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sustainability**Employees by contract type, broken
down by gender and country****Number of employees**

	Sweden	USA	Germany	Kazakhstan	Total
Male	7	302	330	31	670
Female	3	56	68	15	142
Other	0	0	0	0	0
Not disclosed	0	0	0	0	0

Number of permanent employees

Male	7	302	330	31	670
Female	3	56	68	15	142
Other	0	0	0	0	0
Not disclosed	0	0	0	0	0

Number of temporary employees

Male	0	0	0	0	0
Female	0	0	0	0	0
Other	0	0	0	0	0
Not disclosed	0	0	0	0	0

**Number of non-guaranteed hours
employees**

Male	0	0	0	0	0
Female	0	0	0	0	0
Other	0	0	0	0	0
Not disclosed	0	0	0	0	0

Number of full-time employees

Male	6	302	314	31	653
Female	3	56	53	14	126
Other	0	0	0	0	0
Not disclosed	0	0	0	0	0

Number of part-time employees

Male	1	0	16	0	17
Female	0	0	15	1	16
Other	0	0	0	0	0
Not disclosed	0	0	0	0	0

Employee turnover

Sweden	10%
Number of employees who left the company in 2025	1
USA	19.3%
Number of employees who left the company in 2025	69
Germany	21.9%
Number of employees who left the company in 2025	87
Kazakhstan	54.4%
Number of employees who left the company in 2025	25
Total employee turnover	22.4%
Total number of employees who left the Group in 2025	182

**Accounting principles****S1-6: §50a, §50b Total number of employees**

Employees refer to individuals with employment contracts. Data is collected from Ferronordic's local HR systems. All figures represent headcount data as of the end of the reporting period (31 December 2025). The metrics do not involve any significant assumptions or limitations.

S1-6: §50c Number of employees who left the company and employee turnover

The number of employees who left during 2025 includes employees who left voluntarily or due to dismissal, retirement, or death in service. The employee turnover rate has been calculated as the total number of employment terminations divided by the number of employees at the end of the reporting period (31 December 2025). The metrics do not involve any significant assumptions or limitations.

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sustainability**S1–9 Diversity****Gender distribution (Top management)**

Male	4 (100%)
Female	0 (0%)

Age distribution

Under 30 years old	182 (22.4%)
Between 30–50 years old	318 (39.2%)
Over 50 years old	312 (38.4%)

**Accounting principles****S1–9: §66a Gender distribution**

Top management is defined as one and two levels below the Board of Directors and consists of Ferronordic's CEO and Executive Management Team. The information represents the gender distribution at year-end (31 December 2025). The gender distribution for the entire workforce is presented in S1–6. The metrics do not involve any significant assumptions or limitations.

S1–9: §66b Age distribution

The calculation of age distribution includes all employees within the Group, and the data is based on the number of employees at the end of the reporting period (31 December 2025). The metrics do not involve any significant assumptions or limitations.

S1–10 Adequate wages

Ferronordic is committed to a fair and transparent approach to setting remuneration levels. All employees in European countries are paid an adequate wage in line with Directive (EU) 2022/2041, and all employees in non-European countries are paid an adequate wage in line with applicable national benchmarks. No cases under the applicable benchmarks were identified in 2025.

**Accounting principles**

The assessment of whether the Group's employees receive an adequate wage has been based on payroll data and HR data for each country in which Ferronordic operates. Within Europe, the benchmark has not been below the statutory minimum wage in accordance with Directive (EU) 2022/2041. For operations outside Europe, the comparison has been made against the applicable statutory minimum wage or another established national benchmark for an adequate wage. The assessment has been carried out separately for each country in which the Group operates.

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Ferronordic offers employees training, professional development, and career opportunities. The outcomes of regular performance and career development reviews as well as training hours per employee during 2025 are presented in the tables below.

Performance and career development reviews

Gender	Number of employees (S1-6)	Number of employees who participated in performance and career development reviews	Share, %
Male	670	670	100
Female	142	138	97.2
Other/not disclosed	0	-	-
Total	812	808	99.5

Training hours

Gender	Number of employees (S1-6)	Total number of training hours	Average training hours
Male	670	23,278	34.7
Female	142	4,421	31.1
Other/not disclosed	0	-	-
Total	812	27,699	34.1

**Accounting principles****S1–13: §83a Performance and career development reviews**

The share of employees who participated in performance and career development reviews has been calculated as the number of employees who completed at least one such review during the year divided by the total number of employees. The metrics do not involve any significant assumptions or limitations.

S1–13: §83b Average number of training hours per employee

The average number of training hours per employee has been calculated as the total number of training hours completed divided by the total number of employees. In some cases, information on how the training hours were distributed between male and female employees was unavailable. In these cases, Ferronordic allocated the training hours proportionally based on the gender distribution in the respective market.



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Ferronordic works with health and safety with the aim of preventing work-related injuries and ill health. The table below presents the health and safety metrics for Ferronordic's employees during 2025.

Health and safety metrics

Number of employees covered by a health and safety management system	812
Share of employees covered by a health and safety management system (%)	100
Number of fatalities due to work-related injuries	0
Number of fatalities due to work-related ill health	0
Recordable work-related accidents	129
Rate of recordable work-related accidents	74.6
Number of cases of recordable work-related ill health	1
Days lost due to work-related injuries, work-related ill health and fatalities from ill health	285

**Accounting principles****S1–14: §88a Health and safety management system**

The number and share of employees covered by a health and safety management system have been calculated on the basis of the number of employees at the end of the reporting period (31 December 2025). The information relates solely to Ferronordic's employees.

S1–14: §88b Fatalities as a result of work-related injuries and ill health

Refer to fatalities resulting from work-related injuries and work-related ill health among Ferronordic's employees during the reporting period.

S1–14: §88c Number and rate of recordable work-related accidents

Recordable work-related accidents refer to accidents that are required to be recorded in accordance with applicable occupational health and safety legislation. The accident frequency rate is calculated as the number of work-related accidents divided by the total number of hours worked by the Group's employees, multiplied by 1,000,000.

S1–14: §88d Cases of work-related ill health

Work-related ill health includes documented cases of occupational diseases in accordance with the ILO List of Occupational Diseases. The reporting includes cases that the Group has been informed of or identified through employee reports, reporting to authorities, insurance claims, or health examinations during the reporting period.

S1–14: §88e Days lost to work-related accidents, work-related ill health and fatalities

Days lost refer to days of absence due to work-related injuries, work-related ill health and fatalities resulting from ill health among Ferronordic's employees.

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In 2025, the annual total remuneration ratio of the highest-paid individual compared to the median-based annual total remuneration amounted to 12.92.

Ferronordic reports the gender pay gap for 2025 between female and male employees, broken down by employee category and country. The gender pay gap is influenced by factors such as gender distribution across different employee categories and seniority levels.

Category	Gender pay gap (%)
Service technicians	54.9
Warehouse staff	-17.9
Administrative staff	21.6
Sales staff	20.7
Managers (non-executive)	18.9
Management Team	26.9



Accounting principles

S1–16: §97a Gender pay gap

The gender pay gap includes all employees' gross hourly pay level and is calculated as:

$$\frac{(\text{Average gross hourly pay level of male employees} - \text{average gross hourly pay level of female employees})}{\text{Average gross hourly pay level of male employees}} \times 100$$

Average gross hourly pay has been calculated as the total gross hourly pay for each gender divided by the number of employees in the respective category.

S1–16: §97b Annual total remuneration ratio

Total remuneration includes fixed salary, variable cash compensation, cash benefits, benefits in kind, and the fair value of long-term incentive programs, in accordance with the Group's remuneration policy.

The annual total remuneration ratio includes all employees as of 2025 and is calculated as:

$$\frac{\text{Annual total remuneration for the Group's highest paid individual}}{\text{Median employee annual total remuneration (excluding the highest paid individual)}}$$

The median is based on all employees within the Group, excluding the highest-paid individual. The ratio has not been adjusted for purchasing power differences between countries. As this is Ferronordic's first reporting according to ESRS S1–16, comparative figures for previous years are not reported.

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S1-17 Incidents, complaints and severe human rights impacts

In 2025, no incidents of discrimination, including harassment, and no complaints were reported through the Group's reporting channels. No severe human rights incidents connected to Ferronordic's own workforce occurred during the reporting period. As a result, no fines, penalties or compensation were paid in 2025.



Accounting principles

S1-17: 103a Incidents of discrimination, including harassment

Refers to reported incidents of discrimination, including harassment, related to Ferronordic's own workforce that were registered through reporting channels during the reporting period.

S1-17: 103b Number of complaints

Refers to complaints submitted through Ferronordic's grievance mechanisms.

S1-17: 104a Severe human rights incidents

Severe human rights incidents includes lawsuits, formal complaints submitted through Ferronordic's grievance mechanisms, and serious allegations in public reports or the media that are connected to Ferronordic's own workforce. This includes only incidents where the facts of the incident are not disputed by Ferronordic, as well as other severe impacts of which Ferronordic is aware.



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ESRS S2

Workers in the value chain

This section of the sustainability statement addresses material impacts on workers in Ferronordic's value chain, including impacts arising through the Group's products, services, and business relationships. The information presented in this section has been prepared in accordance with the phase-in provisions of the European Commission's so-called Quick Fix Regulation, adopted on 11 July 2025.

Material impacts, risks, and opportunities

Ferronordic is part of a global value chain that includes direct suppliers of trucks and construction equipment, subcontractors of materials and services, and customers operating in the transport, construction, and mining sectors. These relationships are central to the company's business model and strategy, but also entail potential risks of negative social impacts.

Ferronordic's assessment of risks, opportunities and impacts covers individuals working for supplier partners and subcontractors in the upstream segments of the value chain, as well as individuals employed in the Group's downstream value chain. The global scope and complexity of the value chain result in limited visibility into actual working conditions. Ferronordic has therefore based its materiality assessment on conservative assumptions and risk indicators linked to business activities, raw materials, and geographic context. The company has placed particular emphasis on identifying risks related to human rights, working conditions, and health and safety. In 2024, Ferronordic conducted a Group-wide assessment of these risks. Special attention has also been given to groups that may be more vulnerable to negative impacts, such as migrant workers in manufacturing and raw material extraction. For further information about the methodology behind the double materiality assessment, see IRO-1 on page 70–73.

Workers in the value chain who are or may become affected by material impacts are found among both direct and indirect suppliers, as well as in the downstream value chain. The most significant risks are assessed to occur among workers involved in the extraction and processing of raw materials in high-risk regions. The material impacts presented in this section are considered representative of the structural challenges characteristic of these industries and closely linked to the products and services provided by the Group.

Through the double materiality assessment, Ferronordic has identified material impacts related to workers in the value chain, which are presented below. No material financial risks or opportunities have been identified in this area. Ferronordic assesses that the potential negative impacts presented in this section have not had, or are expected to have, any material adverse effect on the Group's business model and strategy. Ferronordic cooperates with business partners that are expected to respect, and who commit to upholding internationally recognized human rights, fair working conditions, and the prohibition of child- and forced labor. This is addressed through requirements in business relationships and risk-based due diligence processes. Despite these commitments, structural risks remain in parts of the value chain, particularly in high-risk regions and raw-material tiers.

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Impacts

— Working conditions

Ferronordic's value chain includes suppliers and subcontractors across several tiers. Among direct suppliers of trucks and construction equipment, the most relevant potential negative impact is assessed to be related to health and safety in manufacturing processes, where work tasks and production environments may involve elevated occupational health and safety risks. Further upstream in the supply chain, structural and systemic risks related to working conditions occur in certain industries and geographic areas. These risks may include limited protection of workers' rights, including secure employment, freedom of association, health and safety, collective bargaining agreements, wages, discrimination and diversity. Similar risks are also assessed to potentially occur in the downstream value chain.

— Child labor and forced labor

Child labor and forced labor have been identified as potential negative impacts, particularly in the upper tiers of the supply chain. Ferronordic's value chain includes activities in geographical regions where these risks are particularly high, as well as the procurement of raw materials such as cobalt, which are associated with an elevated risk of child and forced labor.

Policies

Ferronordic is committed to respecting and promoting international human rights throughout its value chain. The Group's Human Rights Policy sets out principles to ensure that Ferronordic does not cause or contribute to human rights violations. The policy applies to the entire Group's operations and covers commitments towards all stakeholders directly or indirectly affected by the Group's products, services, and business relationships. A full overview of the policy is provided in S1–1 on page 103.

Actions

Ferronordic has established due diligence processes to identify and prevent actual and potential negative impacts on human rights. These efforts include supplier assessments, risk evaluations in geographic areas with elevated risk levels, and dialogue with relevant stakeholders. All stakeholders, including workers in the value chain, can report concerns or complaints through Ferronordic's whistleblowing function. The function offers anonymity and protection against retaliation. During 2025, Ferronordic did not receive any cases through the whistleblowing function related to workers in the value chain. Further information about the whistleblowing function is provided in G1–1 (page 120).

At this stage, Ferronordic has no formalized Group-wide process in place to provide or contribute to remediation in cases where the Group has caused or contributed to material adverse impacts on workers in the value chain. Indications of negative impacts are handled on a case-by-case basis in cooperation with relevant stakeholders, with the aim of identifying and implementing appropriate corrective actions. The effectiveness of these actions is evaluated through follow-up dialogues with relevant parties.

Targets

Ferronordic has not currently established any quantitative and/or time-bound targets related to material impacts on workers in the value chain. Progress is instead monitored through qualitative assessments within the framework of the company's due diligence processes.

Metrics

Ferronordic does not report any quantitative metrics relating to impacts on workers in the value chain. Material impacts primarily arise in the outer tiers of the value chain and lie outside the company's control and data availability.

Material impact	ESRS sub-topic	Impact materiality		Time horizon
		Upstream value chain	Downstream value chain	
Working conditions	• Working conditions	—	—	Short Medium Long
	• Equal treatment and opportunities for all	—	—	
Child labor and forced labor	• Other work-related rights	—	—	Short Medium Long

Impacts
— Negative

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ESRS S3

Affected communities

This section of the sustainability statement addresses material impacts on communities affected by Ferronordic's operations, including impacts arising through the Group's products, services and business relationships. The information presented in this section has been prepared in accordance with the phase-in provisions of the European Commission's so-called Quick Fix Regulation, adopted on 11 July 2025.

Material impacts, risks, and opportunities

Ferronordic contributes to societal development through its products and services. The machinery and vehicles sold, serviced and rented out by the Group are used, among other things, in the construction of roads, bridges, railways, and other critical infrastructure. Such investments are essential for social development and economic growth. At the same time, it cannot be ruled out that the use of the Group's products and activities in the value chain may give rise to adverse impacts on local communities, particularly in contexts where environmental, social, and human rights are at risk of being affected.

Ferronordic's assessment of risks, opportunities, and impacts covers communities located in proximity to operational sites, both within the Group's own operations and in the value chain. Due to limited visibility into actual impacts on local communities, particularly in the outer tiers of the value chain, the assessment has been based on conservative assumptions and risk indicators related to business activities, raw materials and geography. For further information about the methodology behind the double materiality assessment, see IRO-1 on page 70–73.

Communities assessed as potentially materially affected include local communities located near operational sites in the outer tiers of the value chain, for example in connection with raw material extraction. Ferronordic has also noted that certain groups may be more vulnerable to negative impacts, such as Indigenous Peoples and communities in geographies with elevated human rights risks. Material impacts are assessed as having an indirect connection to the products and services provided by the Group and considered representative of structural challenges characteristic of the markets and industries in which the company operates. The assessment further indicates that impacts may be both systemic, recurring and widespread in certain sectors and geographies, and incident-based, where isolated events may lead to severe effects for affected communities.

Through the double materiality assessment, Ferronordic has identified material impacts related to affected communities, which are presented below. No material financial risks or opportunities have been identified in this area. Ferronordic assesses that the potential negative impacts presented in this section have not had, and are not expected to have, any material adverse effect on the Group's

business model and strategy. Ferronordic cooperates with business partners that are expected to respect, and who commit to upholding internationally recognized human rights throughout the value chain. This is addressed through requirements in business relationships and risk-based due diligence processes. As part of its strategy to reduce environment-related negative impacts, Ferronordic offers electric and other resource-efficient construction equipment and trucks, which may contribute to reduced emissions and improved local environments in the communities where the products are used. Despite these commitments, structural risks remain in certain parts of the value chain, particularly in high-risk regions and raw-material tiers.

Impacts

– Environmental impacts

Environmental impacts from activities in the value chain may pose health risks to local communities and affect people's right to a clean, safe and healthy environment. Mining activities, for example, may result in emissions of toxic substances that contaminate air, soil and water. This may lead to adverse health effects, for instance through contaminated drinking water and affected food sources on which communities depend.

– Safety

Potentially inadequate or insufficient safety procedures at construction sites or in mining operations may create health and safety risks for both workers and nearby communities.

– Right to Land and Property

Activities in the value chain, such as infrastructure or mining projects, may threaten the livelihoods of local communities by utilizing land and other resources on which they depend. This may result in negative impacts in the form of physical and economic displacement of local communities. There is also a risk that actors in the value chain fail to obtain free, prior, and informed consent from affected communities, including Indigenous communities, thereby undermining their rights and traditions.

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Political Rights and Civil Liberties

In certain countries, in parts of Ferronordic's value chain, there are strict restrictions on political rights and civil liberties. Such restrictions may affect local communities by limiting political participation, freedom of expression, and access to important information.

Policies

Ferronordic is committed to respecting and promoting international human rights throughout its value chain. The Group's Human Rights Policy sets out principles to ensure that Ferronordic does not cause or contribute to human rights violations. The policy applies to the entire Group's operations and covers commitments towards all stakeholders directly or indirectly affected by the Group's products, services, and business relationships, including particularly vulnerable groups such as indigenous peoples. A full overview of the policy is provided in S1–1 on page 103.

Actions

Ferronordic has established due diligence processes to identify and prevent actual and potential negative impacts on communities. These processes include, among others, risk assessments in geographies with elevated human rights risks, and dialogue with relevant stakeholders. During the reporting period, the risk assessments conducted did not identify any actual material negative impacts on affected communities directly linked to the Group's operations. The assessments primarily identified structural and potential risks in parts of the value chain where Ferronordic's ability to exert direct influence is limited.

All stakeholders, including individuals within affected communities, can report concerns or complaints through Ferronordic's whistleblowing function. The function

offers anonymity and protection against retaliation. During 2025, Ferronordic did not receive any cases through the whistleblowing function related to affected communities. Further information about the whistleblowing function is provided under G1–1 (page 120).

At this stage, Ferronordic has no formalized Group-wide process in place to provide or contribute to remediation in cases where the Group has caused or contributed to material adverse impacts on communities. Indications of negative impacts are handled on a case-by-case basis in cooperation with relevant stakeholders, with the aim of identifying and implementing appropriate corrective actions. The effectiveness of these actions is evaluated through follow-up dialogues with relevant parties.

Targets

Ferronordic has not currently established any quantitative and/or time-bound targets related to material impacts on affected communities. Progress is instead monitored through qualitative assessments within the framework of the company's due diligence processes.

Metrics

Ferronordic does not report any quantitative metrics relating to impacts on affected communities. Material impacts primarily arise in the outer tiers of the value chain and lie outside the company's control and data availability. The Group's indirect ability to contribute to reducing negative impacts arises primarily from reduced emissions and pollution, achieved through the sale of zero-emission trucks and construction equipment. This is monitored through Ferronordic's greenhouse gas emissions, as disclosed in E1–6 on page 85.

Material impact	ESRS sub-topic	Impact materiality			Time horizon
		Upstream value chain	Own operations	Downstream value chain	
Environmental impacts	• Communities' economic, social and cultural rights	–		–	Short Medium Long
Safety	• Communities' economic, social and cultural rights	–		–	Short Medium Long
Right to land and property	• Communities' economic, social and cultural rights • Rights of indigenous peoples	–		–	Short Medium Long
Political rights and civil liberties	• Communities' civil and political rights	–		–	Short Medium Long

Impacts
– Negative

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ESRS S4

Consumers and end-users

This section of the sustainability statement addresses material impacts on consumers and end-users of the products and services provided by Ferronordic. The information presented in this section has been prepared in accordance with the phase-in provisions of the European Commission's so-called Quick Fix Regulation, adopted on 11 July 2025.

Material impacts, risks, and opportunities

For Ferronordic, consumers and end-users represent the final stage of the value chain and primarily include drivers and machine operators who are using the trucks and construction equipment that the Group sells and rents out. These stakeholders depend on reliable, efficient and, above all, safe machines and vehicles to conduct their operations in an economically, socially, and environmentally sustainable manner. Product safety is therefore a central aspect of Ferronordic's offering and an integral part of the company's business model and strategic direction.

The assessment of risks, opportunities, and impacts covers all consumers and end-users who are affected, or may become affected by the products and services offered by the Group. Ferronordic has not identified any material negative impacts that are systematic or recurring. However, incident-based risks may arise in isolated cases related to product use or insufficient maintenance. No specific user group has been identified as being more vulnerable or particularly exposed.

For further information about the methodology applied in the double materiality assessment, see IRO-1 on page 70–73.

Through the double materiality assessment, Ferronordic has identified one material positive impact related to the end-users and product safety. No material financial risks or opportunities have been identified in this area.

Impacts

➕ Product safety

Ferronordic offers trucks and construction equipment from leading manufacturers, with a strong focus on safety features, quality and operator comfort. By providing products that meet high safety standards, Ferronordic contributes to protecting the life and health of users and surrounding environment, while also reducing operational disruptions and strengthening customers' long-term competitiveness. This positive impact is considered to cover the entire customer base of the Group.

Material impact	ESRS sub-topic	Impact materiality			Time horizon
		Upstream value chain	Own operations	Downstream value chain	
Product safety	• Personal safety of consumers and/or end-users			+	Short Medium Long

Impacts
 + Positive

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Policies

Ferronordic is committed to respecting and promoting international human rights throughout the value chain. The Group's Human Rights Policy sets out principles to ensure that Ferronordic does not cause or contribute to human rights violations. The policy applies to the entire Group's operations and covers commitments towards all stakeholders directly or indirectly affected by the Group's products, services, and business relationships. A full overview of the policy is provided in S1–1 on page 103.

Actions

Ferronordic maintains ongoing dialogue with customers and end-users as an integral part of its daily operations. The Group also collects feedback through established communication channels and regular customer surveys. These activities form part of the Group's due diligence processes and are used as input in decision-making related to product and service offerings. To prevent negative impacts and enhance positive outcomes, Ferronordic strives to offer products that meet high standards of safety and quality. Through this approach, Ferronordic contributes to ensuring a high level of safety for users and the surrounding environment. At present, Ferronordic lacks reliable data to quantify the outcomes of these actions.

All stakeholders, including consumers and end-users, can report concerns or complaints through Ferronordic's whistleblowing function. The function offers anonymity and protection against retaliation. During 2025, Ferronordic did not re-

ceive any cases through the whistleblowing function from consumers or end-users related to product safety. Further information about the whistleblowing function is provided in G1–1 (page 120).

At this stage, Ferronordic has no formalized Group-wide process in place to provide or contribute to remediation in cases where the Group has caused or contributed to material adverse impacts on consumers and end-users. However, indications of negative impacts related to the use of the Group's products are handled on a case-by-case basis in cooperation with relevant stakeholders, with the aim of identifying and implementing appropriate corrective actions. The effectiveness of these actions is evaluated through customer feedback and follow-up dialogues with relevant parties.

Targets

Ferronordic has not currently established any quantitative and/or time-bound targets related to product safety for consumers and end-users. Progress is instead monitored through qualitative assessments within the framework of the company's due diligence processes.

Metrics

Ferronordic currently does not disclose any quantitative metrics related to safety for consumers and end-users, as the company currently lacks reliable data to measure this impact.



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ESRS G1

Business conduct

Ferronordic conducts its operations with a clear commitment to responsibility, ethics and transparency. By upholding high standards of business conduct, including the prevention of corruption and bribery, the company fosters a culture characterized by responsibility, respect and integrity. This commitment is embedded in both strategic decisions and daily operations.

IRO–1 Identification and assessment of material impacts, risks and opportunities

Ferronordic has conducted a double materiality assessment to identify material impacts, risks, and opportunities related to business conduct. The assessment covered the company's own operations and activities in both the upstream and downstream parts of the value chain. In identifying impacts, risks and opportunities, Ferronordic considered its business sector, products and services, geographic presence and relevant value chain actors. For further information about the methodology applied in the double materiality assessment, see IRO–1 on page 70–73.

Through the double materiality assessment, Ferronordic has identified material impacts and risks

related to business conduct, which are presented below. No material financial opportunities have been identified in this area.

Impacts and risks

– ▾ Corruption and bribery
Corruption and bribery occur to varying degrees around the world. Ferronordic operates in industries where challenges related to corruption in both the public and private sectors may be particularly prevalent. In addition, Ferronordic operates in Kazakhstan: a country that is assessed to have a higher risk level for corruption and

bribery. Any form of actual or perceived connection to corruption or bribery may entail reputational and business risks and negatively affect Ferronordic's relationships with customers, partners, lenders, authorities and other stakeholders. Ferronordic applies zero tolerance for unethical and illegal conduct and works continuously with preventive measures to develop a culture of strong business integrity.

▾ Incidents

There is a risk that machines, spare parts and other products sold by Ferronordic are re-exported to countries or persons that are subject to international sanctions. This may, for example, occur through resale by customers or third parties, intentionally or unintentionally. Such incidents may entail both compliance and reputational risks for the company.

– ▾ Whistleblower protection

Ferronordic has a whistleblowing policy that contains clear principles and guidance for the use of Ferronordic's whistleblowing function. The function is designed to be practical and safe for employees and third parties to use in order to report ethical misconduct and suspected violations of law. If Ferronordic's protection of whistleblowers is insufficient, there is a risk that individuals who report misconduct are exposed to significant risks.

+ Relationships with business partners

Ferronordic has established strong relationships with its main business partners and works to continuously develop its partnerships. These relationships create good conditions for effective evaluation and management of environmental, social and governance-related issues in the value chain.

Material impact and/or risk	ESRS sub-topic	Impact materiality			Risks and opportunities	Time horizon
		Upstream value chain	Own operations	Downstream value chain		
Corruption and bribery	• Corruption and bribery	–	–	–	▾	Short Medium Long
Incidents	• Corruption and bribery				▾	Short Medium Long
Whistleblower protection	• Protection of whistle-blowers		–			Short Medium Long
Relationships with business partners	• Management of relationships with suppliers including payment practices		+			Short Medium Long

Impacts
+ Positive – Negative

Risks and opportunities
▾ Risk

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G1–1 Business conduct policies and corporate culture

Corporate culture

Ferronordic strives to conduct its operations with the highest level of integrity. The company has adopted several policies aimed at preventing and managing impacts and risks related to business conduct.

In accordance with Ferronordic's Code of Conduct, which applies to all employees within the Group including the Board of Directors, Ferronordic undertakes to act in accordance with applicable laws, regulations and ethical standards in the countries where operations are conducted. The Code of Conduct establishes common standards of behavior for how the Group shall act in relation to customers, employees, suppliers and other stakeholders and constitutes a central part of the work to promote responsible business conduct and a sound corporate culture.

The Code is available to employees via internal communication channels and to external users via Ferronordic's website.

The Board of Directors has overall responsibility for oversight of Ferronordic's corporate culture and business conduct. The CEO and the management team are responsible for leading by example and actively driving a culture characterized by business integrity. Several Board members and members of the management team have many years of experience in responsible business conduct as well as in working in and leading operations in accordance with Western standards in markets with elevated risks related to business ethics and corruption.

New employees are introduced to the company's values and Code of Conduct at the start of employment through onboarding programmes. To promote compliance with the company's values, recurring dialogues are held with employees on matters relating to ethics and compliance, where the content and scope are adapted to the role and exposure risk. The corporate culture is continuously evaluated through incident reporting, internal audits and feedback from employees in relevant forums. The results are reported to management and, when necessary, to the Board of Directors and are used to identify areas for improvement and further develop the work on corporate culture.

Policies

Ferronordic's Code of Conduct is complemented by specific policies on anti-corruption, whistleblowing and sanctions. Local instructions and procedures may exist to support implementation but are based on the same Group-wide principles.

Anti-corruption Policy

The policy addresses risks related to irregularities in business operations and reflects Ferronordic's zero tolerance for corruption and bribery. The policy is based on standards and initiatives from third parties that Ferronordic undertakes to follow, such as the OECD Anti-Bribery Convention, the US Foreign Corrupt Practices Act and the UK Bribery Act.

The policy sets out fundamental principles for business ethics, including the handling of gifts, anti-money laundering and transactions with related parties. It also contains guidelines for handling suspected irregularities, including access to whistleblowing channels. Particular attention is directed towards operations in markets with an elevated risk of corruption and bribery, such as Kazakhstan. In designing the anti-corruption policy, Ferronordic has considered expectations and risk exposure among relevant stakeholders, in particular employees, partners and investors, with the aim of ensuring fair business conduct and reducing corruption risks in the value chain.

Whistleblower Policy

Ferronordic's whistleblowing policy sets out principles and provides guidance on how Ferronordic's whistleblowing function is to be used. The policy aims to ensure that Ferronordic provides a practical, safe and reliable channel that encourages employees and third parties to report suspected irregularities and ethical breaches. Reporting can be made by telephone or e-mail, with the option to report anonymously. All information relating to the whistleblowing function is available on Ferronordic's website.

Ferronordic's General Counsel is responsible for receiving and investigating incoming cases. All cases are handled confidentially and are investigated objectively and, where necessary, thoroughly in accordance with established procedures. Ferronordic applies zero tolerance for retaliation against persons who, in good faith, report suspected or actual breaches. Employees who subject reporting persons to retaliation may be subject to disciplinary measures.

Sanctions Policy

The policy addresses risks related to incidents and stipulates that Ferronordic, including all subsidiaries, complies with international sanctions decided by the UN, the EU, the US and the United Kingdom. The company applies a restrictive approach to sanctions risks and would rather refrain from business than take the risk of breach. No sales may be carried out if there is suspicion that goods may reach sanctioned persons, companies or countries. New and changed business partners therefore undergo, where applicable, sanctions screening, and matters are handled by appointed sanctions officers. The policy has been designed considering requirements and expectations from authorities, partners and investors and to protect customers and suppliers from compliance risks.

Ferronordic's business ethics policies aim to clearly communicate the company's fundamental principles, both internally and externally. The policies apply to all employees, business units and consultants acting on behalf of the Group. The policies are reviewed annually to ensure that they remain up to date and relevant. Overall responsibility for implementing the Group's business ethics policies lies with Ferronordic's CEO and General Counsel.

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G1–2 Management of relationships with suppliers

Ferronordic cooperates with a limited number of carefully selected business partners, enabling close cooperation and a high degree of control in the supply chain. Before an agreement is entered into, each potential supplier undergoes a thorough review and approval process. The review is carried out in several steps and involves relevant functions within the company, including Ferronordic's management team and, where applicable, the Board of Directors. Through this process, Ferronordic ensures that relationships are established only with suppliers that meet the company's requirements regarding quality, environment, respect for human rights and business ethics.

As part of the work on compliance and risk management, Ferronordic conducts screening of all customers and business partners against sanctions and compliance databases in markets with elevated risk and, where necessary, also in other markets. These screenings are an integral part of the company's work to prevent corruption, breaches of international sanctions and other unethical business practices. Established partnerships are followed up and reassessed on an ongoing basis, particularly in the event of changes in risk levels or business conditions, to ensure continued compliance with Ferronordic's requirements and values.



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G1–3 Prevention and detection of corruption and bribery

Ferronordic applies a strict principle of zero tolerance for corruption in all forms and in all parts of the business – both in strategic projects and in day-to-day operations. This principle covers all types of business relationships and interactions, including with shareholders, investors, authorities and organizations, public officials, subsidiaries, partners, as well as other individuals and entities with which the company has business relationships.

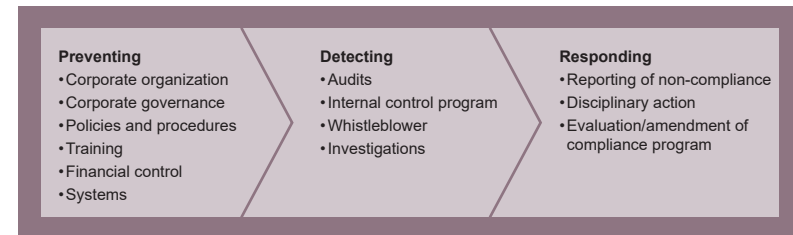
Ferronordic complies with all applicable laws and regulations related to anti-corruption and bribery in the jurisdictions where the company operates, including the US Foreign Corrupt Practices Act and the UK Bribery Act. The company encourages all employees, suppliers, customers and other stakeholders to report suspected cases of corruption, bribery or other legal or financial irregularities through the company's whistleblowing function (see G1–1 on page 120).

To ensure ethical conduct in line with applicable legislation, internal guidelines and Ferronordic's values, the company has established an anti-corruption programme. The programme consists of several measures aimed at preventing Ferronordic, its related companies and its business partners from engaging in corrupt activities. Anti-corruption work is structured around three main areas: Preventing, Detecting and Responding. The programme is based on the ongoing identification, assessment and evaluation of corruption risks specific to Ferronordic, considering the company's business processes as well as the regions and countries where the company conducts its operations. Reported cases of corruption and bribery are investigated by Ferronordic's General Counsel, who, when necessary, informs the management team, the CEO and the Board of Directors in accordance with the company's internal governance structure.

Training

To promote a strong culture of integrity and ensure compliance with applicable laws and internal guidelines, Ferronordic conducts training in anti-corruption and bribery. The training is adapted to each market and risk exposure and includes, among other things, the definition and identification of corruption, reporting, procedures in the event of suspected corruption, as well as possible sanctions in the event of breaches. The training is delivered both as classroom training and digital training.

During 2025, all employees (100%) completed the training that is relevant for each market. The outcome of anti-corruption and bribery training is followed up by Ferronordic's General Counsel and reported annually to the Board of Directors.



G1–4 Incidents of corruption or bribery

During 2025, Ferronordic had 0 reported incidents related to corruption or bribery in its operations. Ferronordic did not receive any convictions or fines for violation of anti-corruption or anti-bribery laws, nor has it been the subject of any legal actions relating to corruption or bribery during the reporting period.

Accounting policies



Information on incidents related to corruption and bribery is collected by, or reported to, the company's General Counsel through internal reporting channels.