Annual and Sustainability Report
2024

LIFCO

A SAFE HAVEN FOR YOUR BUSINESS
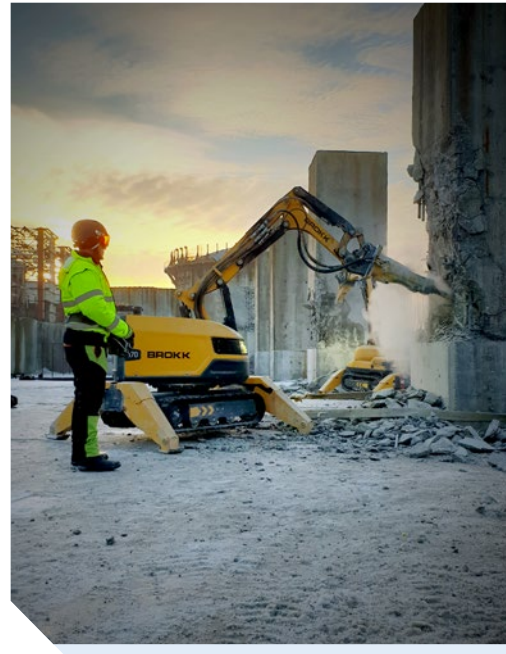
Lifco's sustainability management

For Lifco, sustainable business is fundamental for long-term value creation. Lifco companies need to run their business in a sustainable way in order to maintain employee motivation, customer satisfaction and strong brands and thereby ensure sustainable profitability. Lifco mapped its Scope 3 GHG emissions in 2024 and submitted its emission targets for validation by the Science Based Targets initiative (SBTi) in February 2025.

Sustainability is an integral part of Lifco's business model and strategy. Lifco's overall sustainability goals are to reduce the Group's negative environmental impact and conserve the earth's limited resources, to create safe workplaces with fair working conditions and to adhere to a high standard of business ethics. In this way, the Group creates motivated employees, satisfied customers and strong brands, which are essential to sustained profitable growth.

A strong commitment to sustainability

Through its efforts to promote sustainability, Lifco influences the entire value chain in key areas such as the environment and climate, work environment and working conditions, human rights and business ethics. With a strong emphasis on sustainability, Lifco can, for example, help to reduce negative impacts on the climate and environment, increase resource efficiency and promote safer work environments, both in the short and long term. At the same time, the Group's sustainability risks are reduced.

For Lifco, sustainability is also about making a positive contribution to society. Lifco contributes directly by paying taxes where value is generated and offering jobs with fair working conditions. Many of the Group's businesses operate outside the metropolitan regions and thus contribute to the development of less densely populated areas. Lifco's high standard of business ethics and respect for human rights are evident in all relationships in the value chain, which contributes positively to society in both the short and long term.

Preparing for the ESRS

Lifco continuously develops and improves its monitoring and reporting of sustainability management activities. Lifco mapped its Scope 3 GHG emissions in 2024 and submitted its emission targets for validation by the Science Based Targets initiative (SBTi) in February 2025. Lifco also completed its double materiality assessment in accordance with the new European Sustainability Reporting Standards (ESRS) and started collecting the supplementary data required for ESRS and the double materiality assessment.

UN Global Compact and GRI

Lifco has been a signatory to the UN Global Compact since 2016 and issues an annual Communication on Progress report. Lifco also reports in accordance with GRI (Global Reporting Initiative).

Lifco's sustainability management and its strategic priorities, results and governance are presented in the Sustainability Report, which comprises pages 23–77.

Climate

Sound business practices
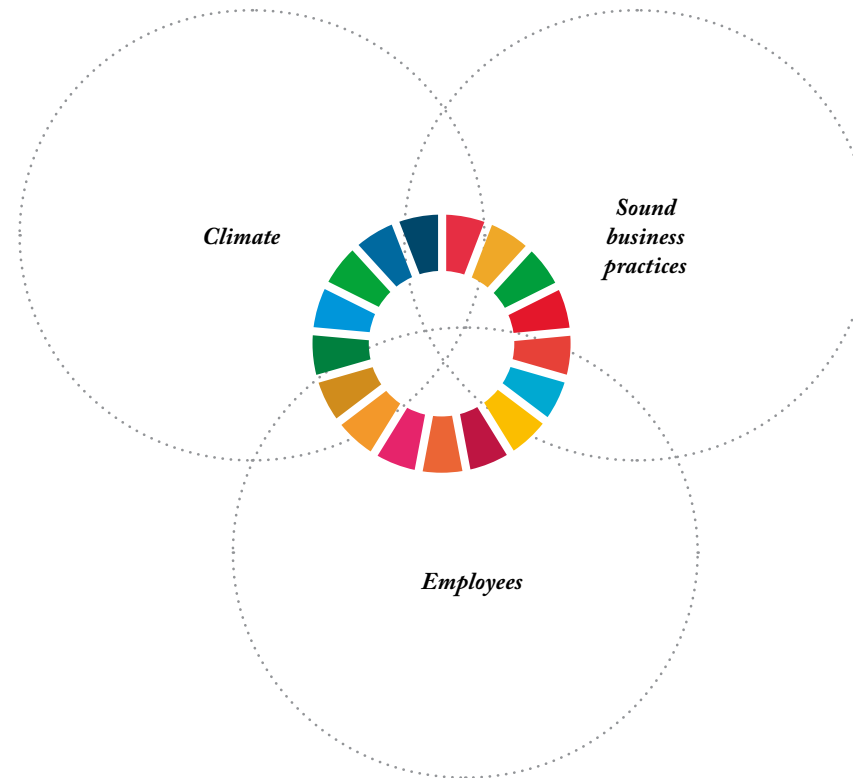
Employees

Lifco's material sustainability topics are reduced climate and environmental impact, motivated employees and safe workplaces, and sound business practices. Progress in these areas is monitored through quantified targets and indicators.

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Lifco's value creation in 2024

Stakeholder	Type of value	Value created		Added value created
Revenue				
Customers	Sales revenue	SEK 26,137 (24,454) million	→	Lifco creates added value by offering high-quality products and services which contribute to increased resource efficiency, a reduced climate impact, increased energy efficiency, safer work environments and safer dental care among other benefits. Lifco also places a strong emphasis on good customer service with fast response times.
Costs				
Employees	Salaries, benefits and pensions	SEK 4,460 (3,967) million	→	Lifco offers stimulating, non-discriminatory workplaces with a stringent approach to safety. Lifco's businesses are often based in small towns and enable the employees to work and live outside the metropolitan regions.
Suppliers	Purchases of services, materials and products	SEK 14,290 (13,495) million	→	Lifco offers long-term collaborations and good conditions for suppliers who meet Lifco's requirements, which include safe workplaces, fair working conditions and high product quality.
Society	Social security contributions and tax paid (tax expense by country see page 51)	SEK 2,329 (2,045) million	→	Lifco contributes to economic growth and promotes a culture of equal treatment, safe workplaces, sound business ethics and transparency. Lifco pays tax where value is generated. By being a long-term owner and not seeking synergies among subsidiaries, Lifco contributes to a positive development in the local communities where the Group operates. Lifco's businesses are often based in localities outside the metropolitan regions and contribute to the economic development of less densely populated areas. Lifco makes extensive use of local suppliers, which stimulates economic growth. The Group also works to reduce its negative climate impact.
Owners	Proposed dividend Total shareholder return	SEK 1,090.1 (953.9) million 29.7% (41.9%)	→	Lifco creates shareholder value through stable long-term earnings and dividend growth as well as the opportunity to invest in a portfolio of market-leading niche companies with good risk diversification.
Lenders	Interest paid	SEK 516 (426) million	→	Lifco offers lenders an investment with good cash flows and a strong financial position, as well as a portfolio of market-leading niche companies with good risk diversification. The amount of paid interest varies with the general interest level.

Kögel Filter specialises in process filtration and the manufacture of filters for the chemical and pharmaceutical industries Kögel Filter is headquartered in Landau, Germany and was acquired in 2024.

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Reduced climate and environmental impact

Reduced climate and environmental impact is a priority sustainability topic for Lifco. The climate transition and the growing focus on environmentally friendly products are also creating new business opportunities for Lifco companies, partly on the back of increasing demand from customers for energy-efficient and electrically powered products.

The Group's commitment to reduce its CO_2eq emissions and its striving to minimise its negative environmental impact are expressed in the environmental policy adopted by the Board, which is revised annually. The annual risk process covers the environmental impact of water emissions, waste management, recycling and other factors that Lifco companies are required to assess.

Group management is responsible for ensuring that the Lifco companies have processes designed to reduce GHG emissions and energy consumption, increase the share of renewable energy and ensure that energy and resources are used efficiently. To enable Lifco to reduce its climate impact, it is necessary that the Lifco companies engage constructively with suppliers and customers, which has a positive climate impact throughout the value chain. To reduce emissions, Lifco and its entire value chain depend on the general availability of more climate-friendly transport and energy sources.

Under Lifco's environmental policy, the companies are required, as a minimum, to follow environmental laws and guidelines and apply the precautionary principle. Larger Lifco companies have designated environmental officers tasked with monitoring the company's impact on water, for example, and for managing waste and recycling. In the other companies, the Managing Director or another member of management, such as the head of production, has the strategic and day-to-day responsibility for environmental issues. The Group's employees must receive relevant training, for example, in hazardous waste management and recycling processes, as well as instructions on how to minimise water consumption and emissions from production processes. Employees who discover deviations from processes or a risk of deviations or negative impact on Lifco's operations are required to report this to their immediate supervisor or the Managing Director of the company concerned. Employees and other stakeholders can also use the whistleblowing channel if the risk is serious and deviates from Lifco's policies. Lifco companies that identify deviations or risks of deviations from the Group's environmental policy must take action immediately and report this to Group management. In order to identify and manage risks, Lifco companies may collaborate with representatives of local communities, NGOs or trade associations.

As part of its efforts to reduce its climate and environmental impact, Lifco strives to choose the most environmentally friendly products and inputs,

Goals and results

Pending approval of Lifco's climate target by SBTi, Lifco is using the same target as last years. This target is relative, as the Group is growing both organically and through acquisitions, and relates to profit, as Lifco's overall objective is to increase profit each year. Scope 1 and 2 emissions decreased by 2,561 tonnes of CO_2eq from 2023, or by 16.0 per cent. Scope 1 and 2 emissions per SEK of profit have decreased by 17.9 per cent. Total energy consumption increased in 2024, mainly due to changes in measurement methodologies.

Goals for the sustainability topic reduced climate and environmental impact

	2024	Outcome in 2024	2023	Outcome in 2023	2022	Outcome in 2022	2021	Outcome in 2021	2020	Outcome in 2020	2019
Reduce Scope 1 and 2 CO₂eq emissions per SEK of profit every year	0.0023	√	0.0028	√	0.0035	√	0.0040	√	0.0061	√	0.0068
Reduce energy consumption in kWh per SEK of profit every year	0.0120	X	0.0100	√	0.0124	√	0.0139	X	0.0136	√	0.0154
Increase the share of renewable energy every year	61.9%	X	69.3%	X	61.1%	√	63.2%		Measurement not started		Measurement not started
No fines or penalties due to negligence in the environmental field	0	√	kEUR 15	X	0.0	√			No data		

√ = goal achieved. X = goal not achieved.

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minimise the use of non-renewable materials, increase the rate of recycling and the use of recyclable materials in its processes. Read more in the section Waste. As guidance for making the most climate- and eco-friendly choices, the Lifco companies use recognised and established environmental and fair trade certifications.

At year-end, 26 (22) Lifco companies, or 10.0 (9.4) per cent of the total number, had the ISO 14001 environmental management system certification. Decisions about any certifications and management systems are made independently by each subsidiary.
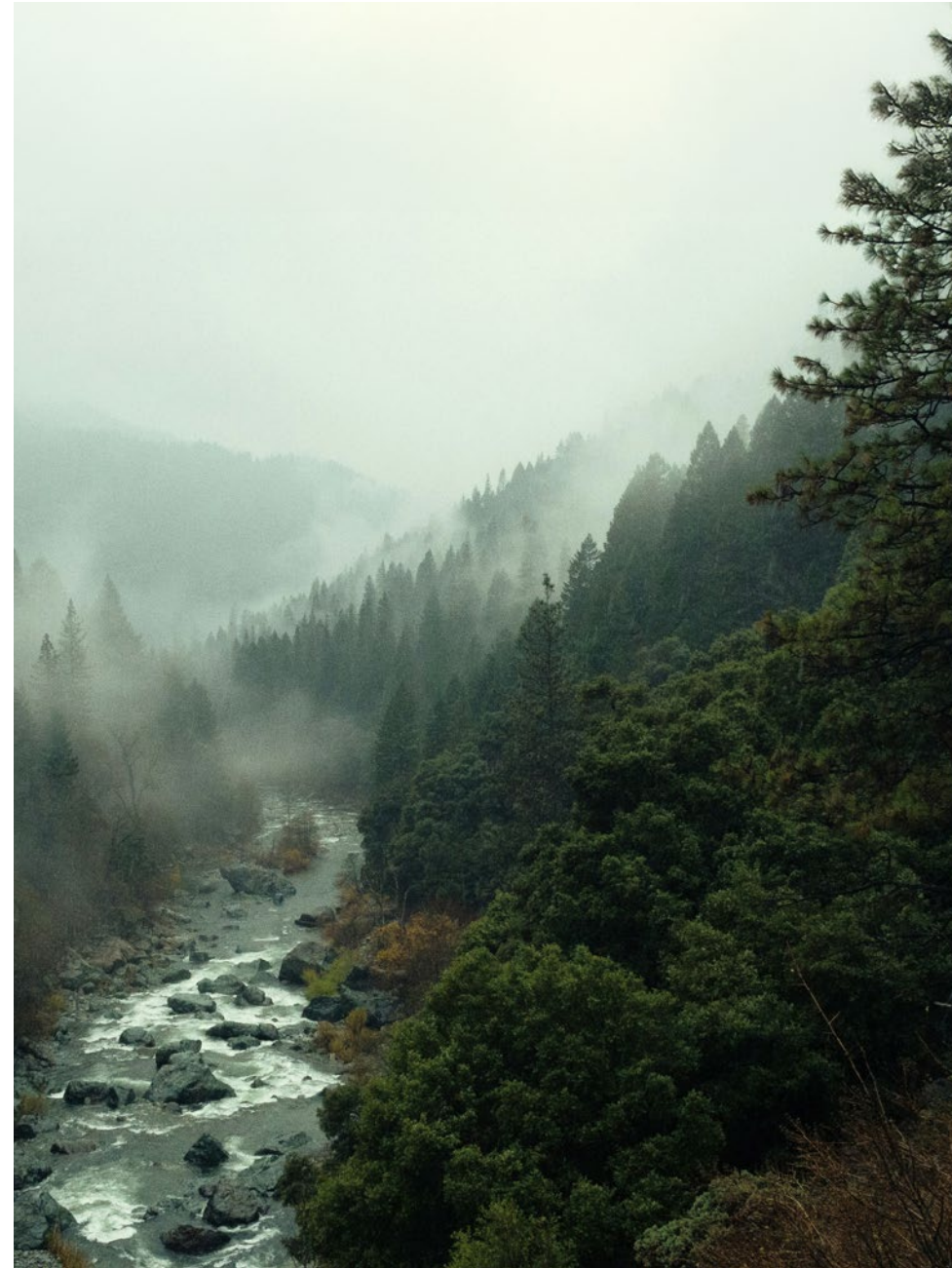
Same requirements for suppliers

The Group's minimum requirement to follow laws and guidelines in the environmental area also covers suppliers and subcontractors. Lifco should not have business relations with suppliers who violate applicable laws and ignore environmental concerns. The Lifco companies' procedures for assessing suppliers are described on page 49.

Increased interest from customers

Lifco is seeing a strong trend of customers placing increasing importance on climate and environmental issues throughout the value chain, which is leading to increased business opportunities for the Lifco companies. Several Lifco companies offer products where the unique selling point is the product's positive contribution to the customers' climate impact and emissions. The ability to offer energy-efficient and low-emission products has a positive effect on both demand and profit margins. The Lifco companies offer products that, for example, reduce customers' dependence on fossil fuels or that reduce water consumption or dust particles. The Group also includes companies that sell LED lighting, electrically powered products for the electrification of society and green tech companies that develop and sell solutions for recycling plastics.

Lifco does not conduct tests on animals in any part of its operations and does not finance studies that include experiments on animals.

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Lifco's GHG emissions

Lifco mapped its Scope 3 GHG emissions in 2024 and submitted its emission targets for validation by the Science Based Targets initiative (SBTi) in February 2025.

In 2024, Lifco prepared a carbon footprint report for the 2023 financial year with the help of external consultants. The report presents Scope 1, 2 and 3 GHG emissions for all Lifco subsidiaries in accordance with the Greenhouse Gas Protocol (GHG Protocol). Lifco's carbon footprint report is therefore presented for both 2023 and 2024 in this annual report.

The operational control approach is used for Lifco's carbon footprint report. This means that GHG emissions are classified as direct emissions when the activity gives rise to emissions during use, such as when Lifco operates in rented premises. For energy, the market-based approach is used, which means that electricity consumption is calculated based on origin. Where a company has not been able to specify the type of electricity used, a conservative estimate has been made, assuming a residual mix as the origin of the electricity.

The emissions included in the calculations are the greenhouse gases CO_2, CH_4, N_2O, HFCs, PFCs, SF_6 and NF_3. In its reporting, Lifco uses the term CO_2eq to cover all these greenhouse gases. Lifco has used GWP100 (Global Warming Potential) in the calculations.

Categories not covered

The carbon footprint report does not include leased assets as leasing is not material. In preparing the carbon footprint report, processing of sold product has also been excluded as these emissions account for an insignificant part of Lifco's total Scope 3 emissions. Franchises represent an insignificant part of Lifco's business and the investments category is not relevant to Lifco.

The scope of the data collection

The data collected in 2024 covers 96 (82) companies with more than 25 employees, which account for 81 (80) per cent of all employees of the Group and 78 (74) per cent of total sales. All companies with more than 25 employees acquired in 2024 are included with full-year data except MCV and VTT Verschleisstechnik. The collected data has been used to estimate the climate impact of the Group as a whole.

Acquired companies are included from the year they are acquired. Historical data has therefore not been adjusted for acquisitions.

The largest categories

The largest emissions arise from the use of sold products, mainly because some Lifco companies sell products that use energy such as electricity, diesel or petrol. Purchased goods and services are another significant source of emissions, as large quantities of materials are purchased for several Lifco companies, especially large quantities of steel. The third largest category is purchased goods transport. Vehicles are also a significant emissions category, as some Lifco companies have service fleets and company cars.

Lifco has no Group-level information on emissions of ozone-depleting substances, nitrogen or sulphur oxides and other significant air emissions.

Haglöf Sweden develops and manufactures high-quality measurement instruments for the forest industry. Haglöf Sweden, which is headquartered in Långsele in northern Sweden, was acquired in 2017.

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Scope 1–3 CO₂eq emissions

Tonnes CO$_2$eq	2024	Share of total Scope 1–3 emissions	Change, tonnes	Change	2023	2022	2021
Scope 1 – direct emissions							
Refrigerants	1,780	0.0%	477	36.6%	1,303	932	874
Stationary combustion	2,400	0.0%	-658	-21.5%	3,058	2,870	2,946
Vehicles	4,150	0.1%	-98	-2.3%	4,248	3,938	3,072
Total Scope 1	**8,330**	**0.2%**	**-279**	**-3.2%**	**8,609**	**7,740**	**6,892**
Scope 2 – indirect emissions							
District cooling	2	0.0%	-9	-81.8%	11	–	–
District heating	574	0.0%	-290	-33.6%	864	460	644
Electricity	4,478	0.1%	-1,998	-30.8%	6,476	8,090	7,402
Electric vehicles	88	0.0%	15	20.5%	73	64	–
Total Scope 2	**5,142**	**0.1%**	**-2,282**	**-30.7%**	**7,424**	**8,614**	**8,046**
Total Scope 1–2	**13,472**	**0.3%**	**-2,561**	**-16.0%**	**16,033**	**16,354**	**14,938**
Scope 3 – other indirect emissions, upstream and downstream value chain							
Purchased goods and services	269,459	5.6%	-18,215	-6.3%	287,674	–	–
Capital goods	18,339	0.4%	2,530	16.0%	15,809	–	–
Fuel and energy-related emissions	6,164	0.1%	2,441	65.6%	3,723	3,782	2,553
Upstream transportation and distribution	55,354[1]	1.1%	–	–	55,354	–	–
Waste management	247	0.0%	19	8.3%	228	–	–
Business travel by air	7,622	0.2%	4,847	174.7%	2,775	1,845	798
Employee commuting	7,115	0.1%	362	5.4%	6,753	6,495	5,995
Downstream transportation and distribution	9,895[1]	0.2%	–	–	9,895	–	–
Use of sold products	4,458,317	92.0%	783,951	21.3%	3,674,366	–	–
End-of-life treatment of sold products	21	0.0%	0	0.0%	21	–	–
Total Scope 3	**4,832,533**	**99.7%**	**775,935**	**19.1%**	**4,056,598**	**12,122**	**9,346**
Total Scope 1–3	**4,846,005**	**100.0%**	**773,374**	**19.0%**	**4,072,631**	**28,476**	**24,284**

[1]Data from 2023 due to difficulties in mapping emissions.

Acquired companies are included from the year they are acquired. Historical data has therefore not been adjusted for acquisitions.
Emissions from refrigerants vary between years depending on how many companies have filled with refrigerants and which refrigerants are used.
Emissions from district heating consumption have decreased due to a change in the methodology for calculating consumption.
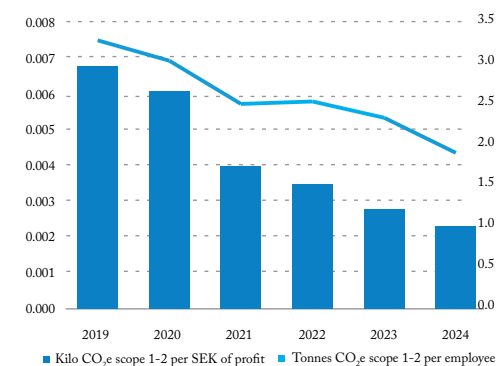Emissions from electricity have been affected by changed emission factors and increased consumption of electricity from solar and nuclear energy.
Capital goods are classified into IT equipment, properties, vehicles and other. The breakdown among categories is assumed to be the same in 2024 as in 2023.
Fuel and energy-related emissions have increased as stationary combustion is included from 2024.
The increase in emissions from employee business travel by air is partly due to companies acquired during the year and partly to new definitions for determining flight distances.

GHG emissions scope 1–2

Kilo CO$_2$e scope 1-2 per SEK of profit ■ Tonnes CO$_2$e scope 1-2 per employee

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Scope 2 according to the GHG Protocol

Emissions tonnes CO$_2$eq	2024	2023
Market-based method	5,142	7,424
Location-based method	10,448	10,405
Difference	**5,306**	**2,981**

Acquired companies are included from the year they are acquired. Historical data has therefore not been adjusted for acquisitions.

Biogenic emissions

Tonnes CO$_2$eq	2024	2023
Scope 1	1,382	2,074
Scope 2	2,170	5,273
Scope 3	–	218
Total Scope 1–3	**8,453**	**7,565**

The emission factors have changed between 2023 and 2024, making it impossible to make a comparison between the years.

Climate impact 2019–2024 total by Scope 1–3

Tonnes CO$_2$eq	2024	2023	2022	2021	2020	2019
Scope 1	8,330	8,609	7,740	6,892	5,624	6,328
Scope 2	5,142	7,424	8,614	8,046	10,946	10,849
Total Scope 1–2	**13,472**	**16,033**	**16,354**	**14,938**	**16,570**	**17,177**
Kg CO$_2$eq Scope 1–2 per SEK of profit	0.0023	0.0027	0.0035	0.0040	0.0061	0.0068
Kg CO$_2$eq Scope 1–2 per SEK of sales	0.00052	0.00066	0.00076	0.00086	0.0012	0.00124
Tonnes CO$_2$eq Scope 1–2 per employee	1.89	2.32	2.52	2.49	3.02	3.27
Scope 3	**4,832,533**	**4,056,598**	**12,122**	**9,346**	**8,086**	**10,989**
Total Scope 1–3	**4,846,005**	**4,072,631**	**28,476**	**24,284**	**24,656**	**28,166**
Kg CO$_2$eq Scope 1–3 per SEK of profit	0.82	0.72	0.0061	0.0066	0.0091	0.0112
Kg CO$_2$eq Scope 1–3 per SEK of sales	0.185	0.17	0.00132	0.00139	0.00179	0.00203
Tonnes CO$_2$eq Scope 1–3 per employee	681.1	590.32	4.38	4.05	4.49	5.36

Acquired companies are included from the year they are acquired. Historical data has therefore not been adjusted for acquisitions. Tonnes CO$_2$eq per employee has been calculated based on the average number of full-time employees during the year. SEK of profit refers to EBITA.

Emissions trading scheme

Tonnes CO$_2$eq	2024
Scope 1 emissions	0
The EU system	0
National systems	0
Systems outside the EU	0
Share of total Scope 1 emissions	–

Carbon credits

| Tonnes CO$_2$eq	2024
Cancelled during the year	3,486
Share from emission reduction projects	100.0%
Share from projects in the EU	0.0%

Use of sold products

Emissions in the category use of sold product account for 92.0 (90.3) per cent of total emissions and arise when a number of Lifco companies sell large machines or products that use fuel in some form for their operation. These emissions arise from fuel use over the technical lifetime of the products and are allocated to the year in which the products are sold in accordance with the GHG Protocol. This means that this category includes emissions that have not yet occurred and aggregates 10–20 years of emissions based on estimated technical service life. Emissions are estimated based on the current fuel use profile, which means that actual emissions are likely to be lower as the proportion of fossil fuels in the fuel mix is likely to decline. The emissions reported for this category are minimum boundary emissions in accordance with the GHG Protocol, which means that only direct emissions and emissions from electricity consumption, known as tank-to-wheel emissions, are included. Emissions arising from the extraction and production of fuels consumed are thus excluded. The reason for the limitation is to ensure that the calculation is in line with the requirements of the Science Based Targets initiative.

In its calculations, Lifco has included emissions from the use of products sold in Brokk, Cormidi, ErgoPack, MultiOne and TMC, which are considered to have products that use energy in more significant volumes.

Goods transport

Goods transport accounts for 1.3 (1.6) per cent of total emissions and refers to emissions from upstream and downstream transport of goods. Lifco companies transport goods by lorry, train, ship or plane, and the emissions intensity varies depending on the type of transport. In spring 2024, Lifco mapped transport from suppliers and to customers based on its operations in 2023. Due to the time-consuming nature of the survey and the difficulty or cost of obtaining data from transport companies, suppliers and customers, Lifco decided not to conduct a new survey for 2024. The graph thus shows estimated emissions in tonnes of CO$_2$e per transport mode and the volume of transport work in 2023. It is primarily in Dental that Lifco has extensive lorry-dependent distribution activity, mainly in Europe. For distribution-dependent Lifco companies, emissions are a key issue in procurements and the companies are required to work to reduce transport by fossil fuel vehicles.

Emissions from goods transport
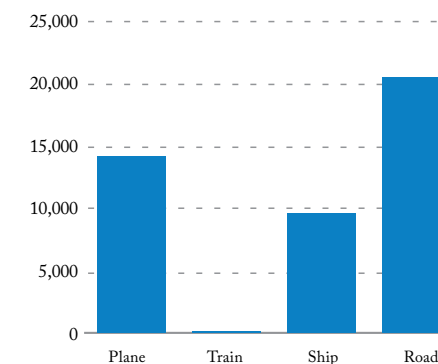
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Purchased goods and services

The category purchased goods and services accounts for 5.6 (7.1) per cent of total emissions and represents the emissions arising from the production of materials and products purchased by Lifco companies. Purchases of metals account for 79.3 (78.7) per cent of emissions in this category. Steel is the largest component, accounting for 51.4 (46.2) per cent of total emissions from purchased goods.

Purchased goods

	2024			2023		
	CO_2eq, tonnes	Share of total CO_2eq emissions for purchased goods	Volume, tonnes	CO_2eq, tonnes	Share of total CO_2eq emissions for purchased goods	Volume, tonnes
Steel	133,469	51.4%	57,302	131,280	46.2%	53,460
Stainless steel	8,595	3.3%	2,526	19,943	7.0%	5,866
Aluminium	21,963	8.5%	3,137	16,106	5.7%	2,964
Copper	514	0.2%	166	1,934	0.7%	546
Other metals	41,360	15.9%	10,404	54,326	19.1%	13,340
Total metals	**205,901**	**79.3%**	**73,535**	**223,589**	**78.7%**	**76,176**
Plastic	18,827	7.3%	11,258	28,855	10.2%	8,990
Electrical equipment	17,124	6.6%	2,042	14,701	5.2%	2,078
Batteries	743	0.3%	139	1,240	0.4%	235
Paper and cardboard	5,497	2.1%	6,315	1,188	0.4%	1,358
Raw coffee	1,316	0.5%	366	2,989	1.1%	772
Liquids	9,473	3.6%	5,822	3,605	1.3%	4,679
Other	799	0.3%	3,243	7,833	2.8%	5,423
Total other	**53,779**	**20.7%**	**29,185**	**60,410**	**21.3%**	**23,533**
Total	**259,680**	**100.0%**	**102,720**	**283,999**	**100.0%**	**99,710**

Acquired companies are included from the year they are acquired. Historical data has therefore not been adjusted for acquisitions. Liquids include paints and oils. Between the years, the volumes for Other have decreased due to improved data quality.

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Energy consumption and energy efficiency

Lifco's biggest climate impact in Scopes 1–2 comes from energy consumption in commercial premises and production facilities. To reduce their emissions, Lifco companies have signed green electricity contracts, installed solar panels and improved the insulation in their premises, among other initiatives. Such measures continue to be implemented in the companies, which make independent decisions about which activities are appropriate for their business and the timing of such activities.

Lifco has no Group-level information on the extent to which energy consumption and GHG emissions have been reduced as a result of energy-saving measures.

Energy consumption per SEK of profit
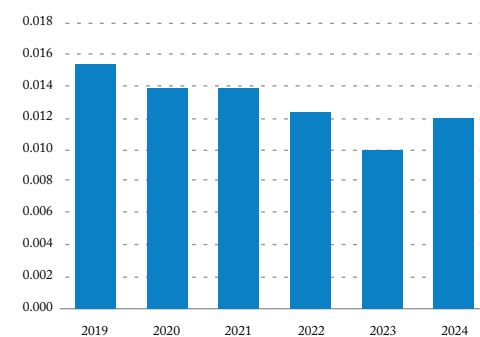
Energy consumption has increased in 2024 because stationary combustion is included from 2024 onwards.

Energy consumption and mix

MWh	2024	2023	2022	2021
Fossil sources	26,097	26,625	28,927	29,929
Nuclear energy	1,494	777	110	–
District heating and cooling[1]	–	11,266	10,126	8,613
Renewable sources	44,782	35,706	30,845	32,204
- of which fuel consumption for renewable energy sources such as biomass and biofuels	828	5,081	2,215	5,138
- of which purchased or acquired electricity, heat, steam, or cooling from renewable sources	42,721	13,792	18,215	15,796
- of which consumption of self-generated non-fuel renewable energy	1,233	–	–	–
Total energy consumption	**72,373**	**74,473**	**70,008**	**70,909**
Share of fossil sources in total energy consumption	36.1%	35.8%	41.3%	42.2%
Share of renewable sources in total energy consumption	61.9%	47.9%	44.1%	45.4%
Share of nuclear sources in total energy consumption	2.1%	1.0%	0.2%	–

[1] As of 2024, district heating and cooling have been classified by energy source with regard to MWh used. However, in percentage of renewable sources a breakdown between renewable and non-renewable energy sources has been made also for the years 2021–2023.
Acquired companies are included from the year they are acquired. Historical data has therefore not been adjusted for acquisitions.

Energy consumption excluding self-generated renewable energy

MWh	2024	Change	2023	Change	2022	Change	2021
Cooling	21.7	-61.1%	55.6	437.6%	10.4	-43.1%	18.2
Heating	22,594.0	102.2%	11,173.6	10.5%	10,115.4	17.7%	8,594.7
Electricity	48,525.0	7.1%	45,292.8	-4.5%	47,448.6	10.3%	43,024.9
Total	**71,140.7**	**25.9%**	**56,522.0**	**-1.8%**	**57,574.4**	**11.5%**	**51,637.8**

Energy efficiency

kWh, unless otherwise stated	2024	2023	2022	2021	2020	2019
Total energy consumption, MWh	71,141.7	56,522.0	57,574.3	51,637.8	36,677.5	38,904.2
Energy consumption per SEK of profit	0.0120	0.0100	0.0124	0.0139	0.0139	0.0154
Energy consumption per SEK of sales	0.0027	0.0023	0.0027	0.0030	0.0027	0.0028
Energy consumption per employee	9,999	8,370	8,864	8,614	6,678	7,403

Self-generated energy

MWh	2024
Production of solar energy	1,656
Own consumption of solar energy produced	1,233
Production of non-renewable energy	0

Acquired companies are included from the year they are acquired. Historical data has therefore not been adjusted for acquisitions.
Energy consumption related to heat has increased from 2023 as heat from stationary combustion is also included.

Energy consumption increased significantly from 2023 as stationary combustion is also included from 2024. Energy consumption also increased significantly from 2020 to 2021 due to a change in the calculation method. SEK of profit refers to EBITA. Consumption per employee has been calculated based on the average number of employees during the year.

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Other environmental information

Ecosystems and biodiversity

Global biodiversity is rapidly decreasing and Lifco supports the EU's biodiversity strategy for 2030. Lifco's environmental policy states that the Group's operations must not damage or threaten biological diversity, ecosystems or endangered species. For Lifco, ecosystems and biodiversity are not a material sustainability matter under the current double materiality assessment. However, Lifco annually monitors where Lifco companies conduct operations in or near environmentally protected areas and reports this externally, as the information is requested by investors and stakeholders.

In 2024, 7 (13) of Lifco's companies conducted operations in or near environmentally protected areas totalling 11.04 hectares. These seven companies have a total of 380 (129) employees, representing 5.0 (1.9) per cent of the Group's total workforce. Four (4) of the companies are Swedish and have a total of 164 (71) employees. The other companies are located in Italy and the United Kingdom.

Fines and penalties

Lifco's goal is to ensure that the Group is not fined or penalised for environmental non-compliance. In 2024, no fines or penalties were imposed on the Group for environmental offences.

In 2023, Lifco was fined EUR 15,323 as a result of inadequate handling of oil in Lifco subsidiary MultiOne's production hall in Vicenza, Italy. The damage occurred when an oil barrel overturned and the oil leaked outside the production hall. In the subsequent inspection a hole in an oil barrel was also discovered. All issues were addressed and the fine was paid in 2023.

Water consumption

Access to water has become an increasingly important societal issue. Water is not a material sustainability matter for Lifco under the current double materiality assessment, but Lifco monitors the Group's water consumption annually and reports this externally, as the information is requested by investors and other stakeholders.

Water consumption

Litres	2024	2023	2022
Water consumption, m^3	105,241	99,444	96,163
Water consumption from water-stressed areas, m^3	1,843	2,703	1,475
Total water recycled and reused, m^3	296	382	
Total water stored , m^3	62	0	No data
Change in storage of water, m^3	62	-	
Water consumption per employee, m^3	14.79	14.73	14.81
Water consumption from water-stressed areas per employee, m^3	0.26	0.40	0.23
Water consumption per SEK of profit, litre	0.0178	0.0176	0.0206
Water consumption per SEK of sales, litre	0.0040	0.0041	0.0045

The data collected covers 96 (82) companies with more than 25 employees, which account for 81 (80) per cent of all employees of the Group and 78 (74) per cent of total sales. The collected data has been used to estimate the water consumption of the Group as a whole. SEK of profit refers to EBITA. Data per employee has been calculated based on the average number of employees during the year. Water consumption for 2023 and 2022 has been adjusted to include the entire Group.

LIFCO

Waste and waste management

Waste and waste management account for a small proportion of Lifco's total emissions. Lifco recycles 69.7 (72.5) per cent of its total waste. The Lifco companies seek to ensure that waste is handled in accordance with laws and guidelines and that precautions are taken to minimise the risks to the environment and employees. The majority of the hazardous waste consists of residual products from painting, oil, rust removal solvents, batteries and excess liquid from refilling disinfectants.

Waste management

Tonnes	2024	2023
Hazardous waste	673	680
Recycled waste	9,830	7,358
Non-recycled waste	4,273	2,809
Total waste	14,103	10,232
Percentage of non-recycled waste	30.3%	27.5%

Composition of waste

Tonnes	2024	2023
Manufacturing waste	899	928
Batteries and accumulators	13	8
Bio-waste	57	15
Construction and demolition waste	94	48
Electronics	65	40
Glass	3	11
Bulky waste, e.g. furniture	97	50
Food waste	31	13
Metal	7,809	4,723
Paper and cardboard	982	838
Plastic	951	1,343
Radioactive waste	0	0
Waste oils	176	494
Textiles	3	5
Wood	1,120	851
End-of-life vehicles	33	0
Unclassified waste	1,769	865
Total waste	**14,103**	**10,232**

The data collection covers 96 (82) companies with more than 25 employees in the year the data collection began. These companies account for 81 (80) per cent of the Group's employees and 78 (74) per cent of total sales. The collected data has been used to estimate the amount of waste for the Group as a whole. Acquired companies are included from the year they are acquired. Historical data has therefore not been adjusted for acquisitions.

Waste by recycling and disposal method

Recycled waste, tonnes	Hazardous		Non-hazardous	
Recycling method	2024	2023	2024	2023
Preparation for re-use	0	16	1,229	1,611
Recycling	151	155	6,484	5,037
Other recovery operations	153	83	1,813	456
Total	**304**	**254**	**9,526**	**7,104**

Non-recycled waste, tonnes	Hazardous		Non-hazardous	
Disposal method	2024	2023	2024	2023
Incineration	86	76	2,100	532
Landfill	35	1	582	182
Other disposal operations	248	349	1,222	1,669
Total	**369**	**426**	**3,904**	**2,383**

The data collection covers 96 (82) companies with more than 25 employees in the year the data collection began. These companies account for 81 (80) per cent of the Group's employees and 78 (74) per cent of total sales. The collected data has been used to estimate the amount of waste for the Group as a whole. Acquired companies are included from the year they are acquired. Historical data has therefore not been adjusted for acquisitions.

LIFCO

Motivated employees and safe workplaces

Employee motivation is essential to sustained long-term value creation and is therefore one of Lifco's priority sustainability matters. Creating work environments that contribute to motivation requires safe and secure workplaces, an equal gender distribution, good leadership, opportunities for personal development and stimulating tasks.

Lifco's Code of Conduct and HR policy regulate Lifco's approach to employees with the overall aim of creating motivation and safe workplaces. Lifco's rules state that the health and safety of employees must be protected and that working hours, remuneration, etc. must be regulated in written, signed terms of employ-ment. Working hours are regulated in accordance with local regulations and guidelines and, where applicable, through collective bargaining agreements.

The majority, 97.8 (96.0) per cent, of Lifco's employ-ees are permanent employees and 92.5 (90.6) per cent are full-time employees. Most, 87.1 (86.6) per cent, work in Europe, where the countries with the highest number of employees are Sweden and Germany. The proportion of female employees is 28.1 (28.0) per cent and the proportion of female wage-setting managers increased to 23.3 (20.3) per cent.

The number of non-employees is 570 (301) on a full-time equivalent basis.

Employee data is collected from all Lifco com-panies and refer to 31 December unless otherwise stated. Companies acquired during the financial year report full-year data.

Goals and results

Lifco has a high employee turnover rate attributable to certain assembly units, which are working to address the issue. In 2024, employee turnover increased to 14.1 (12.9) per cent, which is partly due to Lifco expanding the measurement in 2024 to include all employees who left the Group. Previously, only employees who were replaced were included.

Lifco's vision is that no one should be injured in the workplace or suffer from work-related ill health. In 2024, work-related injuries per employee were lower than in 2023. To enable stakeholders to monitor progress in detail, Lifco reports the number of work-related injuries per company.

Lifco considers that the gender distribution in the workforce as a whole and among wage-setting managers is skewed, which means that the Group needs to increase its focus on recruiting female em-ployees. In 2024, the share of women was 28.1 (28.0) per cent, and the share of female wage-setting managers increased to 23.3 (20.3) per cent.

Goals for the sustainability topic motivated employees and safe workplaces

	2024	Out-come 2024	2023	Out-come 2023	2022	Out-come 2022	2021	Out-come 2021	2020
Reduce employee turnover every year	14.1%	X	12.9%	√	16.2%	√	17.2%	√	19.8%
Reduce the number of work-related injuries in relation to the number of employees each year	0.83%	√	1.12%	X	1.06%	X	1.01%	-	No data
Increase the percentage of female wage-setting managers every year	23.3%	√	20.3%	X	20.1%	X	21.2%	-	No data

√ = goal achieved. X = goal not achieved.
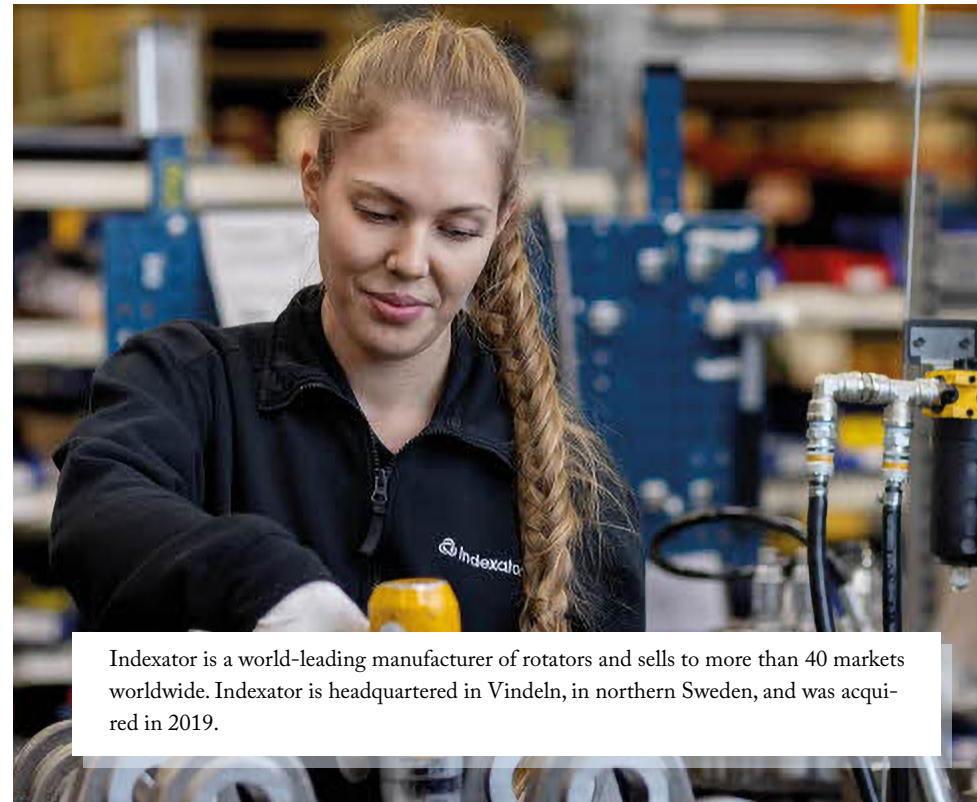
Indexator is a world-leading manufacturer of rotators and sells to more than 40 markets worldwide. Indexator is headquartered in Vindeln, in northern Sweden, and was acqui-red in 2019.

LIFCO

Collective bargaining coverage and social dialogue

Lifco takes a positive view of collective bargaining and the Code of Conduct regulates the employees' right to freedom of association and the right to bargain collectively. Prior to major organisational changes, the Lifco companies must consult with the relevant trade union or trade unions. In the event of cutbacks, the employees must be notified in advance with a prior notice period equal to or longer than what is consistent with local practice or provided for in local regulations or collective bargaining agreements. For employees not covered by collective bargaining agreements, working conditions and employment terms are usually determined based on collective bargaining agreements covering other employees or from other organisations or on industry practice.

In 2024, a total of 19 Lifco companies in Denmark, Finland, France, Italy, the Netherlands, Norway, Sweden, Germany and Austria had agreements with their employees on representation in a European Works Council or a Works Council of a European Company (SE) or European Cooperative Society (SCE).

Collective bargaining coverage and social dialogue

	Collective bargaining coverage		Social dialogue
Coverage rate	**Employees – EEA**	**Employees – Non-EEA**	**Workplace representation**
0–19%	Estonia, United Kingdom, Germany	USA	Estonia, Netherlands, United Kingdom, Czech Republic, Germany, USA
20–39%	Norway		Italy, Norway
40–59%	Denmark		Denmark, Finland
60–79%	Netherlands, Czech Republic	China	France, Sweden
80–100%	Finland, France, Italy, Sweden		China

Employees covered by collective bargaining agreements

Full-time equivalents	2024	2023	2023	2021
Number covered by collective bargaining agreements	3,432	2,989	3,087	2,860
Percentage covered by collective bargaining agreements	46.8%	43.3%	47.4%	45.7%

LIFCO

Adequate wages

In 2024, all Lifco companies paid adequate wages at least in line with current reference wages. The companies based their assessment on the instructions on wage guidelines in the ESRS.

Lifco's HR policy states that Lifco companies should pay market salaries and differentiate the compensation offered to individual employees based on the complexity of the duties, responsibilities and performance, and in compliance with local laws, regulations and generally accepted local industry standards and/or collective bargaining agreements with local trade unions. Other forms of compensation such as pensions and any other benefits are also set in accordance with local laws, regulations and generally accepted local industry standards and/or collective bargaining agreements with local trade unions. Legal or contractual minimum wage requirements must be followed.

Lifco pays salaries regularly, in full and on time, and does not require employees to pay work-related fees or costs. Employees receive digital or paper payslips which show their salary and any deductions they are eligible for. All employees, including temporary employees, receive their working conditions in writing. The document must be confirmed by both the employer and the employee through signatures.

Lifco's policy regarding employment salary conditions also covers suppliers, subcontractors and employees employed through third parties. The Lifco companies decide when and how to carry out audits of suppliers, subcontractors and employment agencies/staffing companies regarding employment salary conditions. Such audits may be initiated in case of concerns about deviations or in response to the companies' annual risk review.

Social protection against loss of income

All employees except employees in three companies in the USA are covered by protection against loss of income in the event of illness.

All employees except employees in one company in Australia, the Philippines, South Africa and the USA and three companies in Singapore are covered by protection against loss of income in the event of unemployment.

All employees except employees in one company in the USA are covered by protection against loss of income in the event of employment injury.

All employees except employees in one company in the United Arab Emirates and South Africa and six companies in the USA are covered by protection against loss of income during parental leave.

All employees except employees in one company in Australia and four companies in the US are covered by protection against loss of income on retirement.

Employees with no social protection against loss of income

Number of employees	2024	2023
Sickness	45	54
Unemployment	221	184
Employment injury and acquired disability	2	77
Parental leave	55	104
Retirement	32	74
Share of total number of employees		
Sickness	0.6%	0.8%
Unemployment	2.9%	2.7%
Employment injury and acquired disability	0.0%	1.1%
Parental leave	0.7%	1.4%
Retirement	0.4%	1.1%

Data for 2023 refer to full-time equivalents.

Heinola sells kiln dryer and wood chippers to customers worldwide. Heinola is headquartered in Heinola, southern Finland, and has been part of Lifco since the group was founded in 2006.

LIFCO

Training and skills development

One of Lifco's fundamental values is openness. Open dialogue combined with good leadership based on clear and immediate feedback are fundamental to creating a motivating work climate. Lifco attaches great importance to leadership and the leaders' personal qualities, such as the ability to create a work climate that is appreciated by the employees. Good leadership includes engaging in continuous dialogue with the employees and fostering a culture that allows the employees to grow and develop.

Lifco believes that many employees are stimulated by learning and new knowledge. In Lifco, employees are offered opportunities to learn and acquire new knowledge primarily by taking on new tasks or responsibilities. The Lifco companies themselves decide if, when and for whom there is a need for company-sponsored training.

Part of creating a motivating work climate involves enabling employees to take on new challenges and receive opportunities for advancement. Such opportunities are offered within the companies and between companies that are part of the same division.

Regular performance and career development reviews and training hours

	2024					2023				
	Women	Men	Other	Not reported	Total	Women	Men	Other	Not reported	Total
Number of employees who participated in performance and development reviews	1,617	3,075	3	9	4,704	928	2,302	-	-	3,230
Percentage of employees who participated in performance and development reviews	71.6%	57.3%	75.0%	47.4%	61.5%	49.3%	47.7%	-	-	48.2%
Percentage of performance and development reviews in relation to the number agreed by management	-	-	-	-	98.9%		No data			
Number of training hours	32,160	67,036	100	530	99,826	18,163	44,739	-	-	62,902
Average number of training hours per employee	14.2	12.5	25.0	27.9	13.1	9.6	9.3	-	-	9.4

Until 2023, the data collected on gender refers only to women and men. Data for 2023 refers to full-time equivalents. The number of training hours has increased as a result of better data quality.

LIFCO

Work environment

Lifco's vision is that no employee of Lifco or of a supplier or subcontractor should be injured at work. In order to achieve the vision of zero workplace injuries, the Lifco companies assign priority to preventive safety work as well as risk identification. Serious incidents and injuries must be reported to the Board and Group management, who assess and follow up the measures taken.

Lifco companies are required to conform to or exceed applicable health and safety laws and guidelines. They are also required, at least annually, to carry out a comprehensive risk analysis of the work environment and take any necessary preventive measures. The Managing Director of each subsidiary is responsible for health and safety and for preventive measures. The Managing Director may delegate this responsibility to a health and safety officer who reports directly to the managing director.

A key part of health and safety management is open dialogue between the employees and managers of each company regarding health and safety and related matters. Some Lifco companies have health and safety committees where representatives from trade unions or persons appointed by the employees work with representatives of the company to assess the work environment on a regular basis. In some cases these committees are legally prescribed functions and in others they are initiated by the Lifco company. The frequency of the meetings is decided upon independently by the health and safety committees or in consultation with the Managing Director of the subsidiary.

Communication with employees, whether permanent or temporary or engaged through third parties, is essential to minimising the risk of work-related injuries. Employees, both permanent and temporary, need to receive relevant instructions and training in how to carry out their duties. Training required to perform the duties of the job must be carried out during paid working hours. Particularly stringent processes are required for work involving hazardous tasks, such as heavy lifting or handling of substances harmful to health. In such cases Lifco must, as a minimum, follow the safety

regulations specified in laws, guidelines and instructions from equipment suppliers. The employees are also responsible for keeping up to date on the applicable procedures and processes for handling machines, hazardous substances and other tasks.

Health and safety procedures and processes also cover employees and temporary workers who perform tasks for customers, suppliers or other partners.

Managers are obliged to report without delay any information they receive about risks of work-related injuries to the local health and safety officer or subsidiary company managing director. In dialogue with the health and safety officer, the subsidiary company managing director will decide whether work should be interrupted at the workplace concerned or whether other measures should be taken. No employee of Lifco, whether permanent or temporary, or of its suppliers should be subject to reprisals or discrimination because they have reported risks of injury or illness to employees at the workplace.

The assessment of health and safety risks is based on factors such as changes in processes or equipment, incident reporting and assessments, changes in staffing or work flows, reports on employee health, and monitoring of noise, vibrations and dust. In these assessments, potential language barriers or disabilities are also taken into account.

In 2024, 5,177, or 67.7 per cent, of all employees were covered by health and safety management systems. Of the total number of non-employees, 420, or 68.3 per cent, were covered by health and safety management systems.

In 2024, 12 (14) companies were covered by one of the following occupational health and safety management systems: OSHA/OHSAS 18001/ISO 45001. The companies are listed on pages 138–140. These systems were implemented after the companies concerned identified risks or in response to demands for certification from customers or suppliers. Under Lifco's business model, the subsidiary companies make independent decisions about management systems and certifications based on commercial decisions and risk assessments.

At the Lifco companies, as at so many other companies, stress and stress-related illnesses have increased in recent years. As part of its preventive health and safety work, Lifco analyses and seeks to understand the challenges workers face in relation to stress. As part of the effort to reduce stress-related sick leave, Lifco companies are responsible for ensuring that employees have opportunities to recover after periods of intense work. The Lifco companies have also introduced voluntary health promotion programmes designed, for example, to encourage more physical activity among employees.

The Lifco companies operate in many different countries with differing access to general healthcare. The individual Lifco companies decide if there is a need to offer employees occupational healthcare as part of their efforts to promote health and safety. Employees must be clearly informed about how and when they will be offered access to healthcare through the company. Temporary employees must also be informed if they have access to occupational healthcare. In some companies, occupational healthcare is included in the standard employment terms for the industry.

Lifco collects data on work-related injuries and illness resulting in more than three days of absence.

Occupational health and safety management systems

Number and share covered by a management system	2024
Number of employees	5,177
Share of employees	67.7%
Number of non-employees	420
Share of non-employees	68.3%

Work-related injuries, ill health and fatalities

Lifco Group	2024	2023	2022	2021
Number of work-related injuries	61	77	69	63
Number of cases of documented work-related ill health	28	No data		
Number of days lost due to work-related injuries, ill health and fatalities	2,902	2,297	1,360	2,548
Work-related injuries in relation to 1,000,000 hours worked	4.38	5.37	5.20	4.98
Number of work-related injuries among non-employees	7	No data		
Work-related injuries in relation to 1,000,000 hours worked among non-employees	15.3			
Work-related injuries in relation to number of full-time equivalents at the end of the year	0.83%	1.12%	1.06%	1.01%
Employee fatalities caused by work-related injuries and work-related ill health	0	0	0	0

Until 2023, the collected data only covers work-related accidents. From 2024 onwards, the data also covers work-related ill health.
Until 2023, work-related accidents were reported only for employees.
Workplace accidents are defined as accidents resulting in more than three days of sick leave.
No fatalities were reported among non-employees over the period 2021–2024.
See next page for more information on changes in the calculations between 2024 and 2023.

LIFCO

Work-related injuries, ill health and fatalities by region

Nordics	2024	2023	2022	2021
Number of work-related injuries	10	14	10	14
Number of cases of documented work-related ill health	8		No data	
Number of days lost due to work-related injuries, ill health and fatalities	454	191	80	196
Work-related injuries in relation to 1,000,000 hours worked	2.49	4.47	3.22	4.67
Number of work-related injuries among non-employees	7			
Work-related injuries in relation to 1,000,000 hours worked among non-employees	62.5		No data	
Work-related injuries in relation to number of full-time equivalents at the end of the year	0.61%	0.59%	0.44%	0.65%
Employee fatalities caused by work-related injuries and work-related ill health	0	0	0	0

Asia	2024	2023	2022	2021
Number of work-related injuries	2	5	2	1
Number of cases of documented work-related ill health	0		No data	
Number of days lost due to work-related injuries, ill health and fatalities	61	52	147	5
Work-related injuries in relation to 1,000,000 hours worked	1.06	3.15	1.16	0.52
Number of work-related injuries among non-employees	0			
Work-related injuries in relation to 1,000,000 hours worked among non-employees	0		No data	
Work-related injuries in relation to number of full-time equivalents at the end of the year	0.30%	0.76%	0.26%	0.11%
Employee fatalities caused by work-related injuries and work-related ill health	0	0	0	0

Rest of Europe	2024	2023	2022	2021
Number of work-related injuries	49	57	56	44
Number of cases of documented work-related ill health	20		No data	
Number of days lost due to work-related injuries, ill health and fatalities	2,115	1,987	1,155	2,073
Work-related injuries in relation to 1,000,000 hours worked	6.57	6.29	6.73	6.07
Number of work-related injuries among non-employees	0			
Work-related injuries in relation to 1,000,000 hours worked among non-employees	0		No data	
Work-related injuries in relation to number of full-time equivalents at the end of the year	1.03%	1.55%	1.76%	1.48%
Employee fatalities caused by work-related injuries and work-related ill health	0	0	0	0

Africa	2024	2023	2022	2021
Number of work-related injuries	0	0	-	-
Number of cases of documented work-related ill health	0		No data	
Number of days lost due to work-related injuries, ill health and fatalities	0	0	-	-
Work-related injuries in relation to 1,000,000 hours worked	0.00	0.00	-	-
Number of work-related injuries among non-employees	0			
Work-related injuries in relation to 1,000,000 hours worked among non-employees	0		No data	
Work-related injuries in relation to number of full-time equivalents at the end of the year	0.00%	0.00%	-	-
Employee fatalities caused by work-related injuries and work-related ill health	0	0	0	0

North America	2024	2023	2022	2021
Number of work-related injuries	0	1	1	4
Number of cases of documented work-related ill health	0		No data	
Number of days lost due to work-related injuries, ill health and fatalities	0	67	20	274
Work-related injuries in relation to 1,000,000 hours worked	0.00	1.81	1.80	7.72
Number of work-related injuries among non-employees	0			
Work-related injuries in relation to 1,000,000 hours worked among non-employees	0		No data	
Work-related injuries in relation to number of full-time equivalents at the end of the year	0.00%	0.37%	0.36%	1.53%
Employee fatalities caused by work-related injuries and work-related ill health	0	0	0	0

Until 2023, the collected data only covers work-related accidents. From 2024 onwards, the data also covers work-related ill health.

Until 2023, work-related accidents were reported only for employees. From 2024, non-employees are also included.

Workplace accidents are defined as accidents resulting in more than three days of sick leave.

No fatalities were reported among non-employees over the period 2021–2024.

Until 2023, hours worked were based on collected data on the number of contracted hours multiplied by an assumed normal working time of eight hours per day. From 2024, hours worked refer to the actual number of hours worked including reported overtime.

Until 2023, work-related injuries were calculated in relation to the average number of full-time equivalents during the year. From 2024, work-related injuries and illness have been calculated in relation to the average number of employees during the year.

LIFCO

Workplace accidents by company

Only companies that reported at least one employment injury in the years 2021–2024 are included in the list.

Company	Country	2024	2023	2022	2021
Dental					
CONSYS	Germany	1	0	0	0
DAB Dental	Sweden	0	1	0	0
Denterbridge	France	0	0	1	0
Hammasväline	Finland	1	2	2	0
InteraDent	Germany	0	0	0	1
Kaniedenta	Germany	0	2	1	0
Kentzler-Kaschner Dental	Germany	1	0	0	0
Lifco Dental	Sweden	0	0	0	1
MDH	Germany	1	3	0	0
MedTec Medizintechnik	Germany	0	1	0	0
M&W Dental	Germany	1	2	2	2
Parkell	USA	0	1	0	1
SchwanDental	Germany	0	2	0	0
Si Zhou Dental	China	1	1	1	0
Total Dental		**6**	**15**	**7**	**5**
Demolition & Tools					
Ahlberg Cameras	Sweden	0	0	1	0
Auger Torque	Australia	0	0	1	0
BeGrips	Sweden	1	2	0	0
Brokk	Australia	0	0	0	1
Brokk	France	0	0	1	4
Brokk	Germany	0	1	1	0
Brokk	Sweden	0	1	0	0
Brokk	Singapore	0	1	0	0
Brokk Bricking Solutions	USA	0	0	1	0
Broughton Plant Hire	United Kingdom	4	4	-	-
Cangini Benne	Italy	3	3	4	2
Cormidi	Italy	1	0	0	-
Darda	Germany	1	3	1	1
Doherty Couplers	Australia	1	0	0	0
Doherty	New Zealand	0	2	0	0
GEAX	Italy	2	0	-	-

Company	Country	2024	2023	2022	2021
Hammer	Italy	0	0	3	2
Hultdin System	Sweden	0	0	2	0
Indexator Rotator Systems	Sweden	0	0	1	1
Kinshofer	USA	0	0	0	1
Kinshofer	Germany	3	8	6	8
Kinshofer	Czech Republic	1	5	6	0
Mars Greiftechnik	Austria	1	4	8	0
MultiOne	Italy	0	0	3	0
MultiOne	Germany	0	1	0	0
Solesbee's	USA	0	0	0	2
Trevi Benne	Italy	2	0	3	-
2 C Factory	Italy	2	1	1	2
Total Demolition & Tools		**22**	**36**	**43**	**24**
Systems Solutions					
Alwayse Engineering	United Kingdom	1	0	-	-
BCC Solutions	Finland	0	1	0	-
Brian James Trailers	United Kingdom	3	3	2	5
Cardel	United Kingdom	1	-	-	-
Cenek Tavlebygg	Norway	0	0	1	-
Cenika	Sweden	2	0	0	0
C F Vending	United Kingdom	0	1	-	-
Condale Plastics	United Kingdom	1	3	2	-
Cramaro Tarpaulin Systems	Italy	1	2	3	2
Cramaro Tarpaulin Systems	France	3	1	0	4
Cramaro España	Spain	1	0	1	0
Eldan Recycling	Denmark	1	0	0	2
ErgoPack	Germany	3	2	1	1
T. Freemantle	United Kingdom	0	0	0	1
Heinolan Sahakoneet	Finland	1	0	0	0
Leab	Estonia	0	1	0	0
Leab	Sweden	1	1	0	0
P-Line Netherlands	Netherlands	0	0	0	1
Proline Syd	Sweden	1	0	0	0

Company	Country	2024	2023	2022	2021
Proline Öst	Sweden	0	0	1	0
Proline Väst	Sweden	0	1	0	0
Prolinesystems Relining	Finland	1	2	0	2
Modul-System	Denmark	0	0	0	2
Modul-System	France	2	1	2	5
Modul-System	Norway	0	1	0	0
Modul-System	United Kingdom	2	2	4	2
Modul-System	Sweden	0	0	0	4
Nessco	Norway	1	0	0	0
Rapid Granulator	Sweden	0	1	0	0
Rapid Granulier-Systeme	Germany	3	0	0	0
Tastitalia	Italy	2	0	2	0
Texor	Sweden	0	0	0	1
TMC	Norway	0	1	0	0
TMC	Singapore	0	1	0	0
Truck-line	Germany	0	1	0	0
Verrerie du Futur	France	1	0	-	-
VTT Verschleissteiltechnik	Germany	1	-	-	-
Zetterströms Rostfria	Sweden	0	0	0	1
Total Systems Solutions		**33**	**26**	**19**	**33**
Total Lifco		**61**	**77**	**69**	**62**

BCC Solutions, Cenek Tavlebygg, Condale Plastics, Cormidi and Trevi Benne were acquired in 2022. Alwayse Engineering, Broughton Plant Hire, CF Vending, GEAX and Verrerie du Futur were acquired in 2023. Cardel and VTT Verschleissteiltechnik were acquired in 2024.

The presentation on this page only covers workplace accidents among employees.

LIFCO

Work-life balance

Lifco takes a positive view of family-related leave and encourages both fathers and mothers to use their statutory parental leave where it exists. Lifco does not permit discrimination against employees on family leave, who must be offered the opportunity to return to equivalent duties after completing their leave.

Employees entitled to take family-related leave

Full-time equivalents	2024					2023				
	Women	Men	Other	Not reported	Total	Women	Men	Other	Not reported	Total
Employees entitled to take family-related leave	1,350	3,757	2	7	5,116		No data			
Percentage of employees entitled to leave	65.6%	71.6%	16.7%	53.8%	69.8%					
Employees who have taken family-related leave	245	427	0	2	674	139	222	-	-	361
Share of total number of employees who have taken leave	11.9%	8.1%	0.0%	15.4%	9.2%	7.0%	4.5%	-	-	5.2%
Share of employees who have taken leave out of those entitled	18.2%	11.4%	0.0%	28.6%	13.2%	-	-	-	-	5.3%

Until 2023, the collected data was not specified by gender and the data only covered parental leave. In the sustainability report for 2023, employees with social protection during parental leave were incorrectly reported as employees entitled to parental leave.

LIFCO

Pay gaps

A fundamental principle at Lifco is that all employees should receive equal pay for equivalent work. In 2024, 44.0 (25.8) per cent of all Lifco companies carried out analyses of differences in pay between women and men who perform the same tasks. Of the 110 companies that carried out pay gap analyses in 2024, three reported at the end of the year that they had not addressed the identified pay gaps.

According to the new European standard for sustainability reporting, the pay gap getween women and men, without considering functions and roles, must be measured if it has been deemed essential. This so-called pay gap consists of the difference in gross average hourly wages between male and female permanent employees in relation to the gross average hourly wage for all male permanents employees, without taking functions and roles into account. The pay gap, meaning the difference in wages between women and men without considering functions and roles is 19.6 per cent. The difference is due to the gender distribution within the Group, where more men hold functions and roles with higher wage levels.

In calculating gross salary, Lifco has used the same definition of salary as in its financial reporting. Gross earnings therefore include fixed and variable pay, sick pay, holiday pay, taxable mileage and other taxable allowances.

Gender pay gap without considering functions and roles

	2024	2023	2022	2021
Pay gap without considering functions and roles	19.6%	-	-	-
Share of subsidiaries that carried out analyses of the pay gap between women and men with equivalent functions and roles	44.0%	25.8%	24.6%	25.3%

Non-discriminatory workplaces

Lifco's Code of Conduct is based partly on the ten principles of the UN Global Compact and the international human rights framework. Under Lifco's Code of Conduct, no one may be discriminated against, harassed or threatened on account of their sex, gender identity or expression, ethnic background, faith, disability, sexual orientation, age, nationality, political opinion, trade union membership, status, social background, language, state of health or marital status.

Employees who discover or are subject to discrimination or harassment should in the first instance address the matter with their immediate supervisor or, if the supervisor is suspected of having committed the act, with the managing director of the subsidiary concerned. The suspicion can also be escalated to the chairman of the subsidiary or reported through the whistleblowing channel. Suspected cases of discrimination or harassment are reported to the Board and Group management and can be investigated internally by an independent party. Cases reported through the whistleblowing channel are investigated according to the whistleblowing policy. The measures taken are reported to Group management and the Board. The measures can consist of changes to processes, compensation, relocation or dismissal of the perpetrator.

In 2024, 9 (4) cases were reported in 6 (4) Lifco companies where the whistleblower claimed that they and/or their colleagues had been discriminated against or harassed. Three of the cases were anonymous reports that emerged from an employee survey in one company and that were addressed through discussions at staff meetings. Two of the cases, which occurred in the same company, were resolved through dialogue and mediation. In four of the cases, discrimination could not be demonstrated in internal investigations, and in two of these cases the complainant chose to have the dispute settled in court.

Human rights-related incidents

Number	2024	2023
Complaints reported through the companies' complaint channels	9	4
Number of companies with reported complaints through complaint channels	6	4
Fines, sanctions or damages related to human rights among the employees, SEK	0.0	0.0

The above incidents and reports do not include those received through the whistleblowing channel. These are described on page 52.

Gender equality and more female managers

Gender-balanced teams perform better than teams with a skewed gender balance. Lifco is therefore aiming to increase the proportion of women among wage-setting managers. To reach the target, Lifco is employing a variety of methods. In the case of managerial appointments, for example when a managing director of a subsidiary company is appointed, there must be at least one woman among the final candidates. Other methods used include ensuring a good work-life balance and offering opportunities to work from home.

In 2024, 17 (8) new subsidiary company managing directors were recruited, of whom 3 (3), or 17.6 (37.5) per cent, were female. However, several of these companies are small companies with an average of ten employees where positions are filled internally. Among the larger companies with EBITA above SEK 15 million, 6 (4) new managing directors were recruited, of whom 3 (1), or 50.0 (25.0) per cent, were female.

A distinctive feature of Lifco's business is that the managers remain in the Group for a very long time, which benefits the Group. Leaders who create consistently good results can only do so through a positive work climate and good customer and supplier relationships. The disadvantage is that there will be fewer opportunities to recruit new managers and thereby improve the gender distribution. Lifco's ability to increase the proportion of female wage-setting managers is also affected by the acquisitions the Group makes.

Of the total number of employees, 28.1 (28.0) per cent were women at the end of the year.

Wage-setting managers

Number	2024	2023	2022	2021
Women	110	84	66	70
Men	362	329	263	261
Total	**472**	**413**	**329**	**331**
Proportion of women	23.3%	20.3%	20.1%	21.1%

LIFCO

Employees with disabilities

Employees with disabilities are not a material sub-topic under the double materiality assessment conducted by Lifco in 2024. Lifco has chosen to report the data also for 2024.

Employees with disabilities

Number and share	2024	2023
Employees with disabilities	125	92
Share of total number of employees	1.6%	1.3%

Non-employees

At year-end, Lifco had 570 (301) non-employees. Most of these are consultants and workers employed by other companies. Lifco uses consultants for specific, time-limited projects that require specialist knowledge or to relieve the workload of employees during periods of intense activity. These may receive project-based compensation or hourly compensation. Lifco also has workers who are employed by organisations such as Samhall. In this case, Samhall pays the salaries and other benefits of the workers. Samhall is a Swedish state-owned limited company with the mission of creating meaningful and stimulating work for people with disabilities that entail a reduced capacity to work.

Non-employees

	2024	2023	2022	2021
Full-time equivalents	570	301	302	315
Total number	615			
Nordics	84			
Rest of Europe	495		No data	
North America	17			
Asia	19			
Africa	0			

Employee turnover

Employee turnover is an indicator of how much the employees enjoy working in the Lifco companies. The Lifco Group has a higher employee turnover outside the Nordic region, which is related to individual assembly units.

In order to align its reporting with ESRS, Lifco is from 2024 including all employees who left the Group during the year. Previously, Lifco only included employees who left the Group and were replaced.

The Lifco companies must have procedures in place for replacing employees who leave the company.

Employee turnover

Full-time equivalents	2024	2023	2022	2021	2020
Nordics	9.7%	8.5%	9.1%	10.1%	16.8%
Rest of Europe	16.9%	14.6%	19.3%	18.9%	17.0%
North America	17.9%	15.4%	16.7%	20.7%	24.0%
Asia	11.4%	17.6%	24.8%	28.3%	33.9%
Africa	0.0%	50.0[1]%	–	–	–
Total	**14.1%**	**12.9%**	**16.2%**	**17.2%**	**19.8%**
Total number of employees who left Lifco	1,033	887	1,057	1,078	1,070

[1] The high employee turnover in 2023 is due to the fact that there are only two employees in Africa.

LIFCO

Sick leave

Sick leave is a key performance indicator for Lifco and is regularly analysed in the Lifco companies. A high level of sick leave or an increasing trend is followed up and appropriate measures are taken in the entity concerned. When identifying and analysing the problem and deciding on measures to take, the Lifco company may consult health and safety experts such as ergonomists or specialists in stress-related diseases.

Sick leave decreased to 3.8 (3.9) per cent in 2024.

Sick leave

Days of absence in relation to working time, %	2024	2023	2022	2021	2020
Nordics	4.3	4.8	4.7	4.0	4.2
Rest of Europe	4.3	4.1	5.0	4.4	4.3
North America	1.6	2.2	1.8	1.2	1.3
Asia	0.7	1.1	1.5	0.8	1.2
Africa	0.0	0.6	-	-	-
Total	**3.8**	**3.9**	**4.3**	**3.6**	**3.6**
Number of days of absence	69,313	70,608	73,474	56,587	52,763
Number of days of absence per employee	9.06	10.2	11.3	9.0	9.7
Number of working days during the year, thousands	1,816	1,793	1,658	1,582	1,470

The calculation for 2024 is the number of employees, and for 2020-2023, it is the number of full-time employees as of 31 December. Number of working days refers to the contractual working time.

LIFCO

Employees

Number	2024 Women Number	Share	Men Number	Share	Other Number	Share	Not reported Number	Share	Total
Nordics	689	28.5%	1,725	71.4%	1	0.0%	0	0.0%	2,415
Rest of Europe	1,295	30.5%	2,933	69.1%	3	0.0%	16	0.4%	4,247
North America	82	27.8%	212	71.9%	0	0.0%	1	0.3%	295
Asia	192	28.0%	493	71.8%	0	0.0%	2	0.3%	687
Africa	0	0.0%	2	100.0%	0	0.0%	0	0.0%	2
Total	**2,258**	**29.5%**	**5,365**	**70.2%**	**4**	**0.0%**	**19**	**0.2%**	**7,646**

Employees by contract type and gender

Lifco Group

Full-time equivalents	2024 Women	Men	Other	Not reported	Total	2023 Women	Men	Other	Not reported	Total	2022 Women	Men	Other	Not reported	Total
Total employees	2,058	5,248	12	13	7,331	1,957	5,028	-	-	6,985	1,808	4,882	-	-	6,690
of which permanent employees	2,009	5,146	1	12	7,168	1,883	4,825	-	-	6,708	1,728	4,585	-	-	6,313
of which temporary employees	41	88	11	0	140	54	137	-	-	191	58	141	-	-	199
of which non-guaranteed hours employees	8	14	0	1	23	20	66	-	-	86	22	156	-	-	178
Full-time employees	1,670	5,091	12	7	6,780	1,628	4,697	-	-	6,325	1,500	4,508	-	-	6,008
Part-time employees	388	157	0	6	551	377	197	-	-	574	309	195	-	-	504

Nordics

Full-time equivalents	2024 Women	Men	Other	Not reported	Total	2023 Women	Men	Other	Not reported	Total	2022 Women	Men	Other	Not reported	Total
Total employees	659	1,692	0	0	2,351	658	1,721	-	-	2,379	612	1,777	-	-	2,389
of which permanent employees	647	1,662	0	0	2,309	620	1,668	-	-	2,288	569	1,667	-	-	2,236
of which temporary employees	7	19	0	0	26	22	11	-	-	33	26	26	-	-	52
of which non-guaranteed hours employees	5	11	0	0	16	16	42	-	-	58	17	84	-	-	101
Full-time employees	583	1,647	0	0	2,230	534	1,617	-	-	2,151	513	1,649	-	-	2,162
Part-time employees	77	44	0	0	121	110	59	-	-	169	81	44	-	-	125

Rest of Europe

Full-time equivalents	2024 Women	Men	Other	Not reported	Total	2023 Women	Men	Other	Not reported	Total	2022 Women	Men	Other	Not reported	Total
Total employees	1,143	2,867	12	12	4,034	1,056	2,620	-	-	3,676	920	2,345	-	-	3,265
of which permanent employees	1,112	2,803	1	11	3,927	1,021	2,478	-	-	3,499	886	2,163	-	-	3,049
of which temporary employees	30	63	11	0	104	31	124	-	-	155	29	111	-	-	140
of which non-guaranteed hours employees	0	2	0	1	3	4	18			22	5	71	-	-	76
Full-time employees	838	2,761	12	6	3,617	859	2,409	-	-	3,268	715	2,101	-	-	2,816
Part-time employees	304	107	0	6	417	259	128	-	-	387	224	150	-	-	374

LIFCO

North America

Full-time equivalents	2024 Women	Men	Other	Not reported	Total	2023 Women	Men	Other	Not reported	Total	2022 Women	Men	Other	Not reported	Total
Total employees	74	207	0	1	**282**	63	210	-	-	**273**	65	215	-	-	**280**
of which permanent employees	71	206	0	1	**278**	63	204	-	-	**267**	64	213	-	-	**277**
of which temporary employees	0	1	0	0	**1**	0	0	-	-	**0**	1	1	-	-	**2**
of which non-guaranteed hours employees	3	0	0	0	**3**	0	6	-	-	**6**	0	1	-	-	**1**
Full-time employees	70	202	0	1	**273**	55	195	-	-	**250**	63	213	-	-	**276**
Part-time employees	4	5	0	0	**9**	8	9	-	-	**17**	2	1	-	-	**3**

Asia

Full-time equivalents	2024 Women	Men	Other	Not reported	Total	2023 Women	Men	Other	Not reported	Total	2022 Women	Men	Other	Not reported	Total
Total employees	183	479	0	0	**662**	180	475	-	-	**655**	211	545	-	-	**756**
of which permanent employees	179	474	0	0	**653**	179	473	-	-	**652**	209	542	-	-	**751**
of which temporary employees	4	5	0	0	**9**	1	2	-	-	**3**	2	3	-	-	**5**
of which non-guaranteed hours employees	0	0	0	0	**0**	0	0	-	-	**0**	0	0	-	-	**0**
Full-time employees	179	478	0	0	**657**	180	474	-	-	**654**	209	545	-	-	**754**
Part-time employees	4	1	0	0	**5**	0	1	-	-	**1**	2	0	-	-	**2**

Africa

Full-time equivalents	2024 Women	Men	Other	Not reported	Total	2023 Women	Men	Other	Not reported	Total	2022 Women	Men	Other	Not reported	Total
Total employees	0	2	0	0	**2**	0	2	-	-	**2**	-	-	-	-	**-**
of which permanent employees	0	2	0	0	**2**	0	2	-	-	**2**	-	-	-	-	**-**
of which temporary employees	0	0	0	0	**0**	0	0	-	-	**0**	-	-	-	-	**-**
of which non-guaranteed hours employees	0	0	0	0	**0**	0	0	-	-	**0**	-	-	-	-	**-**
Full-time employees	0	2	0	0	**2**	0	2	-	-	**2**	-	-	-	-	**-**
Part-time employees	0	0	0	0	**0**	0	0	-	-	**0**	-	-	-	-	**-**

Until 2023, data collected on gender only covered women and men.
Differences in totals may occur due to rounding.

LIFCO

Employees by age group

Full-time equivalents	2024 Number	2024 Share	2023 Number	2023 Share	2022 Number	2022 Share
Under 30 years old	1,079	14.7%	1,135	16.5%	1,182	18.2%
31–50	3,727	50.9%	3,527	51.1%	3,352	51.4%
Over 50 years old	2,525	34.4%	2,237	32.4%	1,978	30.4%
Total	7,331	100.0%	6,899	100.0%	6,512	100.0%

New employees by gender and region

Number	2024 Women	2024 Men	2024 Other	2024 Not reported	2024 Total	2023 Women	2023 Men	2023 Other	2023 Not reported	2023 Total	2022 Women	2022 Men	2022 Other	2022 Not reported	2022 Total
Nordics	68	186	0	0	254	88	200	-	-	288	104	239	-	-	343
Rest of Europe	171	468	0	0	639	157	463	-	-	620	131	562	-	-	693
North America	9	30	0	0	39	10	31	-	-	41	10	32	-	-	42
Asia	38	80	0	0	118	16	37	-	-	53	45	93	-	-	138
Africa	0	0	0	0	0	0	0	-	-	0	-	-	-	-	0
Total	286	764	0	0	1,050	271	731	-	-	1,002	290	926	-	-	1,216

Until 2023, data collected on gender only covered women and men.

New employees by age group and region

Number/proportion, %	2024 Under 30 years old	2024 31–50 years old	2024 Over 50 years old	2023 Under 30 years old	2023 31–50 years old	2023 Over 50 years old	2022 Under 30 years old	2022 31–50 years old	2022 Over 50 years old	2021 Under 30 years old	2021 31–50 years old	2021 Over 50 years old
Nordics	76/7.2	133/12.7	42/4.0	113/11.2	134/13.4	42/4.2	133/11.0	164/13.5	42/3.5	107/11.0	125/12.8	35/3.6
Rest of Europe	225/21.4	300/28.6	117/11.1	241/24.1	277/27.6	101/10.1	257/21.1	327/26.8	114/9.5	223/22.9	256/26.3	101/10.3
North America	14/1.3	21/2.0	4/0.4	14/1.4	21/2.1	6/0.6	19/1.6	15/1.2	8/0.7	19/2.0	20/2.1	8/0.8
Asia	54/5.1	56/5.3	8/0.8	28/2.8	23/2.3	2/0.2	79/6.5	52/4.3	6/0.5	24/2.5	54/5.5	1/0.1
Africa	0/0.0	0/0.0	0/0.0	0/0.0	0/0.0	0/0.0	-	-	-	-	-	-
Total	369/35.1	510/48.6	171/16.3	396/39.5	455/45.4	151/15.1	488/40.1	558/45.9	170/14.0	373/38.3	455/46.8	145/14.9

Calculated on a full-time equivalent basis (FTE). The proportion is calculated in relation to the total number of new employees.

LIFCO

Sound business practices

A high standard of ethics and professionalism are fundamental to Lifco and essential to maintaining the Group's good reputation among customers, employees, suppliers, potential acquisition candidates and other stakeholders.

Lifco's governance is based on the Group's Code of Conduct, which is revised and adopted annually by the Board. The Code of Conduct establishes the Lifco Group's basic principles on human rights, working conditions, environmental considerations, business ethics and other matters.

Lifco has been a signatory to the UN Global Compact since 2016 and has thereby committed to actively promote the Global Compact's ten principles of sustainable development in the areas of human rights, labour, environment and anti-corruption. The principles of the UN Global Compact form the basis for the governance of Lifco and the Code of Conduct includes the international human rights framework, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, the UN Declaration on the Rights of the Child and the United Nations Convention against Corruption.

Lifco will most likely be subject to the EU Corporate Sustainability Due Diligence Directive (CSDDD) and has started preparing for the implementation of the directive.

Data is being collected from all Lifco companies and refers to 31 December unless otherwise stated.

Goals and results

The goal is for all employees to be informed about the Code of Conduct at least once a year, by e-mail, at a staff meeting and/or in an individual meeting, and this goal was achieved in 2024.

Lifco has previously had as a goal that all subsidiaries ensure that all major suppliers undertake in writing to comply with Lifco's Code of Conduct. However, Lifco companies are finding that a growing number of suppliers are unwilling to sign the codes of conduct of small or minor customers. Lifco has therefore adjusted its goal to require its subsidiaries to endeavour to ensure that all major suppliers commit in writing to comply with the Code of Conduct.

In 2024, there were no confirmed cases of corruption among the employees, no employee was involved in any legal dispute related to corruption and no losses were incurred related to corruption.

In 2024, no incidents occurred and no fines were imposed as a result of the impact of products and services on health and safety.

In 2024, no cases were identified or fines imposed as a result of non-compliance with regulations and/or voluntary industry guidelines on quality, product information or marketing.

In 2024, there were no customer complaints relating to breaches of customer confidentiality and/or loss of customer data that were confirmed by the organisation. Nor did Lifco receive any criticisms from supervisory bodies regarding the handling of personal data.

Goals for the sustainability topic sound business practices	2024	2023	2022	2021	2020
All employees to be informed about the Code of Conduct	√	√	√	√	√
Proportion of subsidiaries where all major suppliers have signed the Code of Conduct	61.3%	72.0%	72.4%	78.3%	-
No cases of corruption	√	√	√	√	√
No corruption-related legal trials involving employees	√	√	√	√	√
No losses resulting from corruption	√	√	√	√	√
No incidents resulting from the impact of a product or service on health or safety that resulted in fines or other penalties	√	√	√	√	-
No incidents arising from a lack of information about a product or service that resulted in fines or other penalties	√	√	√	√	-
No violations of marketing guidelines and rules that resulted in fines or other penalties	√	√	√	√	-
No complaints regarding breaches of customer confidentiality and/or loss of customer data confirmed by the organisation	√	√	√	√	-
No criticisms from supervisory bodies regarding personal data	√	√	√	√	-

The - sign indicates that measurement has not started.

√ = goal achieved. X = goal not achieved. √

LIFCO

Code of Conduct

The Code of Conduct applies to all Lifco employees, the Board of Directors, temporary employees and non-employees. All employees in the Lifco Group must be informed of the Code of Conduct at least once a year, by e-mail, at a staff meeting and/or in an individual meeting, and this requirement was met in 2024. The Code of Conduct is available in English, German, Italian and Swedish on Lifco's intranet and on external websites. Many of the companies also have the Code of Conduct exposed on physical or digital notice-boards.

New employees must be informed about the Code of Conduct within one month of their first day of employment and employees of companies acquired by Lifco must be informed within one month of the transfer date.

Assessing the risk of violations of the Code of Conduct in all its aspects is part of Lifco's risk process. Based on their individual risk assessments, the Lifco companies decide on the need for local training activities to clarify the content, scope and consequences of the Code of Conduct for employees and suppliers. The assessments can also lead to the Lifco company changing its processes and procedures to reduce the risks. Lifco companies may have company-specific guidelines covering matters such as business ethics. Lifco companies report breaches of the Code of Conduct and actions taken to Group management.

Suppliers

In order to deliver with high quality and effectively manage risks in the value chain, Lifco needs to collaborate with suppliers and other business partners who share the Group's views on business ethics, environmental and climate impacts, social issues and human rights. The basis for these partnerships is Lifco's Code of Conduct, which is based on the principles of the UN Global Compact and the ILO Declaration on Fundamental Principles and Rights at Work as well as other standards. Lifco's major suppliers are required to follow the Code of Conduct and are expected to make reasonable efforts to ensure that their own suppliers follow the same principles. The Code of Conduct covers matters such as working conditions and wage conditions, health, safety, human rights and business ethics.

Lifco's business model is based on the subsidiaries having a high degree of independence, which means that they formulate detailed requirements for the suppliers, including procedures, and define frameworks for supplier assessments, reviews and audits. The subsidiaries can, for example, demand that suppliers have management systems for quality, health and safety and other areas. Larger subsidiaries have central purchasing functions tasked with carrying out these assessments, reviews and audits. Suppliers are assessed on the basis of price, quality and their ability to deliver, and in the assessments account is also taken of risks related to the country or market, processes, raw materials and other factors. Risks linked to the environment, climate impact, working conditions and wage conditions, the right to collective bargaining as well as human rights and other social risks may also be considered in the assessments and be subject to follow-up reviews and audits. Reviews and monitoring are more frequent and more often take the form of site visits for significant suppliers that operate in markets or regions where the risk of bribery, violations of human rights, working conditions or wage conditions and negative environmental impacts is considered to be higher.

In case of deviations from or an identified risk of deviations from the Code of Conduct or another policy, such as the Group's environmental policy, Lifco takes immediate measures. The measures taken are determined based on an assessment of the potential significance and extent of the impact. Suppliers who deviate from the requirements may be asked to take corrective measures that will be followed up by the Lifco company after an agreed period of time. The Lifco company may also follow up or take proactive measures by conducting mandatory training activities for its suppliers and/or subcontractors. In serious cases, such as violations of human rights or serious environmental crimes, the business relationship may be terminated.

Where necessary, Lifco companies may work with organisations and industry peers to address social issues, environmental risks or other issues in the supply chain.

With regard to conflict minerals, the Code of Conduct states that suppliers are required to ensure that purchased materials in products or components delivered to Lifco do not directly or indirectly contribute to violations of human rights in conflict-affected areas and high-risk areas.

It was found that European suppliers accounted for 92.7 per cent of the mapped purchases in 2023. As these may have subcontractors on other continents, it is important for Lifco to identify the risks in the upstream value chain. For more information about Lifco's suppliers, see the section Lifco's value chain on pages 56–57.

Signatories to the Code of Conduct

Lifco has previously had as a goal that all subsidiaries ensure that all major suppliers undertake in writing to comply with Lifco's Code of Conduct. However, Lifco companies are finding that a growing number of suppliers are unwilling to sign the codes of conduct of small or minor customers. Lifco has therefore adjusted its goal to require its subsidiaries to endeavour to ensure that all major suppliers commit in writing to comply with the Code of Conduct.

In 2024, 61.3 (72.0) per cent of all Lifco companies reported that all major suppliers had signed the Code of Conduct. The decrease is partly due to the difficulty of getting larger companies to sign other companies' codes of conduct. Another reason is that it takes time for newly acquired companies to get their existing suppliers to sign up to the Code of Conduct.

Payment terms

For Lifco, good supplier relations is also about respecting local regulations, guidelines and industry practice for payment terms. Lifco has a highly diversified supplier base and payment terms therefore vary depending on geography and industry. In 2024, the average payment terms for suppliers were 29.4 days.

LIFCO

Anti-corruption

Lifco has zero tolerance for bribery, corruption, fraud, facilitation payments, money laundering or attempts at any of these. This rule is included in the Code of Conduct, which is based on the UN Global Compact's ten principles of sustainable development and the United Nations Convention against Corruption as well as other standards.

Lifco's zero tolerance stance is based on the Group's desire to operate in a business environment that is fair and efficient. Lifco is convinced that sound, high business ethics and a clear stand against corruption and money laundering help to strengthen the Group's and subsidiaries' brands and positions in the value chain.

The risk of corruption and money laundering is included as an element in Lifco's overall risk analysis. Lifco has mapped the origin of its revenue using the Global Corruption Index and established that 95.0 (95.8) per cent of the Group's revenue came from countries with a very low or low risk of corruption in 2024. Countries with a high or very high risk of corruption accounted for 0.3 (0.2) per cent of revenue.

To ensure that all employees are aware of the Group's position on business ethics, the subsidiaries are required regularly to report the extent to which this information has been passed on to employees and suppliers. See the sections Employees and Suppliers above. Lifco companies are required to maintain systems, approval procedures and processes that enable them to detect and prevent risks of bribery, corruption and money laundering.

Each company makes an assessment of whether and to what extent special training activities regarding the Code of Conduct should be carried out among its employees and suppliers. The assessment is based on factors such as country, market, history and risk classification according to international standards.

In 2024, 121 Lifco companies identified at-risk functions with a total of 910 employees in these functions. Of these, 488 people received training, representing 53.6 per cent of all at-risk own workers.

In 2024, 84 Lifco companies, or 33.2 per cent of the total number, provided training on anti-corruption and bribery to their employees. These training initiatives range from briefings at staff meetings to mandatory online training courses, the scope of which is adapted to the employees' roles and functions.

In 2024, there were no confirmed cases of corruption among the Lifco companies or their employees, no employee was involved in any legal dispute related to corruption and no losses related to corruption were incurred.

Conflicts of interest

Lifco's Code of Conduct takes a stand against conflicts of interest, which means that employees are not permitted to engage in activities or hold positions outside Lifco that conflict with the company's business interests. Such conflicts of interest can also include directorships, significant shareholdings or a family member's employment. Employees are required to consult with their immediate supervisor about any assignments or other interests that could potentially conflict with the company's business interests or create a risk of bias.

Gifts and sponsorship

Under the Code of Conduct, Lifco's employees may only offer gifts, entertainment, compensation and personal benefits to outside parties if they are of small value and consistent with existing practice and legislation. Government employees or employees of companies owned by a government agency may never be offered gifts of any kind. Lifco employees may accept gifts of small value or gifts that are not intended to unduly influence business decisions, for example as a courtesy or in accordance with local custom. If in doubt, employees must consult their immediate supervisor or the Managing Director of their company.

Lifco companies are responsible for ensuring that any sponsorships, contributions to charities and similar arrangements are not to be regarded as disguised bribes. Lifco does not tolerate cartels or other anti-competitive behaviour.

Breakdown of Lifco's net sales based on the Global Corruption Index

	2024		2023		2022		2021	
	SEKm	Share	SEKm	Share	SEKm	Share	SEKm	Share
Very low	18,918	72.4%	17,976	73.5%	15,195	70.5%	12,133	69.4%
Low	5,906	22.6%	5,441	22.2%	5,077	23.6%	4,151	23.7%
Average	1,222	4.7%	991	4.1%	1,149	5.3%	1,156	6.6%
High	88	0.3%	44	0.2%	130	0.6%	32	0.2%
Very high	3	0.0%	2	0.0%	1	0.0%	0.8	0.0
Total	**26,137**	**100.0%**	**24,454**	**100.0%**	**21,551**	**100.0%**	**17,480**	**100.0%**

The Global Corruption Index is produced by Global Risk Profile. In 2023, the list of countries classified as high-risk included the following: Bosnia and Herzegovina, Bangladesh, Belarus, Iraq, Iran, Pakistan, Uganda and several African countries. The classification of countries is the same as in 2023 as Global Risk Profile has not updated the classification. Share refers to share of consolidated net sales.

LIFCO

Tax policy

Lifco's tax policy has been adopted by the Board of Directors and is revised annually. Under the tax policy, Lifco and its subsidiaries pay tax in the countries where value is generated in accordance with local tax laws and regulations. For Lifco, compliance with tax regulations is about good commercial practice and a desire to contribute to society in the countries where the Group operates.

Lifco does not engage in aggressive or artificial transactions whose sole or main purpose is to create a tax advantage. If there is more than one way to structure a transaction, the Group reserves the right to optimise its tax situation by choosing the option that achieves the company's commercial objectives with the lowest tax expense.

Lifco's tax returns must be submitted on time and comply with relevant tax laws and regulations. Any material errors or omissions that are discovered in tax returns must immediately be reported to the relevant tax authorities. Taxes must be paid when due. Tax inquiries and audits by the authorities must be answered openly and honestly and in a timely manner. All Group companies must have an updated transfer pricing policy that follows OECD guidelines. Lifco's tax cost is reviewed by the external auditors every year.

Current tax expense by country

SEK '000	2024	2023	2022
Australia	24,559	28,187	29,899
Belgium	3,910	6,909	3,572
Denmark	46,118	65,843	52,977
Estonia	50,816	321	26,060
Philippines	51	994	500
Finland	9,066	8,619	8,718
France	14,645	11,809	8,824
Italy	261,101	239,830	199,961
Canada	1,011	495	4,686
China	1,249	3,088	9,877
Croatia	1,178	1,090	1,100
Latvia	286	264	404
Lithuania	57	195	149
Netherlands	27,815	27,337	18,223
Norway	142,373	133,267	118,661
New Zealand	3,587	4,917	5,110
Poland	672	703	365
Switzerland	2,089	2,718	4,249
Singapore	8,041	7,718	6,141
Slovakia	34	-	-
Slovenia	2,046	1,894	1,967
Spain	434	494	638
United Kingdom	205,066	152,647	66,773
Sweden	262,947	205,447	266,736
South Africa	52	-	-
Czech Republic	6,563	6,229	5,871
Germany	282,821	290,849	231,718
Hungary	414	550	434
USA	28,706	39,373	38,939
Austria	2,892	2,456	3,849
Total	**1,390,770**	**1,244,243**	**1,116,398**

Local communities

For Lifco and its subsidiaries, it is important to be involved in and contribute to the communities where the Group operates. A key factor behind Lifco's often strong local ties is the Group's business model, under which Lifco does not seek synergies between its companies. Lifco, for example, has never relocated a business. For Lifco, it is also important to contribute to the local communities where it operates by paying taxes where value is generated. Lifco is convinced that by being good citizens Lifco companies strengthen their brands in the eyes of customers, suppliers and employees.

Some Lifco companies are members of national or local trade and interest organisations but do not have significant influence because no company, for example, has a seat on the board.

Product quality

Satisfied and loyal customers are fundamental to the Lifco companies' ability to create sustainable earnings growth. Under the Code of Conduct, Lifco companies are required to provide customers with correct product information and only make promises about products and services that the company can live up to. The products must be of consistently high value, quality and reliability. Product safety is of the utmost importance and Lifco's products and services must comply with relevant rules and regulations in this regard. As part of their commitment, Lifco companies are required to ensure that their customers receive information and are offered training regarding the handling of the products and safety procedures.

Lifco's commitment and dedication to customer satisfaction also includes providing high-quality after-sales service as well as prompt and efficient handling of customer concerns. Through close dialogue with customers and customer surveys, Lifco companies gain insights into customer satisfaction, strong points in their offering and weaknesses in the relationship that need to be addressed. Responsibility for the surveys normally rests with the Lifco companies' sales and marketing organisations, which decide on any measures to be taken in consultation with other management functions.

In 2024, no incidents occurred and no fines were imposed as a result of the impact of products and services on health and safety.

In 2024, no cases were identified or fines imposed as a result of non-compliance with regulations and/or voluntary industry guidelines on quality, product information or marketing.

LIFCO

Customer privacy and data security

A high level of IT security, including protection of personal data, is business-critical and is therefore a focus area for the Lifco companies. For Lifco, customer privacy and data security are fundamental to responsible business.

Lifco's IT policy governs the Group's IT security and processing of personal data. Under the policy, Lifco companies are required to ensure that relevant and up-to-date data protection systems are implemented. Lifco companies must have adequate back-up functions in place and verify this on a quarterly basis. Lifco companies must have systems in place to manage IT security issues as well as the ability to monitor and react to data breaches and cyber attacks. Lifco's risk process includes regular assessments of IT security and the risk of cyber attacks. Lifco companies make independent decisions regarding the need for regular security audits of the company's systems, products and methods linked to user data. Lifco companies are required to ensure that all employees have received relevant and up-to-date training in cyber security issues and data management.

Lifco only collects personal data in accordance with statutory processes and with the express consent of the data subject when required. The data collected is limited to the stated purpose. The transfer of data to third parties must be subject to clear terms regarding collection, use, sharing and storage. Third parties must undertake to follow the Group's policy regarding data security and data management. In the event of loss of customer data or changed policies regarding data management, the registered data subjects must be informed.

In 2024, there were no customer complaints relating to breaches of customer confidentiality and/or loss of customer data that were confirmed by the organisation. Nor did Lifco receive any criticisms from supervisory bodies regarding the handling of personal data.

Whistleblowing channel

Lifco's whistleblowing channel is available through the lifco.se website to all stakeholders, including employees, customers, suppliers, subcontractors and representatives of local communities. Employees, suppliers and subcontractors are informed about the whistleblowing channel in the Code of Conduct as well as in other materials. The whistleblowing channel is an early warning system designed to reduce risks and enable all parties to report suspected cases of serious misconduct.

The whistleblowing channel can be used to report concerns about something that is not in line with Lifco's values and ethical principles and that could seriously affect the organisation or pose a threat to the life or health of an individual. Whistleblowers who would like their report to be handled directly by a certain subsidiary in the Lifco Group can contact the managing director of the local subsidiary by e-mail or telephone or by arranging a personal meeting.

The channel is managed by an independent external party, WhistleB, Whistleblowing Centre, https://whistleb.com. The communication channel is encrypted and password-protected. All messages are treated confidentially and the whistleblower remains anonymous in the dialogue with the organisation's whistleblowing team. To guarantee anonymity, WhistleB does not save IP addresses or other metadata. A report is followed up with a follow-up question or answer within a maximum of seven days. The whistleblowing channel is available in Swedish, English, German and Italian. All cases have been reported to the Group CEO and Board as regards the nature of the case and the measures taken.

The investigation process

Incoming messages are forwarded only to designated individuals who are authorised to handle whistleblower cases. These individuals are the Group's CEO and the head of the Systems Solutions business area. All actions are logged and cases are handled confidentially. If necessary, experts may be called in to assist in the investigation process. Persons authorised to handle cases and any experts engaged may access relevant information and are bound by confidentiality. If an individual raises a concern directly with a supervisor or manager or by personally contacting the whistleblowing team, the message is inserted into the communication channel and dealt with in accordance with these guidelines.

No one from the whistleblowing team, or anyone involved in the investigation process, will attempt to identify the whistleblower. If necessary, the whistleblowing team may ask follow-up questions through the anonymous communication channel. A message will not be investigated by anyone who may be involved in or connected to the suspicion.

The whistleblowing team decides whether and how a whistleblower report should be escalated. Whistleblower messages are handled confidentially by the parties involved.

Message protection for non-anonymous whistleblowers

A person who raises a genuine suspicion or concern under the whistleblowing channel guidelines will not risk losing their job or suffer any form of sanction or personal disadvantage as a result. It does not matter if the whistleblower is wrong, provided that they are acting in good faith.

Subject to considerations of the privacy of those against whom allegations have been made, and other matters of confidentiality, a non-anonymous whistleblower will be kept informed of the outcome of the investigation. In cases of alleged crimes, the whistleblower will be informed that their identity may need to be disclosed during legal proceedings.

Protection of, and information to, a person named in a whistleblower notification

The rights of the individuals named in a whistleblower report are governed by relevant data protection laws. Those affected will have the right to access data concerning themselves and, if the information proves to be incorrect, incomplete or out of date, the right to demand changes to or erasure of data. These rights may be subordinated to mandatory protective measures that are necessary to prevent the destruction of evidence or other obstacles to the processing and investigation of the case.

Erasure of data

Personal data included in a message and investigation documentation is erased on completion of the investigation, with the exception of personal data that must be maintained in accordance with other applicable laws. Data is erased 30 days after completion of the investigation. Investigative documentation and whistleblower messages that are archived should be anonymised and should not include personal data by which individuals may be directly or indirectly identified.

Reports received in 2024

In 2024, eleven reports were submitted through the whistleblowing channel, of which five and three related to the same case. Of the five cases, four were investigated and closed without action. One case is still under investigation.

Cases through the whistleblowing channel

	2024	2023	2022	2021	2020
Reports received					
	11	6	7	10	2
Cases handled					
	4	5	5	4	2
Ongoing cases					
	1				

LIFCO

Lifco's contribution to the UN Sustainable Development Goals

The value Lifco creates and its operations are linked to the UN Sustainable Development Goals.
Lifco most clearly contributes to seven of the 17 UN Sustainable Development Goals.

3 GOD HÄLSA OCH VÄLBEFINNANDE

5 JÄMSTÄLLDHET

7 HÅLLBAR ENERGI FÖR ALLA

8 ANSTÄNDIGA ARBETSVILLKOR OCH EKONOMISK TILLVÄXT

Goal 3 Good health and well-being

According to the UN, good health is fundamental to people's ability to achieve their full potential and contribute to the development of society. Investments in health through preventive measures and modern and effective care for all benefit the general development of society and create conditions for ensuring people's fundamental right to well-being.

Lifco contributes mainly to Goal 3 through its dental business, which promotes modern and effective dental care and dental health, thus improving human well-being. The dental business also includes medical technology companies. Within Lifco's contract manufacturing division, which is part of the Systems Solutions business area, there are companies that produce medical equipment.

Goal 5 Gender equality

According to the UN, equality between women and men is a necessary foundation for a peaceful and sustainable world. Gender equality is about a fair distribution of power, influence and resources.

Lifco contributes to Target 5.5 Ensure women's full participation in leadership at all levels of decision-making by working to increase the proportion of female employees and the proportion of female wage-setting managers in the Group.

Target 5.5	Ensure women's full participation in leadership and decision-making
Lifco's target:	Increase the percentage of female wage-setting managers every year

Goal 7 Affordable and clean energy

Goal 7 aims to change the way we produce and consume energy to ensure access to electricity and energy services for all without harming our planet. Lifco contributes directly to Target 7.2 through its goal of an increased share of renewable energy and increased energy efficiency.

Lifco also contributes to Goal 7 through its range of products and services that help customers increase their energy efficiency and reduce their carbon footprint. This applies to many of the subsidiaries in all three business areas.

The use of resource- and energy-intensive inputs in some parts of the Group has a negative impact on Goal 7.

Target 7.2	Increase global percentage of renewable energy
Target 7.3	Double the improvement in energy efficiency
Lifco's target:	Reduce energy consumption per SEK of profit every year
	Increase the share of renewable energy every year

Goal 8 Decent work and economic growth

Decent working conditions promote sustainable economic growth and are a positive force for the planet as a whole. Goal 8 aims to protect workers' rights and stop modern slavery, human trafficking and child labour. By creating good conditions for innovation and entrepreneurship and ensuring decent working conditions for all, Lifco promotes sustainable economic growth that includes the whole of society.

Lifco contributes to Target 8.8 Protect labour rights and promote safe and secure work environments for all through its activities in its priority sustainability topic employees. The Group also works to ensure decent working conditions and safe workplaces at its suppliers. Lifco does not tolerate forced labour, modern slavery, human trafficking or child labour in any part of its value chain.

Lifco's business concept is to acquire and develop market-leading niche businesses with the potential to deliver sustainable earnings growth and robust cash flows. A strong part of Lifco's culture is its decentralised organisation where decisions are made in the subsidiaries. This ensures that the subsidiaries

LIFCO

retain their entrepreneurial spirit and innovative power. Lifco does not acquire companies to realise synergies and has never relocated a company. This ensures that the acquired companies continue to contribute to the local economy and to create safe and secure jobs in the local community.

The Group has a large number of subsidiaries that contribute to Goal 8 by offering products that improve health and safety in the workplace. Some examples are Brokk, whose demolition robots help to reduce employment injuries, Cleveland Cascades, which reduces the presence of dust during loading, Cramaro Tarpaulin, whose systems reduce risks associated with lorry transport, ErgoPack, which prevents stress injuries during pallet packing, and Silvent, whose products improve the work environment for those working with compressed air equipment.

Target 8.8	Protect labour rights and promote safe and secure working environments for all
Lifco's target:	Reduce employee turnover every year Every year, reduce the number of workplace accidents per employee resulting in more than three days of absence

Goal 9 Industry, innovation and infrastructure

According to the UN, innovation and technological progress are the key to finding sustainable solutions to economic as well as environmental challenges. It also helps to create new markets and jobs that can contribute to efficient and equitable use of resources. By investing in and developing sustainable industries, environmentally friendly technology and innovation, Lifco is helping to promote sustainable development. In Lifco, efforts are constantly being made to make the operations more sustainable through more efficient use of resources and new, environmentally friendly techniques and industrial processes.

Target 9.4	Upgrade all industries and infrastructures for sustainability

Goal 13 Climate action

The UN states that education, innovation and compliance with our climate commitments can enable us to implement the necessary changes to protect the planet. A priority sustainability topic for Lifco is to reduce its climate impact and thus contribute to Target 13.2 Integrate climate change measures into policies and planning and Target 13.3 Build knowledge and capacity to meet climate change.

The Group also has subsidiaries that have identified climate impact as a business opportunity by offering products and solutions that reduce their customers' carbon footprint. Examples of this include Cormidi, which manufactures electric mini dumpers, NorDesign, which supplies LED lighting, and Green Instruments, which develops and manufactures systems for measuring and monitoring emissions from marine vessels.

Target 13.2	Integrate climate change measures into policies and planning
Target 13.3	Build knowledge and capacity to meet climate change
Lifco's target:	Reduce Scope 1 and 2 emissions per SEK of profit every year

Goal 16 Peace, justice and strong institutions

According to the UN, the key to peaceful, inclusive and sustainable societies is to strengthen the rule of law and promote human rights. A fundamental value for Lifco is that everyone should be treated equally and fairly and that no one should be discriminated against. Lifco has zero tolerance for corruption and bribery. The Group also strives for larger suppliers to sign Lifco's Code of Conduct. Lifco thereby contributes to Target 16.5 Substantially reduce corruption and bribery.

By taking a broad approach, working internally and through its suppliers, to eliminate corruption and ensure that everyone is treated equally, Lifco contributes to Target 16.6 Develop effective, accountable and transparent institutions.

Target 16.5	Substantially reduce corruption and bribery
Target 16.6	Develop effective, accountable and transparent institutions
Lifco's target:	All employees to be informed about the Code of Conduct each year Increase the percentage of subsidiaries where major suppliers have committed to following the Code of Conduct every year No cases of corruption

LIFCO

Share of sustainability-related sales

Lifco calculates that sustainability-related products and services account for 49.5 per cent of the Group's sales.

Lifco has defined sustainability-related products and services as those for which work environment improvements, positive environmental effects or energy efficiency and reduced energy consumption, for example, are clear competitive advantages or where the products are part of circular business models. In the calculation, Lifco has included the Dental business, demolition robots, the Environmental Technology division, businesses in the Contract Manufacturing division that are engaged in the production of medical technology as well as Cramaro Tarpaulin in the Transportation division. Companies whose sales can only be partially related to products with sustainability as a competitive advantage have not been included. Examples of companies not included in the calculation are Kinshofer, which specialises in excavator equipment used in the recycling industry, and Cormidi, whose business includes electrically powered mini dumpers. Lifco therefore considers that the share of sales from sustainability-related products and services is higher than the reported figure.

Lifco's operations which directly contribute to UN Sustainability Development Goal 3 Good Health and Well-being account for 28.4 per cent of consolidated net sales. The business is the entire Dental business area and the companies in the Contract Manufacturing division that produce medical technology products.

49.5% of sales come from sustainability-related products and services

28.4% of sales contribute to UN Sustainability Development Goal 3

The UN Sustainability Development Goals to which Lifco's acquisitions in 2024 materially contribute

Goal 3 Good health and well-being

Company	Operations	Country
Polydentia	Manufactures dental consumables	Switzerland
Pro-Dental	Dental laboratory	Denmark

Share of all acquired companies' total net sales 3.9%

Target 7.2 Increase global percentage of renewable energy

Company	Operations	Country
Ivium Technologies	Develops and sells high-performance electrochemical measurement equipment, mainly for research and development of batteries, solar cells and fuel cells	Netherlands

Share of all acquired companies' total net sales 3.0%

Target 8.8 Protect labour rights and promote safe and secure working environments for all

Company	Operations	Country
Ascot Signs	Designs, manufactures and installs bespoke signage and branding solutions.	Northern Ireland
Brevetti Montolit	Manufactures high-end professional tile cutting tools and accessories	Italy
Cardel Group	Supplies lamination plates for products with high quality requirements, such as ID, bank and SIM cards	United Kingdom
CFR	Manufactures electric drive systems for industrial applications	Italy
Eurosteel	Manufactures attachments and tools for excavators, wheel loaders and other construction machinery	Netherlands
Expand Media	Designs and manufactures portable event display and print solutions	Sweden
GMT Equipment	Manufactures grapple saws for tree cutting and tree removal	Netherlands
Kögel Filter	Specialises in process filtration and manufactures filters for the chemical and pharmaceutical industries	Germany
MCV	Manufactures chains and links for conveyors and transmissions	Italy

Share of all acquired companies' total net sales 90.6%

LIFCO

Lifco's value chain

Recycling

🚚 *Transport*   ⚡ *Energy consumption*

Raw materials
– Metals
– Crude oil
– Forest

Processing
– Smelters
– Cracking
– Pulp mills

Machining
– Machine shops
– Plastic industries
– Board mills

LIFCO
– Assembly, machining and manufacture
– Warehousing and distribution
– Sales and marketing
– Service and after-market services

Customers
– Retailers
– Industrial companies
– Dental clinics

End users
– Workers in industrial companies
– Dentists and patients
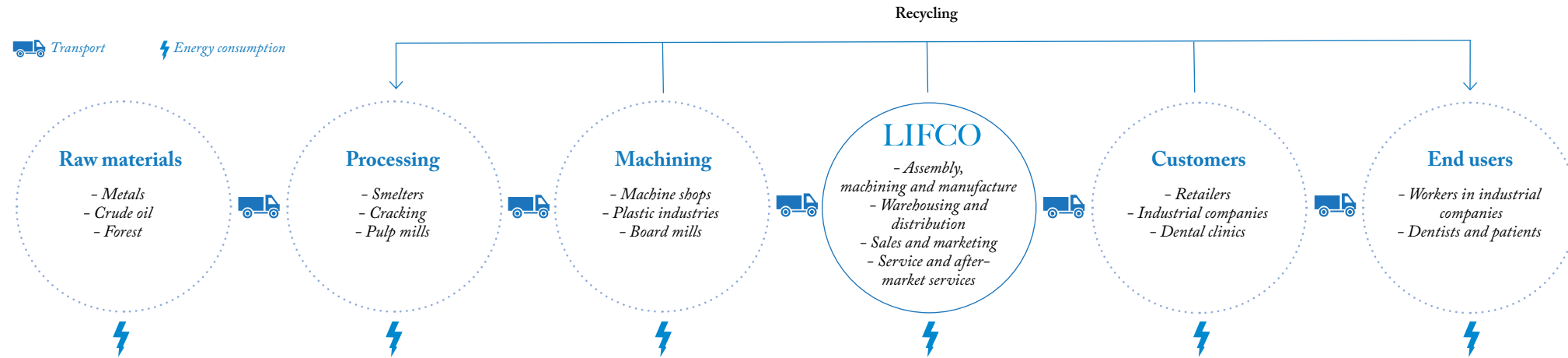
Lifco's operations

Most of the products that Lifco sells are tools, instruments, machines and attachments used by other industrial companies in their operations, as well as consumables and equipment used by dental clinics. A hallmark of Lifco's subsidiaries is a high degree of specialisation as well as high product quality and service levels, which requires good work environments and working conditions. The Demolition & Tools and Systems Solutions business areas, which together account for 76 per cent of consolidated net sales, mainly assemble purchased components into finished end products. In the Dental business area, distribution accounts for 55 per cent of revenue, manufacturing 25 per cent, dental technology 16 per cent and sales of software to dental clinics 4 per cent.

Assembly, machining and manufacture

Of Lifco's 257 operating subsidiaries, 95 are assembly, machining and/or manufacturing companies. The Lifco Group includes one manufacturing units with more than 200 employees: the dental company Si Zhou Lab in China with 291 employees. Of Lifco's total number of employees, 86 per cent work in Europe, 10 per cent in Asia and 4 per cent in North America.

Warehousing and distribution

The Lifco companies use a wide variety of distribution methods. They use external carriers and do not own their own transport for distribution. In Dental, the Lifco companies deliver directly to dental clinics in Europe, in most cases by road transport. In Demolition & Tools, excavator attachments are delivered to resellers who mount the tools on new machines or sell them directly to the owners of existing machines. In Systems Solutions, a variety of distribution methods are used ranging from direct sales to deliveries to retailers. In Demolition & Tools as well as in Systems Solutions, the majority of goods are transported by lorry.

Lifco has a strong focus on capital employed and strives to minimise inventory. In Dental, certain subsidiaries collaborate on inventory management by sharing warehouses in Denmark, Sweden and Germany. In Demolition & Tools, excavator attachments are delivered to resellers while demolition robots are generally manufactured to order and delivered directly to the customer. In Systems Solutions, most of the subsidiaries have their own warehouses.

Sales and marketing

The Lifco companies only sell to B2B customers using a variety of sales channels. Sales are made through direct sales where contacts are made at trade fairs and industry events, through advertising mainly in online media, at meetings and by telephone. An increasing share of sales is made online through e-commerce stores.

Service and after-market services

The Lifco companies strive to maintain a high level of customer service throughout the product life cycle. A high level of service, even after the purchase has been completed, strengthens customer relationships and the buying experience. Some subsidiaries have service fleets for repairs and maintenance. Activities such as training of customers and sales of spare parts are important parts of the after-market where the subsidiaries strengthen customer relationships and make additional sales.

Typical support functions in the subsidiaries

Most Lifco companies are small companies with an average of 30 employees. Decision-making paths are therefore short while support functions normally found in large companies, such as HR or procurement, do not exist. As Lifco's subsidiaries vary in size and operate with a high degree of independence, the companies themselves choose how to organise their support functions and support systems.

Downstream in the value chain

Customers

The largest customer groups are dental clinics and industrial companies in the engineering, infrastructure, building and construction industries in Europe. The industrial companies are direct customers of Lifco or buy through distributors. The customers are B2B businesses, many of which profile themselves through high quality and good work environments. They are therefore usually willing to pay a premium to get access to the Lifco companies' products. There is a strong trend towards a growing awareness of sustainability issues among the customers, who are increasingly demanding that Lifco's subsidiaries offer environmentally and climate-friendly products and that they guarantee a value chain with low risks in areas such as health and safety, human rights and corruption.

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End users

Employees of industrial companies demand user-friendly, ergonomic and safe products. Dentists are looking for ergonomic products of good quality and fast deliveries. Employees of industrial companies as well as dentists and patients are increasingly demanding products that have been produced in an environmentally and climate-friendly manner and in a value chain where human rights are not violated.

Upstream in the value chain

Purchases of processed goods

Given the spread and extent of Lifco's operations, which comprise 257 independent niche subsidiaries, the Group has a large number of suppliers. Lifco buys the majority of its inputs from suppliers in Europe. The summary of purchases refers to 2023 and includes 82 companies with more than 25 employees. These companies reported purchases per country exceeding EUR 500,000 in 2023. Purchases from Asia, i.e. Hong Kong, Japan and China, accounted for 6.1 per cent of the total purchase cost. The remainder, 92.7 per cent, refers to purchases from Europe and 1.2 per cent to purchases from the US. There were no major changes in the supplier base in 2024.

The main suppliers are industrial companies that process various types of materials into components and finished products demanded by the Lifco companies. There may be several stages of processing before the components or products are delivered to Lifco. In Dental, the majority of purchases are finished medical consumables and products. In Demolition & Tools and Systems Solutions, most of the purchases refer to components which the subsidiaries assemble into finished products. The materials used in the components and products are mainly various metals and plastics. Cardboard packaging is also an important purchased good.

The choice of supplier is generally governed by quality requirements, delivery capacity and price, and for larger suppliers also by the supplier's ability

to comply with Lifco's Code of Conduct. The companies' relationships with their main suppliers are often of a long-term nature, involving close collaboration on product development, performance, delivery reliability and other areas.

Processing and raw materials

The components and products that Lifco buys are made from alloys or metals such as steel and aluminium as well as plastic products made from crude oil. The raw materials have been processed in smelters and cracking plants. The cardboard material comes from trees that have been processed in pulp mills. Upstream and downstream in the value chain, there are systems and processes for recycling raw materials used by Lifco. In view of the large number of subsidiaries in Lifco and the wide variety of activities, it is difficult for the Group to present with reasonable effort a detailed total picture of resource use and where the raw materials come from.

Transport and energy consumption in the value chain

At all stages of the value chain, transport, energy consumption and labour are included as key resources.

Lifco's position in the value chain

Lifco has policies to minimise the consequences, risks and opportunities upstream and downstream in the value chain. The individual Lifco companies are required to ensure that the policies are adhered to upstream and downstream in the value chain and to take measures and, where necessary, terminate the business relationship in the event of a breach of Lifco's policies.

Net sales by geographical area

- Germany — 16%
- United Kingdom
- North America — 10%
- Sweden — 9%
- Norway — 8%
- Italy
- Rest of Europe — 30%
- Asia and Australia
- Rest of world
- 1%, 8%, 12%, 6%
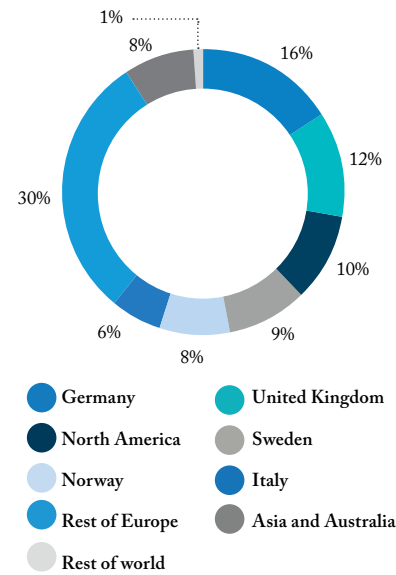
Ten largest purchasing countries

- Germany — 30%
- China
- Italy — 18%
- Denmark
- Sweden — 14%
- Netherlands
- Finland — 8%
- Liechtenstein
- United Kingdom — 7%
- Switzerland
- 3%, 3%, 4%, 6%, 7%
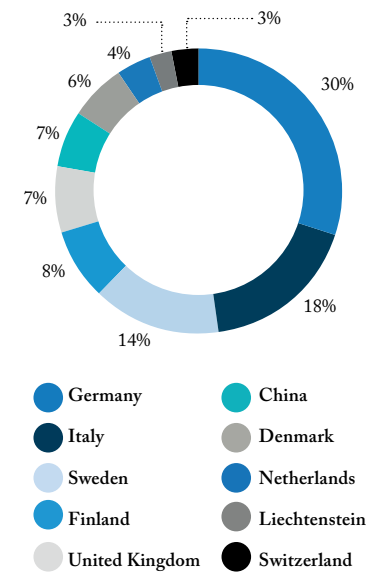
Employees by geographic area

Average full-time equivalents	2024	2023
Nordics	2,325	2,260
Rest of Europe	3,820	3,545
North America	269	229
Asia and Australia	699	717
Rest of world	2	2
Total	**7,115**	**6,753**

LIFCO

Double materiality assessment

In 2024, Lifco carried out a double materiality assessment in accordance with the ESRS (European Sustainability Reporting Standards). Lifco's dialogues and consultations with stakeholders are described in the section Stakeholder dialogues. Information from these dialogues is collected through monthly reports from the Lifco companies and feedback from heads of division and the chairmen of the subsidiaries. Dialogues with existing and potential investors and lenders are conducted at a central level in Lifco by the CEO and Head of Sustainability. The Group engaged the support of external consultants to conduct the assessment.

The materiality assessment was carried out at Group level and is used to evaluate Lifco's overall risk profile and risk management process. In the materiality assessment, the impacts, risks and opportunities arising from the Lifco companies' operations and their business relationships upstream and downstream in the value chain are taken into account. In the assessment, assumptions are made about impacts, risks and opportunities upstream in the value chain based on the largest product groups of purchased goods and where there may be an elevated risk of negative impacts and financial impacts. These product groups are raw materials such as steel and plastics, and energy consumption. Assumptions are also made about impacts, risks and opportunities downstream in the value chain based on the largest groups of sold products and the customers' geographical presence. The largest product groups are dental products, demolition robots and excavator attachments. Over 80 per cent of net sales comes from customers in Europe.

In the assessment, consideration was given to connections of its impacts and dependencies with the risks and opportunities that may arise from them, such as the use of fossil fuels leading to impacts in the form of increased GHG emissions and risks such as higher (indirect) emissions charges and opportunities through increased demand for

energy-efficient utilities.

Results of the assessment

According to the assessment, the following topics are material for Lifco: climate change, own workforce and business conduct. This is consistent with previous priority sustainability topics.

Climate change

Lifco's impacts and risks arise in its own operations and upstream and downstream in the value chain through the use of fossil fuels in production processes, heating of premises and transport as well as other areas. Opportunities arise downstream through increased demand for energy-efficient and electrically powered products.

Own workforce

Lifco has a positive impact through its business model, a key element of which is motivated employees, which can only be assured through good working conditions. The Group has a negative impact in the form of the occurrence of work-related accidents. Lifco has a low proportion of female employees and managers, which has a negative impact. Lifco considers the likelihood of a breach of the Code of Conduct in relation to child or forced labour to be very low, but if such a breach were to occur this would have a significant financial impact on the Group and lead to a complete loss of confidence from key stakeholders.

Business conduct

Lifco has a positive impact through its successful corporate culture and good supplier relationships. Lifco considers the likelihood of a breach of the Code of Conduct regarding corruption as very low, but if such a breach were to occur this would have a significant financial impact on the Group and lead to a complete loss of confidence from key stakeholders.

LEAB Group specialises in electronics manufacturing for customers with high demands on quality and the environment. LEAB Group has its headquarters in Lövånger, northern Sweden, and has been part of Lifco since the group was established in 2006.

LIFCO

Material topics

Topical ESRS	Topic	Sub-topic	Sub-sub-topic	Impact materiality	Financial materiality
ESRS E1	Climate change	Climate change adaptation		-	Risk
		Climate change mitigation		Actual, negative	Risk, opportunity
		Energy		Actual, negative	Risk, opportunity
ESRS S1	Own workforce	Working conditions	Secure employment	Actual, positive	-
			Working time	Actual, positive	-
			Adequate wages	Actual, positive	-
			Social dialogue	Actual, positive	-
			Freedom of association, the existence of works councils and the information, consultation and participation rights of workers	Actual, positive	-
			Collective bargaining, including rate of workers covered by collective agreements	Actual, positive	-
			Work-life balance	Potential, negative	-
			Health and safety	Actual, negative	-
		Equal treatment and opportunities for all	Gender equality	Actual, negative	-
			Equal pay for work of equal value	Actual, positive	-
			Training and skills development	Actual, positive	-
			Measures against violence and harassment in the work-place	Actual, positive	-
			Diversity	Actual, positive	-
		Other work-related rights	Child labour	-	Risk
			Forced labour	-	Risk
ESRS G1	Business conduct	Corporate culture		Actual, positive	Opportunity
		Protection of whistle-blowers		-	Risk
		Management of relationships with suppliers, including payment practices		Actual, positive	-
		Corruption and bribery	Prevention and detection of corruption and bribery	Potential, negative	Risk
			Incidents	Potential, negative	Risk

The - sign indicates that the topic is not material in terms of impacts, risk or opportunity

LIFCO

Stakeholder dialogues

Lifco engages in a large number of dialogues with stakeholders on a daily basis. These dialogues form part of the analysis where Lifco assesses which sustainability matters are most important for the Group to focus on, report and monitor. In the following, a description is given of the stakeholders that are considered to have the greatest impact on the business, in which contexts dialogues are held, which topics the stakeholders prioritised in 2024 and how Lifco manages these topics. An important feature of the dialogues is feedback on matters raised in previous discussions and how Lifco has handled the topics.

Stakeholder	Dialogue context and purpose of dialogue	Priority sustainability matters	Management
Customers	Business meetings and customer surveys. Seminars, courses. Customer events and trade fairs. Customer service calls. Procurements, contract negotiations. *The purpose is to create good long-term customer relationships and continued or new business opportunities.*	Climate-related topics such as GHG emissions. Energy efficiency of products. Product quality, product life and life cycle management. Health and safety improvements for the customer that the products can contribute to. Logistics issues.	Lifco's efforts to combat climate change are described on pages 25–31. Lifco's efforts to help improve its customers' product quality, energy efficiency and work environment is described on pages 26–27, 31, 49 and 51.
Employees	Performance reviews and employee surveys. Workplace meetings. Internal training. Intranet. Liaison with trade union representatives. *The purpose is to promote employee motivation, create safe workplaces and build strong employer brands.*	Safe and secure workplaces. Fair wages and benefits. Equal opportunities for all. Development opportunities. Work-life balance.	Lifco's efforts to promote employee motivation and create safe and healthy workplaces are described on pages 34–44.
Heads of subsidiaries	Monthly reports. Dialogues on projects, investment decisions, negotiations, etc. Board meetings in subsidiaries. Annual meeting with the heads of subsidiaries. *The purpose is to create value-creating businesses with motivated employees, safe workplaces and good customer and supplier relations.*	Supplier partnerships and supplier reviews, especially in countries with a high risk of corruption and non-compliance with health and safety requirements. Energy efficiency, reduced energy consumption.	Lifco's governance in the sustainability topic is described on pages 61–63. Lifco's supply chain activities are described on page 49.
Shareholders, investors, analysts, sustainability analysts and lenders	Meetings with investors, analysts and lenders, arranged by banks or individual investors and analysts. Presentations at investor meetings. *The purpose is to create the conditions for continued financing and value creation.*	Lifco's climate impact. Lifco's sustainability management, reported performance measures and indicators as well as targets and monitoring in the area of sustainability. Demand for more reported performance measures and indicators as well as targets and qualitative descriptions of sustainability activities.	Lifco's climate impact is described on pages 25–31. New data items in the 2024 Sustainability Report are described on page 77.
Suppliers	Business calls and suppliers' customer surveys. Procurements, contract negotiations. Seminars, courses. *The purpose is to create the conditions for on-time high-quality deliveries and a high awareness of sustainability matters.*	Climate-related topics such as GHG emissions. Logistics issues. Code of Conduct. Suppliers' control over the value chain. Monitoring of compliance with the Code of Conduct, especially in countries with a high risk of corruption and non-compliance with health and safety requirements.	Lifco's efforts to combat climate change are described on pages 25–31. Lifco's activities in implementing and monitoring its Code of Conduct in the supply chain is described on page 49.
Local communities where our subsidiaries operate	Discussions and meetings with authorities and local representatives. Permit applications and follow-up. Employee volunteering. *The purpose is to build strong employer brands and be a valued employer.*	Business model and sustainability governance The subsidiaries' employer brands. Working environment.	Lifco's business model and sustainability governance are described on pages 7 and 61–63. Lifco's efforts to promote employee motivation and create safe and healthy workplaces are described on pages 34–44. Lifco's tax policy is described on page 51.

LIFCO

Sustainability governance

Environment and climate as well as social and ethical sustainability aspects are integrated into Lifco's overall strategy and business model.

Lifco is a listed Swedish company whose governance is based on the Swedish Companies Act, the company's Articles of Association, Nasdaq Stockholm's rules for issuers and the Swedish Corporate Governance Code as well as other regulations. The Board, its composition, organisation, work, external audit and other governance-related aspects are described in the Corporate Governance Report on pages 78–86. The ethics and investment committees review and prepare Lifco's acquisitions before they are proposed to the Board. Lifco's acquisition process including its sustainability assessment is described on pages 9–10.

Lifco's governance is based on the Group's values as well as the principles of the UN Global Compact, the international human rights framework, the ILO Declaration on Fundamental Principles and Rights at Work, the UN Declaration on the Rights of the Child, the United Nations Convention against Corruption and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

Ultimate responsibility for the Group's strategy, including its sustainability management covering financial performance, environment, climate, social and ethical aspects, rests with the Board of Directors and CEO. The Board adopts central Group policies and targets in the area of sustainability. The CEO is responsible for conducting, monitoring and continuously reporting the Group's sustainability management, including related risks and opportunities, to the Board. The CEO leads an internal working group that monitors, follows up and evaluates sustainability matters in the Group. The working group includes the Group's sustainability officers and people in the finance function tasked with collecting and verifying sustainability data. The Group's sustainability officers report to the CEO.

Lifco's business model is based on a decentralised organisation where the subsidiaries have a high degree of independence. The managing director of each company is responsible for ensuring that the operations are conducted in accordance with the Group's policies and for assessing and managing sustainability-related risks and opportunities. The operations of the Parent Company and subsidiaries, including their sustainability management, are controlled through internal reporting and monitoring. Lifco companies report monthly, quarterly or annual sustainability data, including compliance with the policies, to the Group's CEO and business area heads, who in turn report this to the Group's Board of Directors. As part of the business planning process, the subsidiaries conduct an annual risk analysis that includes sustainability-related risks and opportunities. Business plans and risk analyses are reported to the division managers, who in turn report to the Group's CEO and the Head of Systems Solutions business area. The CEO reports the consolidated results to the Group's Board of Directors.
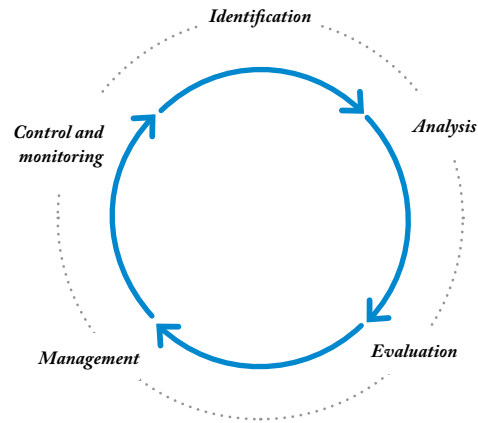
Lifco's risk process focuses on preventive measures. Lifco companies are required to identify, analyse and take measures to minimise risks in the business or be able to create business benefits from new opportunities. If risks or incidents occur that could lead to environmental damage, injuries to employees or violations of human rights or put at risk Lifco's high standard of business ethics, immediate measures must be taken and the situation must be analysed, controlled, reported to Group management and followed up to ensure that the risk is minimised or completely eliminated. Climate-related risks, for example physical risks for operating units or suppliers as well as market risks linked to the subsidiary's products, are included in the risk process if the subsidiary considers it relevant.

Lifco's governance model
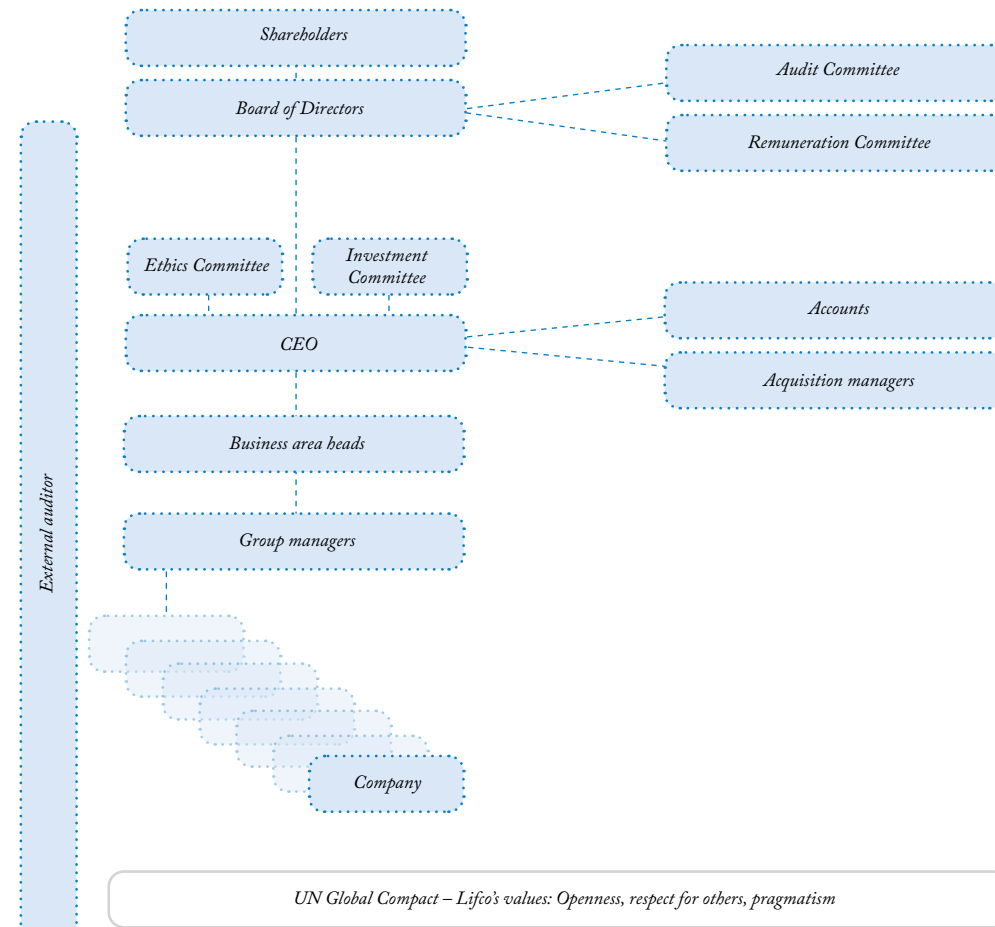
LIFCO

UN Global Compact

Lifco has been a signatory to the UN Global Compact since 2016. As a member, Lifco undertakes to actively implement the Global Compact's ten principles for sustainable development in the four areas of human rights, labour, environment and anti-corruption. The governance of Lifco is based on the principles of the UN Global Compact, including the international human rights framework, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, the UN Declaration on the Rights of the Child and the United Nations Convention against Corruption.

Evaluation of Lifco's sustainability management

Each year, the Board evaluates the Group's goals, target achievement in sustainability, sustainability indicators, sustainability strategy, materiality assessment and the effectiveness of the organisation. In this evaluation, business plans, stakeholder dialogues and risks and opportunities in the area of sustainability are taken into account, among other factors. The Board participates in stakeholder dialogues over the course of the year, for example by participating in visits to subsidiaries and customers. Board members also participate in seminars and meetings with various stakeholders regarding sustainability in order to deepen their knowledge of sustainability issues. The evaluation can, for example, lead to targets being revised, to resources being reallocated to improve the organisation's efficiency or to certain stakeholder dialogues with feedback on the Group's progress being given greater focus.

The results of the Group's sustainability management and strategy are reported annually in the Sustainability Report, which forms part of the Group's annual report.

Processes for addressing negative impacts

Lifco seeks to remedy negative impacts identified as being caused or contributed to by the Group. Lifco uses different processes and methods to identify negative impacts. These include Lifco's internal due diligence process, contacts with suppliers and employees, health and safety representatives, trade unions, local communities, etc. The processes and

measures may also be regulated by local laws and guidelines, by agreements with trade unions or by other means. When measures are taken, this is often done in collaboration with the stakeholders concerned – e.g. employees, trade unions or the local community. The subsidiaries report on the identified negative impacts, the measures taken and monitoring to Group management, which in turn reports to the Board. Lifco does not have a centralised process through which employees can report cases and apply for compensation.

Policies

All sustainability-related Group policies are revised annually and adopted by the Board. The revision takes account of the risks and opportunities that were identified during the year. The Code of Conduct sets the standard for how the Lifco Group conducts its business, ethically and in accordance with applicable laws and regulations. The Code applies to all employees including boards of directors in the Group, individuals or businesses that work on behalf of any Lifco company and major suppliers. There are also Group policies on the environment, employees, tax, IT and the whistleblowing channel. An overview of the Group's sustainability policies is presented on page 64.

The managing director of each Lifco company is responsible for ensuring that the company's operations are conducted in accordance with the Group's policies. The Lifco companies may, on their own initiative, adopt their own guidelines and programmes that include stricter requirements than in the Group policies and laws and regulations.

All new employees and employees of companies that Lifco acquires must be informed about the

Code of Conduct and the whistleblowing channel within 30 days of their first working day in the Group. The managing director of each Lifco company decides whether there is a need in the company for training about the Code of Conduct or other policies for employees and major suppliers. This assessment is normally based on the country or region in which the company and/or its suppliers operate and how serious the risk related to sustainability matters and potential violations of the Code of Conduct or other policies is considered to be. In case of company-wide or supplier-oriented training activities, evaluations are made to ensure the effectiveness of the training and consistent implementation of policies.

Employees or suppliers who have questions about the Code of Conduct or other policies, or fear that violations of policies have occurred or are at risk of occurring, should contact their immediate supervisor or the managing director of the company concerned. In addition, the whistleblowing channel is also available.

All Group policies are available online to the Group's employees on a shared website or via the subsidiaries' intranets. The Group's Code of Conduct, environmental policy, HR policy, tax policy, IT policy, personal data policy and policy for the whistleblowing channel are available at www.lifco.se/sustainability.

Employees who have questions or need advice relating to policies and interpretations of policies should in the first hand contact their immediate supervisor. The issue can then be escalated to the company's managing director, who in turn can raise the issue with the Group CEO.

LIFCO

Lack of compliance or the risk of non-compliance with policies results in action from management and more serious cases are reported to the Board. Deviations can lead to disciplinary action and dismissal. The Code of Conduct also covers major suppliers. Violations of the Code of Conduct by suppliers may result in the termination of the contract. Existing orders and assignments may also be cancelled.

Implementation of business culture in the Group

Lifco has an organisational structure where a number of group managers, who are former successful managing directors of subsidiaries, act as board chairmen for the subsidiaries. These managers ensure that the subsidiaries are integrated into the Lifco Group from a business culture perspective. One of the chairman's key tasks is to continuously monitor that the managing directors of the subsidiaries are motivated and have a sustainability focus.

Internal control

Lifco's system for internal control and risk management in connection with the company's reporting process is described in the Corporate Governance Report on page 82.

Management systems and certifications

A key element of the Group's continuous improvement work is the use of management systems, certifications and quality assurance programmes. Companies in the Group have management systems for health and safety, the environment, quality, the quality of medical devices, energy and quality assurance for welding.

The Lifco companies make independent decisions on certifications and other quality assurance programmes. The decisions are based on criteria such as industry practice, customer wishes and business benefits. No management systems or certifications are the result of legal requirements.

In 2024, 88 (84) Lifco companies were certified under one or more of the ISO 3834, ISO 9001, ISO 13485, ISO 14001, OHSAS 18001/OSHA/ISO 45001 or ISO 50001 management system standards, representing 34.2 (36.0) per cent of the total number of companies.

See pages 137–139 for a full list of the Lifco companies' management systems and certifications.

J.H. Orsing manufactures dental products made from completely fossil-free and renewable biobased polyethylene made from sugarcane. J.H. Orsing has its headquarters in Råå, southern Sweden, and was acquired in 2015.

LIFCO

Sustainability policies

Lifco's governance is based on the UN Global Compact's ten principles for sustainable development, including the international human rights frame-work, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, the UN Declaration on the Rights of the Child and the United Nations Convention against Corruption.

How the policies are adopted, revised, implemented, and how compliance is monitored and where the policies are published is described on page 62. Pages 23–55 and 61–62 describe how Lifco addresses its priority sustainability topics as well as the due diligence processes. The Code of Conduct also covers Lifco's major suppliers and subcontractors.

The following policies are available on the website lifco.se/sustainability: HR policy, IT policy, environ-mental policy, personal data policy, tax policy, Code of Conduct and whistleblowing policy.

	Environment and climate	Social issues, working conditions and human rights	Sound business practices
SDG that the policy promotes	6, 7, 9, 13, 15	5, 8, 9	9, 16
Policies	Environmental policy Whistleblowing policy	Code of Conduct HR policy Tax policy Whistleblowing policy Personal data policy	Code of Conduct Whistleblowing policy Sanctions policy IT policy
Key themes	- Lifco should work to reduce its GHG emissions. - Energy efficiency and the share of renewable energy must increase. - Lifco should always strive to reduce its negative environ-mental impact. - Water and energy consumption associated with Lifco's products should be reduced. - The use of harmful substances should be reduced. - Waste should be handled safely and effectively. - Lifco should proactively look for environmentally friendly options when purchasing products and services. - The use of non-renewable materials must be reduced and Lifco strives to increase the rate of recycling and the use of recyclable materials. - Energy consumption associated with Lifco's products should be reduced. - Lifco applies the precautionary principle.	- No one may be discriminated against, harassed or threatened on account of their sex, gender identity or expression, ethnic background, faith, disability, sexual orientation, age, nationality, political opinion, trade union membership, status, social background, language, state of health or marital status. - Lifco's workplaces must be safe and sound. - The risk of accidents and incidents should be minimised. - Salaries and remuneration should be in line with market levels. - All employees have freedom of association. - Child labour is prohibited. - Lifco pays tax where value is generated. - Product safety is a paramount concern.	- Lifco has zero tolerance for bribery, corruption, fraud, acceleration of payment, money laundering or attempts at any of these. - Lifco is politically neutral and makes no contributions to political parties. - Lifco's suppliers and its subcontractors must follow Lifco's Code of Conduct. - Lifco complies with economic sanctions laws, regulations, embargoes or restrictive measures to which the Parent Company and its subsidiaries are subject.
Lifco's targets	- Reduce energy consumption in relation to SEK of profit every year. - Reduce Scope 1 and 2 emissions in relation to SEK of profit every year. - Increase the share of renewable energy every year. - No losses as a result of fines or penalties.	- Reduce employee turnover every year. - Every year, reduce the number of workplace accidents per employee resulting in more than three days of absence. - Increase the percentage of wage-setting female managers every year.	- All employees to be informed about the Code of Conduct every year. - Increase the proportion of subsidiaries where major sup-pliers have signed the Code of Conduct every year. - No cases of corruption. - No corruption-related legal trials involving employees. - No losses resulting from corruption. - No losses resulting from poor product quality. - No incidents resulting from the impact of a product or service on health or safety that has resulted in fines or other penalties. - No incidents arising from a lack of information about a product or service that has resulted in fines or other penalties. - No violations of marketing guidelines and rules that has resulted in fines or other penalties. - No complaints regarding breaches of customer confi-dentiality and/or loss of customer data confirmed by the organisation. - No criticisms from supervisory bodies regarding personal data.

LIFCO

Our core values

It is essential to the success of our decentralised business model that the Group have a clear and shared view of how to run a sustainable business. Our daily interactions with colleagues, customers, suppliers and other stakeholders are inspired by our three core values.

Respect for others

In all our dealings with customers, employees and other partners, we need to respect the people we interact with as being of equal value regardless of their sex, gender identity or expression, ethnic background, faith, disability, sexual orientation, age, nationality, political opinion, trade union member- ship, status, social background, language, state of health or marital status. This means that we need to exert ourselves to listen to and respect each individ- ual's opinion, even if we do not share it.

Openness

It is of the utmost importance that we create an atmosphere in which people dare to be open. To achieve this, we need to openly acknowledge our mistakes. It is natural for human beings to make mistakes.

Pragmatism

We should strive to make the best possible decision in each situation. Our decisions must be based ex- clusively on facts, without preconceptions. Decisions must not be influenced by prejudices, convictions or pride.
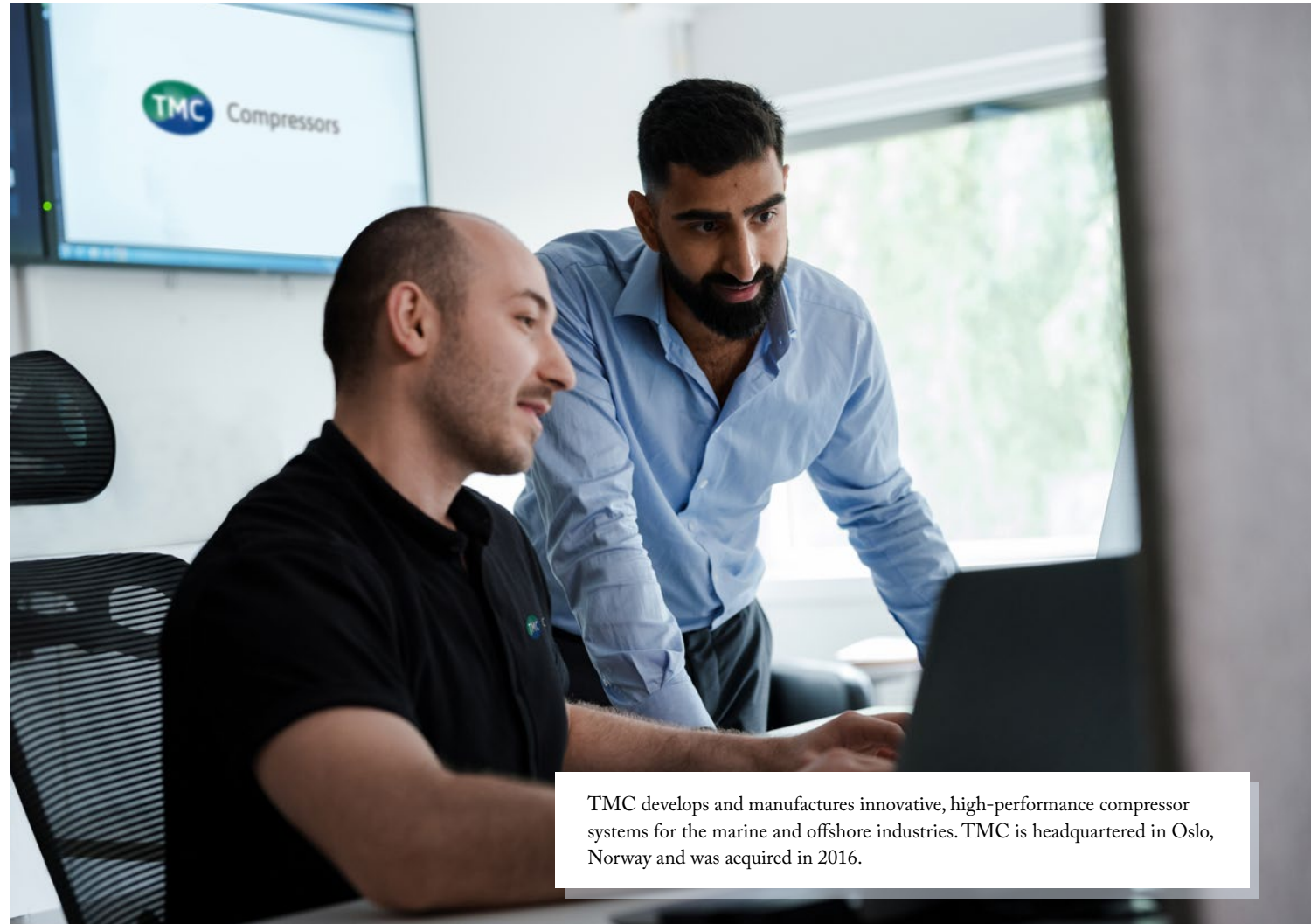
TMC develops and manufactures innovative, high-performance compressor systems for the marine and offshore industries. TMC is headquartered in Oslo, Norway and was acquired in 2016.

LIFCO

The EU Taxonomy

Lifco has analysed its economic activities and made the assessment that no part of the Group's turnover or operating expenses is eligible under the Taxonomy. The manufacturing businesses cover a very broad spectrum of products with the majority of the revenue generated coming from the manufacture of demolition robots and excavator and crane attachments. Most of the products sold to industrial companies are not manufactured by the Group but are assembled from externally sourced finished inputs, which currently is not eligible under the Taxonomy. The Group also includes manufacturers of dental products, such as dentures, disinfectants and other consumables, which is also not eligible. Lifco is following the development of the Taxonomy and expects that at least some operations will be eligible in future.

The Taxonomy-eligible capital expenditures refer partly to individual investments linked to energy efficiency in properties, and partly to purchases from suppliers whose activities are eligible under the Taxonomy. The capital expenditures relating to CCM 7.7 Acquisition and ownership of buildings and CCM 6.5 Purchases of cars are considered to be Taxonomy-eligible but not Taxonomy-aligned as it has not been possible to determine that the suppliers are Taxonomy-aligned. Capital expenditures relating to CCM 7.3, 7.4 and 7.6 refer to energy-saving measures linked to properties, such as the installation of solar panels and charging points and switching to LED lighting. These capital expenditures are not considered to be Taxonomy-eligible as the 'do no harm' criteria for the other environmental objectives have not been met because Lifco has not prepared climate risk and vulnerability assessments and has not yet established processes to determine which chemicals the products contain based on the Taxonomy criteria.

Total turnover refers to consolidated net sales, which can be found in the consolidated income statement on page 92. Total capital expenditure (CapEx) consists of the year's investments in tangible and intangible assets excluding goodwill, which is shown in Notes 15 and 16 in the lines Investments and Acquisition of companies. Leases are recognised as right-of-use assets and disclosures on leases are presented in Note 12. Total operating expenses (OpEx) consist of non-capitalised costs related to research and development and short-term leases. Operating expenses can be found in the income statement in the lines Administrative expenses and Research and development costs. Costs related to other repair and maintenance have not been identified but Lifco continues to improve its reporting processes in accordance with the Taxonomy definitions to increase the granularity of its reporting.

Work is underway to ensure that Lifco has Group-wide processes regarding minimum safeguards relating to anti-corruption, fair competition, taxation and human rights. No court judgment or fine was issued against Lifco in any of these areas in 2024.

Key to abbreviations in the tables:

Y = Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N = No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL = not eligible, Taxonomy non-eligible activity for the relevant environmental objective

LIFCO

Taxonomy reporting table 2024 – Turnover

Financial year 2024		2024		Substantial contribution criteria						DNSH criteria (Do No Significant Harm) (h)									
Economic activities (1)	Code (a) (2)	Turnover (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) turnover, 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		SEKm	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (A.1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Of which enabling activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-
Of which transitional activities	-	-	-					-	-	-	-	-	-	-	-			-
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	-	-	-	-	-	-	-	-								-		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)	-	-	-	-	-	-	-	-								-		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		26,137	100.0%																
TOTAL		**26,137**	**100.0%**																

LIFCO

Taxonomy reporting table 2024 – CapEx

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria (Do No Significant Harm) (h)									
Economic activities (1)	Code (a) (2)	CapEx (3)	Proportion of CapEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) CapEx, 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		SEKm	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Of which enabling activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Of which transitional activities	-	-	-							-	-	-	-	-	-	-	-		-
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	92	2.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL							1.4		
Installation, maintenance and repair of energy-efficient equipment	CCM 7.3	2	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL							0.1		
Installation, maintenance and repair of charging stations for electric vehicles in buildings	CCM 7.4	1	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL							0.0		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	1	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL							0.0		
Acquisition and ownership of buildings	CCM 7.7	428	11.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL							11.0		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		524	14.6%	-	-	-	-	-									12.6		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		524	14.6%	-	-	-	-	-									12.6		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		3,077	85.4%																
TOTAL		**3,601**	**100.0%**																

LIFCO

Taxonomy reporting table 2024 - OpEx

Economic activities (1)	Code (a) (2)	OpEx (3) SEKm	Proportion of OpEx, (4) %	Climate change mitigation (5) Y;N;N/EL	Climate change adaptation (6) Y;N;N/EL	Water (7) Y;N;N/EL	Pollution (8) Y;N;N/EL	Circular economy (9) Y;N;N/EL	Biodiversity (10) Y;N;N/EL	Climate change mitigation (11) Y/N	Climate change adaptation (12) Y/N	Water (13) Y/N	Pollution (14) Y/N	Circular economy (15) Y/N	Biodiversity (16) Y/N	Minimum safeguards (17) Y/N	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) OpEx 2023 (18) %	Category enabling activity (19) E	Category transitional activity (20) T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Of which enabling activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Of which transitional activities	-	-	-						-	-	-	-	-	-	-			-
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)				EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL										
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	-	-	-	-	-	-	-	-								-		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)	-	-	-	-	-	-	-	-								-		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		292	100.0%																
TOTAL		292	100.0%																

Nuclear energy and fossil gas related activities

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

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

LIFCO

Risks, management and opportunities

There are a number of factors which affect, or could affect, Lifco's operations, results and/or financial position. Lifco has 257 operating companies in 34 countries and a large number of suppliers and customers in different industries and geographic territories. This wide distribution of subsidiaries, customers and suppliers limits business risks as well as the sustainability risks at Group level. Lifco's industry, market and operational risks are explained on pages 87–88.

Sustainability risks in the value chain

The Lifco companies' main operations comprise assembly, sale and distribution of products, resale and distribution of purchased goods and some manufacturing. Most of Lifco's operations are conducted in Europe. The Lifco companies' assembly and resale operations make the individual companies dependent on their central suppliers with regard to delivery capacity, product quality, price and sustainability risks. Most Lifco companies' purchases are made from suppliers located close to the companies' operations in Europe. Some suppliers or the suppliers' subcontractors operate in other regions, primarily Asia. There are suppliers and subcontractors that operate in countries which can be associated with higher risks regarding the environment, climate impact, resource use, health and safety, human rights, corruption and other risks. Individual subsidiaries may therefore have sustainability risks linked to supplier relationships.

The Lifco companies have a large number of customers, mainly in Europe. The majority of the customers are dental clinics and companies in the infrastructure, construction and demolition industries. These customers demand a high standard from their suppliers in terms of product safety and quality, delivery capability, environmental and climate impact as well as other criteria. Lifco believes that the individual subsidiaries have limited sustainability risks linked to customer relationships.

The business model's resilience to sustainability risks

The cornerstones of Lifco's business model, which is based on a diversified portfolio of niche companies concentrated in Europe, strengthen the Group's resilience to sustainability risks. Lifco's strategy also creates good conditions for Lifco and its subsidiaries to take into account both the stakeholders' and the Group's impact on sustainability matters.

Lifco acquires and develops market-leading, sustainable businesses with sustainable earnings growth and robust cash flows. Lifco companies are often market leaders because they offer the highest-quality products in their niche, for which customers are prepared to pay a premium. To maintain such a position, the companies need to have competent, motivated employees and a culture that encourages and harnesses new ideas and proposed improvements. This, in turn, is only possible if the companies offer fair working conditions and have a strong commitment to transparency, a high standard of ethics and a sustainability-oriented approach.

Lifco's organisation is strongly decentralised with a high degree of independence in the subsidiaries. Lifco ensures the transfer of knowledge and culture within the Group by appointing as chairmen of the subsidiaries senior individuals with a long history in the Group. This ensures that Lifco's strong culture is passed on and implemented quickly in newly acquired companies. The subsidiaries' high degree of independence makes them agile and responsive to the wishes and demands of customers, suppliers and employees in the area of sustainability as well as other areas.

A long-term approach is a hallmark of the Lifco Group. Lifco is committed to very long-term ownership of subsidiaries, which in turn have many long-term supplier and customer relationships. This long-term approach relies on close contacts and open dialogue about new and changed requirements and wishes, including in the area of sustainability.

In Lifco's acquisition process, the sustainability assessment is an important element. The acquisition process and Lifco's sustainability assessment are described on pages 9–10.

Lifco's general assessment is that its business model has good resilience to sustainability risks.

Lifco's strategies against risks

Lifco's strategies in the area of sustainability are described on pages 23–52. Lifco's strategic work in the area of sustainability is aimed at controlling and minimising the risks and at taking advantage of the business opportunities that Lifco companies identify in the area of sustainability.

Identification of risks and opportunities

Risk assessments are carried out annually in the Lifco companies, both at the operational level and in the boards. The risk assessments take account of operational, financial and sustainability risks as well as associated opportunities. The chairmen of the subsidiaries are part of the extended management team that makes the annual overall risk assessment for the Group. The risk process is an integral part of the Lifco Group's business processes and is described in the section Sustainability governance on pages 61–63. Internal control and risk management in financial reporting are described in the Corporate Governance Report on page 82.

In identifying sustainability risks and opportunities in the area of sustainability, Lifco has used as a basis the ESRS and GRI Standard (Global Reporting Initiative) and the value chain described on pages 56–57.

LIFCO

Climate, environment and resource use

Risk	Management	Opportunities
Climate change		
In the short term, climate change could lead to increased costs in the supply chain as a result of increased regulation and environmental levies. In the medium term, there is a risk that rising sea levels, shortages of non-fossil fuels and water, more severe storms and higher temperatures will affect the cost and availability of inputs and transport. This, in turn, could affect the Lifco companies' delivery reliability to the customer. In the longer term, there is a risk that the Lifco companies will be unable to adapt to increased regulatory requirements, technological advances, changing consumption patterns and customer demand or to compensate for increased costs in the supply chain as a result of climate change and/or eliminate fossil fuels in their operations, which could affect demand and profit margins and thus have a significant negative financial impact.	To help combat climate change, Lifco has submitted its climate targets for validation by the Science Based Targets initiative (SBTi). In order to reduce their climate impact, the subsidiaries are gradually transitioning to more climate-friendly transport, increased use of renewable energy and improved energy efficiency. In this transition, Lifco is dependent on the general availability of more climate-friendly transport and energy sources. The Lifco companies' strong customer and supplier relations and market positions enable them fully or largely to compensate for increased costs in the supply chain in the short and medium term.	Climate change is also creating business opportunities for the Lifco companies. Many of the companies are engaged in continuous development to reduce their products' negative climate and environmental impact. Several Lifco companies offer products where the unique selling point is the product's positive contribution to the customers' climate impact and emissions. The ability to offer energy-efficient and low-emission products is often a strong competitive advantage and has a positive effect on both demand and profit margins. By actively reducing the Group's CO₂eq emissions, Lifco also contributes to reducing emissions in its customers' and suppliers' value chains, which in the long term can be a competitive advantage.
Climate change adaptation		
In the short term, the risk that the subsidiaries or their suppliers will fail to adapt to a changing climate is considered to be low. In the medium and long term, there is a risk that the Lifco companies or their suppliers will fail to adapt to changes such as rising sea levels, water shortages, higher temperatures, increased environmental levies and increased regulation or to transition to non-fossil fuels. This may affect demand, delivery capacity, product quality and access to capital and may therefore also have an impact on the companies' financial results. If the companies' customers fail to adapt to climate change, demand for the Lifco companies' products may be negatively affected, which could have a significant negative financial impact.	In order to manage the risks in the medium and longer term, Lifco will conduct a climate-related analysis to obtain a better picture of the overall longer-term risk situation in the Group.	Early insights into the need for climate change adaptation both in the company's own operations and in its suppliers' and customers' operations can strengthen the Lifco companies' market positions and thereby have a positive impact on demand and profit margins.
Energy consumption and energy efficiency		
In the short term, there is a risk that the Lifco companies will fail to improve their energy efficiency or increase the share of renewable energy, which would affect profit margins. In the medium and long term, there is a risk that suppliers will fail to improve their energy efficiency or increase the share of renewable energy. This could lead to increased costs for the Lifco companies that they may find it difficult to offset by raising prices to customers and could thus have a negative impact on profit margins. There is a risk in the medium and long term that the Lifco companies will not be able to meet customer demands for highly energy-efficient products, which would have an adverse impact on demand.	Lifco's goal in the short, medium and long term is to increase energy efficiency and increase the share of renewable energy. Energy efficiency and the share of renewable energy are reported and monitored annually at Group level. The subsidiaries are taking various measures, such as installing solar panels, switching to green electricity contracts, improving their insulation and switching to more energy-efficient machinery and tools. The subsidiaries are engaged in talks with their larger suppliers about the need to improve energy efficiency and the share of renewable energy in order to keep costs down.	Several Lifco companies offer products where the unique selling point is the product's positive impact on the customers' energy efficiency. The Lifco companies are engaged in continuous development to improve their products' energy efficiency, which is a competitive advantage.
Recycling and circular business models		
In the short term, there is a risk that the Lifco companies will fail to plan for and start establishing systems for recycling and circular business models. In the medium and long term, there is a risk that the Lifco companies will lose suppliers or business opportunities with customers by not offering recycling and circular business models, which would have a negative impact on their financial results.	In the short term, the subsidiaries are independently responsible for establishing systems for recycling and circular business models in relation to their suppliers and customers. In the medium term, the Lifco Group may require the subsidiaries to plan for circular business models in order not to lose business opportunities.	By establishing systems for recycling and circular business models, Lifco can strengthen its position with suppliers and customers, which in the longer term would have a positive effect on the Group's financial results.

LIFCO

Climate, environment and resource use, continued

Risk	Management	Opportunities
Use of water and marine resources There is a risk in the short term that Lifco will fail to identify how the consumption of water and marine resources may affect its own operations, suppliers and customers. In the medium and long term, there is a risk that the Lifco companies will overlook risks in the area of water and marine resources, which could negatively affect their position and financial results.	Lifco's goal is to reduce the water consumption associated with Lifco's products. Lifco should not have business relations with suppliers who violate applicable laws and ignore environmental concerns. Starting in 2022, the Lifco companies have started to assess their water consumption.	Several Lifco companies offer products where the unique selling point is the product's limited water consumption and discharge.
Biodiversity, ecosystems and endangered species In the short term, the risk is considered to be low. Lifco has seven companies that operate in or near protected areas. The total number of employees in these companies account for 5 per cent of the Group's total workforce. The medium- and long-term risk that Lifco companies will damage biodiversity and/or ecosystems due to the location of their operations is considered to be low. There is a risk in the short to long term that suppliers will carry out activities that damage or threaten biological diversity. There is also a risk in the short to long term that customers will use the Lifco companies' products in activities that threaten or damage biological diversity or ecosystems. This risk is particularly high among customers in Demolition & Tools. If such risks occur, this can have an impact on Lifco's financial results and damage the Lifco companies' brands, which can adversely affect demand in both the short and long term.	Lifco's policy is that the operations should not damage or threaten biological diversity, ecosystems or endangered species. Before a new operation is established, Lifco companies examine the risks of damage or threats to biological diversity, ecosystems or endangered species. Lifco should not have business relations with suppliers who violate applicable laws and ignore environmental concerns. In the sustainability assessment for acquisitions, Lifco examines the risks that the business will damage or could damage biodiversity, ecosystems or endangered species.	
Pollution and handling of harmful substances as well as hazardous waste In the short to long term, the risk that any Lifco company will violate regulations or guidelines regarding the handling of pollution, harmful substances or hazardous waste is considered to be low. There is a risk in the short to long term that suppliers or customers will fail to handle pollution, harmful substances or hazardous waste in a safe and environmentally friendly way. If such risks occur, this can affect Lifco's financial results and damage the brand of the Lifco company concerned, which could have a negative impact on demand both in the short and long term.	Lifco's goal is to reduce the use of harmful substances in the operations. In the short term, the risk of improper handling is deemed to be low as the subsidiaries are considered to have the necessary processes in place. The minimum requirement for Lifco companies is to comply with laws and regulations on the handling of pollution, harmful substances and hazardous waste. Several Lifco companies have environmental management systems for their environmental work. Lifco should not have business relationships with suppliers that violate applicable legislation. Some Lifco companies carry out inspections of their suppliers' handling of pollution, harmful substances and hazardous waste where it is considered that this could have a commercial impact or damage Lifco in other ways. Lifco companies that have employees in the field who carry out installations and other work at the customer premises examine the customers' procedures for the handling of pollution, harmful substances and hazardous waste to ensure the health and safety of the employees.	

LIFCO

Work environment, health and safety

Risk	Management	Opportunities
Workplace accidents and safety		
There is a risk in the short to long term that employees of Lifco companies could be injured in the workplace. If employees are injured, this could negatively affect the employer brand and commercial brand of the Lifco company concerned, which could make it more difficult to recruit and retain employees and result in reduced revenue. Injuries can also lead to costs for workplace measures and financial compensation.	Lifco's vision is that no employee should be injured in the workplace. To remain an attractive employer and supplier, Lifco must ensure safe and secure workplaces. The work environment is therefore a high-priority issue in the Lifco companies, which work systematically to identify and limit the risk of employment injuries. The Lifco companies generally strive to maintain a level of safety in the work environment that goes beyond the minimum requirements in national regulations and industry standards. In acquisition processes, Lifco always evaluates the work environment including the corporate culture as part of its sustainability assessment.	By offering safe and secure workplaces, the Lifco companies build strong employer brands and maintain their attractiveness as employers.
Employee health at suppliers		
There is a risk in the short to long term that employees of suppliers will be injured when manufacturing products used by a Lifco company. The financial impact of this risk for Lifco is considered to be limited.	Lifco strives for all major suppliers to sign Lifco's Code of Conduct and thus also to provide safe and healthy working conditions. Lifco should not have business relations with suppliers that violate regulations or guidelines. In procurement processes, a health and safety management system is included as a criterion if this is considered relevant for the product or service concerned.	Several Lifco companies offer products where the unique selling point is the product's positive impact on the customers' work environment and safety.
Product safety		
There is a risk in the short and long term that employees of customers will be injured when using a product from a Lifco company. This could lead to demands for financial compensation and damage the brand of the Lifco company concerned.	Product safety is of paramount importance to the Group; Lifco companies are required to deliver products and services of consistently high value, quality and reliability. Lifco companies work continuously to develop the safety of their products and their procedures for safe handling of the products. As a minimum, all products and services must comply with relevant rules and regulations regarding occupational health and safety requirements. Where relevant, this includes training employees of the customer who will be handling one or more of the Lifco companies' products.	Several Lifco companies offer products where the unique selling point is the product's positive impact on the customers' work environment and safety.
Employment terms		
There is a risk in the short and long term that a Lifco company will fail to offer fair and reasonable employment terms and adequate wages. This could damage the company's employer brand and its ability to retain and recruit employees. The risk is considered to be low.	In Lifco, employment terms and wages must be fair and reasonable. General employment terms are regulated in a Group policy. In acquisition processes, Lifco always evaluates employment terms as part of its sustainability assessment.	Fairness and equal employment terms are fundamental to motivating employees. By offering fair and equal employment terms, the Lifco companies strengthen their employer brands, motivate employees and create conditions for recruiting the best talents.
Skills development		
There is a risk in the short to long term that the Lifco companies will fail to offer training to employees. This could damage the company's employer brand and its ability to retain and recruit employees. The risk is considered to be low.	Lifco and the Lifco companies must offer employees relevant training to perform their duties. Managers are responsible for ensuring opportunities for training and internal advancement.	Training and the possibility of internal advancement create employee commitment and motivation, which strengthen the employer brands.

LIFCO

Human rights

Risk	Management	Opportunities
Gender distribution There is a risk that the Lifco companies will fail to improve the gender distribution among wage-setting managers. In the short and medium term, the risk is high, while in the longer term it is considered to be limited. If the Lifco companies fail to manage the risk, this could in the longer term damage their employer brands and reduce their competitiveness, which can affect demand and profit margins. Lifco believes the gender distribution among suppliers and customers has a small risk impact on the business.	Lifco's target is to improve the breakdown between women and men among wage-setting managers. Several measures have been taken to achieve the target. One is the requirement that there always be at least one woman among the final candidates when a managing director of a subsidiary is appointed. A condition for succeeding in improving the gender distribution is that the Lifco companies offer equal pay for equal work regardless of gender or other grounds of discrimination. Some Lifco companies have conducted salary surveys and addressed identified pay gaps. As Lifco's managers generally stay in the companies for a very long time, turnover among managers is low, which means that it will take time for the Lifco companies to change the gender distribution.	A balanced gender distribution contributes to building employer brands and improves team performance.
Discrimination There is a risk that Lifco companies will discriminate against employees in connection with wage setting, appointments or against candidates in recruitments. In the short to long term, this could damage the Lifco companies' brands and have an impact on demand and financial results. Lifco believes that discrimination or the risk of discrimination at suppliers and customers has a small risk impact on the business.	Lifco does not tolerate discrimination on the basis of sex, gender identity or expression, ethnic background, faith, disability, sexual orientation, age, nationality, political opinion, trade union membership, status, social background, language, state of health or marital status. Lifco also demands from its major suppliers that they not discriminate against employees. Discrimination violations or suspected discrimination violations in the Lifco Group can be reported through the whistleblowing channel, which is described on page 52. Lifco companies are required to report discrimination violations to Group management, which will take measures.	Fair, non-discriminatory workplaces help to build trust and strong employer brands.
Freedom of association The risk that Lifco companies will not allow freedom of association and/or the right to bargain collectively is considered to be low in the short to long term. There is a risk that suppliers or customers will not allow freedom of association and/or the right to bargain collectively. Lifco believes this risk among suppliers and customers has a small risk impact on the business.	All Lifco employees have the right to freedom of association and collective bargaining. Lifco also requires that larger suppliers follow the same principles. If the suppliers violate this right, the business relationship may be terminated. Suspected violations or violations of the right to freedom of association in the Lifco Group can be reported through the whistleblowing channel, which is described on page 52. Lifco companies are required to report violations of the right to freedom of association to Group management, which will take measures.	Respecting the right to freedom of association helps to build trust and strong employer brands.
Child labour The risk that Lifco companies will use child labour is considered to be very low in the short, medium and long term. Lifco believes the risk is low also among Lifco's customers. There is a risk that suppliers or subcontractors in some countries may use child labour. The use of child labour by suppliers could have a very damaging impact on Lifco's and the Lifco companies' brands and thereby affect demand and financial results.	Child labour is strictly prohibited in Lifco and among its suppliers. Products from suppliers, their subcontractors or partners where child labour is used are not tolerated. Cases of suspected child labour or the use of child labour in the Lifco Group or in relation to purchased products and services can be reported through the whistleblowing channel, which is described on page 52. Lifco companies are required to report cases of child labour to Group management, which will take measures.	A clear stand against child labour helps to build trust and strong employer brands as well as long-term customer and supplier relationships.

LIFCO

Human rights, continued

Risk	Management	Opportunities
Forced labour and modern slavery		
The risk of Lifco companies using forced labour or modern slavery in the short, medium and long term is considered to be very low. Lifco believes the risk is generally low among its customers as well. There is a risk that suppliers or subcontractors in some countries may practise forced labour or modern slavery. The use of forced labour or modern slavery by suppliers could have a very damaging impact on Lifco's and the Lifco companies' brands and thereby affect demand and financial results.	Forced labour and modern slavery are strictly prohibited in Lifco. Products from suppliers, their subcontractors or partners where forced labour or modern slavery are used are not tolerated. Lifco has identified the risk of forced labour or modern slavery as higher in certain countries and areas of operation where special training activities are being or have been carried out internally and among customers and suppliers to minimise the risks. Cases of suspected forced labour or modern slavery in the Lifco Group or in relation to purchased products and services can be reported through the whistleblowing channel, which is described on page 52. Lifco companies are required to report cases of forced labour or modern slavery to Group management, which will take measures.	Respect for human rights contributes to building trust and strong employer brands as well as long-term customer and supplier relationships.
Negative impacts on local communities		
The risk that Lifco companies will have a negative impact on local communities in the areas of environment, labour rights, human rights or corruption is low in the short, medium and long term. The occurrence of such risk can damage Lifco's and the Lifco companies' brands and relationships and thereby affect demand and financial results.	For Lifco, sustainability is also about making a positive contribution to society. Lifco contributes by paying taxes where value is generated and by offering jobs with fair working conditions. Many of the Group's businesses operate outside the metropolitan regions and thus contribute to the development of less densely populated areas. Lifco's high standard of business ethics and respect for human rights are evident in all relationships in the value chain, which contributes positively to society in both the short and long term.	For Lifco, good relations with local communities help to build strong employer brands, which creates advantages in recruitment among other benefits.
Crimes against indigenous peoples		
The risk that Lifco companies will commit crimes against indigenous peoples is considered to be very low in the short, medium and long term. Lifco believes the risk is generally low among its customers as well. There is a risk that suppliers or subcontractors in some countries could commit crimes against indigenous peoples. The occurrence of such crimes could seriously damage Lifco's and the Lifco companies' brands and thereby affect demand and financial results.	Crimes against indigenous peoples are strictly prohibited in Lifco. Products from suppliers, their subcontractors or partners where crimes against indigenous peoples are committed are not tolerated. Suspected crimes against indigenous peoples in the Lifco Group or in relation to purchased products and services can be reported through the whistleblowing channel, which is described on page 52. The Lifco companies are required to report cases of crimes against indigenous peoples to Group management, which will take measures.	Respect for human rights contributes to building trust and strong employer brands as well as long-term customer and supplier relationships.

LIFCO

Corruption, money laundering and tax

Risk	Management	Opportunities
Corruption		
Some of Lifco's subsidiaries, suppliers and customers operate in countries where there is a risk of corruption. There is a risk of corruption that could lead to legal disputes and damage Lifco and the Lifco company's brand, as well as to the termination of supplier and/or customer relationships. This could have a significant impact on Lifco's and the Lifco company's financial results.	Lifco has zero tolerance for bribery and corruption throughout the value chain. Suspected bribery can lead to the termination of business relationships with both suppliers and customers. Lifco has an independent, externally managed and fully anonymous whistleblowing channel that is accessible via the Group's website. Lifco's whistleblowing channel is described on page 52. Lifco AB and all its subsidiaries are politically neutral and do not make contributions to political parties, organisations, candidates or holders of public office. Lifco has identified the risk of bribery or attempted bribery as higher in certain countries and areas of operation, where special training activities are or have been conducted internally and among customers and suppliers to minimise the risks.	Sound business practices and a high standard of business ethics are the basis for building trust as well as strong brands and long-term relationships with both customers and suppliers.
Money laundering		
There is a risk that Lifco's suppliers or customers will use Lifco's operations for money laundering. This could lead to legal disputes and damage Lifco's and the Lifco company's brand, and lead to the termination of supplier and/or customer relationships. This could have a significant impact on Lifco's and the Lifco company's financial results.	Lifco does not tolerate money laundering. Lifco manages the risk in the following way: subsidiaries may never receive cash payment from customers and never pay suppliers in cash. All payments from customers and to suppliers are made through established banking systems and the European clearing system. All transactions are registered in the Group's accounting system. The Group's auditors make spot checks of payments every year. Suspected cases of money laundering are investigated at Group level and can be reported anonymously through the whistleblowing channel, which is described on page 52.	Sound business practices and a high standard of business ethics are the basis for building trust as well as strong brands and long-term relationships with both customers and suppliers.
Cartels		
The risk that a Lifco company will participate in a cartel is considered to be very low in the short, medium and long term.	Lifco takes a clear stand against cartels in its Code of Conduct.	
Tax evasion		
There is a risk that the Lifco Group or Lifco companies will evade tax or avoid paying tax in the country where the tax was incurred. If the risk were to occur, this could lead to legal disputes and damage the Lifco company's brand as well as lead to the termination of supplier and/or customer relationships. This could have a significant impact on the Lifco Group's and Lifco company's financial results. The risk is considered to be very low in the short, medium and long term.	Lifco companies are required to fulfil their obligation to pay tax in accordance with the rules established by the relevant authorities in each jurisdiction. The Lifco Group and its subsidiaries never engage in transactions whose sole or main purpose is to create tax advantages. Compliance with the Group's tax policy is reviewed during internal audits and is monitored by the Board through the Audit Committee.	Good relations with the local communities where the Lifco companies operate help to build trust and strong employer brands.

Customer privacy and data security

Risk	Management	Opportunities
There is a risk in the short to long term that a Lifco company will leak, experience a theft of or otherwise lose customer or supplier information. There is a risk in the short to long term that Lifco or a Lifco company will be affected by a supplier or customer leaking, experiencing a theft of or otherwise losing information about Lifco or a Lifco company. The loss of customer or supplier information can lead to claims for damages and damage the brand, which can have a negative impact on the Lifco Group's financial results.	It is part of the Lifco companies' business processes to work to prevent security incidents such as fraud, cyber attacks or information theft. Lifco companies are required to have systems for backup that are checked regularly. The companies work continuously to strengthen security awareness and knowledge of data protection. Several companies arrange mandatory employee training in data protection and related areas.	A high level of data security and customer privacy contribute to building the Lifco companies' brands and trust and strengthen customer and supplier relationships.

LIFCO

About the Sustainability Report

Lifco AB (publ) is a Swedish public company whose shares are listed on Nasdaq Stockholm. The company's head office and registered office are in Enköping, Sweden. In the report, the company name is shortened to Lifco.

The report covers the Lifco Group, i.e. the Parent Company Lifco AB (publ) and all legal entities included in the financial report with the exception of Kögel Filter, MCV and VTT Verschleisstechnik. On 31 December 2024, Kögel Filter had eight, MCV 60 and VTT Verschleisstechnik 35 full-time equivalent employees.

The Sustainability Report covers the period 1 January 2024 to 31 December 2024 and constitutes Lifco's statutory annual sustainability report. The Sustainability Report comprises pages 23–77 and has been audited by the auditors in accordance with Recommendation RevR 12 The Auditor's Opinion on the Statutory Sustainability Report published by FAR, Sweden's professional institute for accountants. The Sustainability Report contains information on targets, results, governance, policies, risks, risk management and opportunities that are relevant to material environmental, social and corporate governance-related aspects and impacts of Lifco's operations. Lifco's business model, strategy and acquisition process are described on pages 7–10. Together with the Corporate Governance Report, the Sustainability Report forms part of the Directors' Report. The contact person for the Sustainability Report is Åse Lindskog, Head of Sustainability, e-mail ase.lindskog@lifco.se

Reporting principles and reporting framework

The Sustainability Report has been prepared in accordance with the GRI Standards (Global Reporting Initiative Standards). Lifco intends to report annually according to GRI. The GRI index can be found on pages 133–136 and covers GRI Standards 205 Anti-corruption, 302 Energy, 305 Emissions, 401 Employment, 403 Occupational Health and Safety, 405 Diversity and Equal Opportunity, 406 Non-discrimination, 416 Customer Health and Safety, 417 Marketing and Labelling and 418 Customer Privacy.

In preparing the report, principles for defining content such as stakeholder participation, materiality and completeness as well as principles for accounting quality such as accuracy, balance, clarity, comparability, reliability and time factors have been applied. Lifco signed the UN Global Compact in 2016 and issues a Communication on Progress every year.

Data on energy use, climate impact according to the GHG Protocol and water are collected from Lifco companies with more than 25 employees. Companies that in previous years were included in the reporting and have reduced their workforce to less than 25 continue to report all sustainability data. Lifco uses this data to calculate the Group's total GHG emissions, for example. Other data is collected from all Lifco companies. Companies acquired during the financial year report full-year data.

Acquired companies are included from the year they are acquired. Historical data has not been adjusted for acquisitions.

Changes from the previous reporting period

The 2024 Sustainability Report has been supplemented with several new disclosures compared with the 2023 report and in some cases new definitions have been introduced to ensure alignment with ESRS.

Water consumption for 2023 and 2022 has been corrected due to a previous miscalculation.

In the Sustainability Report for 2023, employees with social protection during parental leave were incorrectly reported as employees entitled to parental leave. This has been corrected in the Sustainability Report for 2024.

The Sustainability Report 2024 includes the following new disclosures:

Reduced environmental and climate impact

- Full mapping of Scope 3 emissions
- Consumption and production of self-generated energy
- Scope of GHG mitigation projects
- Area of activities carried out in or near protected areas

Motivated employees and safe workplaces

- Number of employees (previously only full-time equivalents were reported)
- Percentage of employees represented by workers' representatives
- Adequate wages
- Percentage of performance and development reviews in relation to agreed number of reviews
- Work-related injuries among non-employees
- Fatalities among non-employees and workers in the value chain working at Lifco sites
- Number of cases of documented work-related

ill health
- Employees on family-related leave (previously only parental leave was reported)
- Gender pay gap

Sound business practices

- Scope of anti-corruption training programmes
- Departments identified as being at greatest risk of corruption and bribery
- Number of confirmed corruption or bribery incidents related to contracts with business partners
- Number of legal proceedings outstanding for late payments to suppliers

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