

SUSTAINABILITY REPORT 2025



FROM OUR CEO

Balanced Growth And Long-Term Responsibility

2025 has been a year of resilience, disciplined execution and strengthened market position for Hydroscand.

In an environment still marked by economic uncertainty and uneven development across regions, we have continued to focus on what we do best: staying close to our customers, improving our operations, and building long-term value.

After a more challenging 2024, we saw a gradual improvement during 2025. Our aftermarket business remained stable, while Global Business (OEM), developed positively and delivered strong growth in both sales and EBIT. The Group reached an all-time high on sales in 2025. This demonstrates the robustness of our decentralized business model and the strength of our customer relationships.

Customer satisfaction reached an all-time high during the year. This is a clear reflection of our employees' daily commitment across more than 20 countries and confirms that our customer-focused approach continues to differentiate us in the market.

We have continued to invest in the long-term development of the group. A major milestone during the year was the continued rollout of our new ERP platform, strengthening data quality, transparency and operational efficiency across several markets. This transformation supports better decision-making, improved internal control, and a stronger foundation for future growth.

Selective investments have also strengthened our local presence. In Sweden, the acquisitions of Lövet's and Slangfixarn' further expanded our footprint and enhanced our ability to serve customers in key regions. At the same time, we have maintained a disciplined approach to costs, cash flow, and capital allocation. Financial stability remains essential to ensuring that we can

continue to invest responsibly in both growth and sustainability. Hydroscand's combination of local entrepreneurship and group-wide structure continues to be a defining strength. By balancing flexibility with financial discipline, we are building a more competitive and resilient company – well positioned for the opportunities and responsibilities that lie ahead.

Along with these business developments, we remain deeply committed to sustainability. In 2025, we have focused a lot on Health and Safety by implementing global tools and processes and setting the base line for our Science-based targets that we submitted at the end of 2025.

Our efforts are paying off. Customer satisfaction, both overall and

specifically regarding our sustainability performance, continues to rise. We take pride in being a trusted partner, using tools like EcoVadis to benchmark our progress and identify areas for continuous improvement. Strengthening supplier relationships has been another priority, particularly as we deepen our focus on Scope 3 emissions. Collaboration across our value chain is essential to reducing our environmental footprint and driving real impact.

We firmly believe that growth and sustainability must go hand in hand. By continuously improving, innovating, and collaborating, we are confident that we can create long-term value—not just for our business, but for society. Together, we are building a more sustainable and resilient future.



Frida Norrbom Sams
CEO, HYDROSCAND GROUP

We have continued to focus on what we do best: staying close to our customers, improving our operations, and building long-term value.

Contents

From Our CEO	2
Balanced Growth And Long-Term Responsibility	
Reflection From Our Sustainability Manager	4
Hydroscand In Brief	5
Our Core Values.....	6
Our Offerings.....	7
Our Commitment To Sustainability	8
How We Work With Sustainability	9
Bringing Sustainable Solutions To Our Customers	10
Hydroscand Customers Assess ESG Commitment	
Driving Sustainable Supplier Partnerships.....	14
Key Sustainability KPIS For Supplier Management	
Leveraging Technology For Sustainable Procurement	
Sustainability Training In Purchasing Roles	
Responsible Consumption And Production	17
Reducing Our Carbon Footprint	
Greenhouse Gas Emissions 2025.....	18
Sustainable Waste Management At Hydroscand	19
Responsible Handling Of Materials And Chemicals	20
Supply Chain, Conflict Minerals And Substances Of Concern	
Optimizing Transportation.....	21
Addressing The Impact Of Business Travel Emissions	22
Energy Efficiency	23
A Workplace For Everyone.....	25
Unlocking Employee Insights	
Empowering Growth	26
An Inclusive Workplace.....	28
Health, Safety And Well-Being	30
Building An Inclusive Workplace At Hydroscand Automotive	32
From Responsible Purchasing To Customer Relations	34
Human Rights	35
Code Of Conduct	
Corruption And Anti-Bribery	36
Information Security	
Eu Taxonomy And CSRD	37
Double Materiality Analysis	
Appendix 1 - KPI Index	38
Appendix 2 – CRSD Disclosure	39
Appendix 3 – Climate Calculation Methodology And Partnership	
About Normative	
Sustainability Reporting Is A Journey Of Continuous Improvement	

Reflection From Our Sustainability Manager

In 2025, Hydros cand further strengthened the integration of sustainability into its core business, with increased focus on governance, data quality, and value chain collaboration.

Sustainability is embedded in our corporate ESG agenda and business planning processes, supporting long-term value creation and more informed decision-making across the Group.

A key milestone during the year was the continued development of our climate reporting in line with the GHG Protocol. By significantly increasing the share of activity-based data, we improved the accuracy and relevance of our emissions calculations across Scopes 1, 2 and 3. As our largest impact remains in Scope 3, supplier engagement and value chain transparency continue to be central priorities. By the end of 2025, we had submitted our science-based targets (SBTi), marking an important step in aligning our climate ambitions with global standards.

Our structured ESG work was recognized externally through an EcoVadis Silver Medal, placing Hydros cand among the top 15% of rated companies. We have set a clear ambition to reach Gold level during 2026. In parallel, we are implementing group-wide ISO 45001 and ISO 14001 certifications to further strengthen our systematic work within health & safety and environmental management.

Responsible sourcing and supplier governance were further reinforced through clearer KPIs, enhanced traceability via our SRM platform, and continued focus on Supplier Code of Conduct adherence. Internally, the broad rollout of the IA tool strengthened proactive health and safety management, while employee engagement remained stable with strong participation levels.

Our 2025 customer survey resulted in a sustainability commitment score of 3.68 out of 5, reflecting solid confidence while highlighting opportunities to further increase transparency and measurable impact.

Overall, 2025 confirmed that sustainability is both a prerequisite and a competitive differentiator. With strengthened structures, verified targets and continued integration into strategy and operations, Hydros cand is well positioned to accelerate measurable progress in the years ahead.



Hydros cand is well positioned to accelerate measurable progress in the years ahead.

Malin Clarstedt,
Sustainability Manager.



Hydros cand In Brief

Hydros cand - an international family-owned business - provides solutions and services for hoses, fittings and related products through a customer-driven and decentralized organization.

Founded in 1969, we have grown to serve customers across 20+ countries, offering tailored services to meet the unique needs of industries worldwide.

With a dedicated team of over 1700 employees, we are committed to delivering quality products and outstanding customer service. Our strategically located branches and HoseExpress mobile service units provide quick, convenient access to a complete range of products and services, maximizing productivity and minimizing downtime. With specialized OEM solutions including advanced products for the automotive sector, we ensure reliable performance and support for critical industries.

20+ COUNTRIES

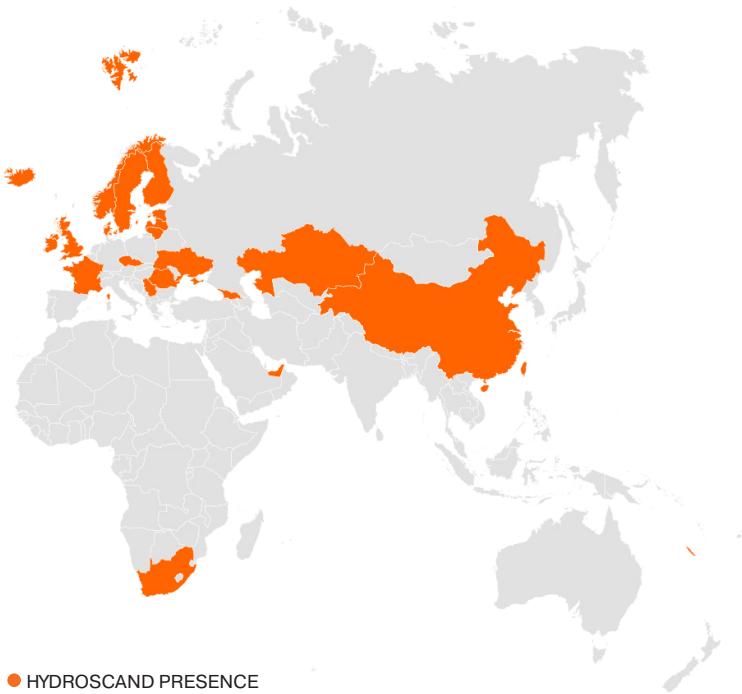
1700+ EMPLOYEES

260+ BRANCHES

7 PRODUCTION CENTERS

Our advanced service offerings, including HoseOnSite, ensure efficient, on-site assistance, minimize downtime and keep operations running smoothly. As experts in hose assembly, our safe, high-quality production machinery is tailored to the hose assembly industry's demands.

Whether it's custom hose assemblies, preventive maintenance, or repair, Hydros cand is the trusted partner for reliable and effective solutions.



● HYDROSCAND PRESENCE

Our Core Values

Hydroscand, with more than 1700 employees in 20+ countries, works to support our customers with solutions and services every day.



Our Offerings

- COMPLETE PRODUCT RANGE**

Hydroscand offers a complete range of hydraulic and industrial hose solutions with over 85,000 items.

Beyond hydraulic and industrial hoses, we also sell all types of hose couplings, adapters, fittings, ball valves, pipes, mounting technology, swivels, crimping machines, measurement equipment, filters, pneumatic technology and a variety of related accessories.

EXTENSIVE SERVICE OFFERING

We offer a wide range of services to support our customers' operations, from local service branches and mobile on-site hose replacement to preventive maintenance and system inspections.

Our capabilities also include on-site workshop solutions, vendor managed inventory services, customized hose assemblies, and engineering support such as design and testing. Through technical expertise and integrated service solutions, we help customers ensure reliable and efficient hose systems across a variety of applications.

GLOBAL PRODUCTION SOLUTIONS

We deliver tailor-made hose solutions with strong local support from our global production centers, helping our OEM customers increase productivity and profitability.

Our production centers offer kit and batch production, engineering and design services, lab testing, cleaning and training, as well as stock and logistics solutions and custom-made labeling. A rigorous quality assurance process ensures high performance, compliance with customer requirements and full traceability throughout the entire process.

Through technical expertise and integrated service solutions, we help customers ensure reliable and efficient hose systems across a variety of applications.



Our Commitment To Sustainability

Sustainability is a strategic priority for long-term profitable growth. We seek to contribute to a better environment while increasing the company’s competitiveness.

We believe that we have an important part to play in achieving the UN Sustainable Development Goals, the world’s shared blueprint for eradicating poverty, fighting inequality, and stopping climate change by 2030.

The global goals also indicate where new solutions are needed, creating favorable business opportunities for Hydroscand.

Our focus is on goals **5, 8, 12,** and **13,** where we can contribute through our operations, solutions, and expertise. As we are developing targets and setting strategic actions and plans, we always have the chosen goals in mind.

5

GENDER EQUALITY

A corporate culture based on diversity contributes to the positive future development of Hydroscand. We value diversity and foster fair treatment and equal opportunity in the recruitment, remuneration, development, and advancement of employees, regardless of ethnicity, religion, political opinion, gender, age, national origin, language, sexual orientation, marital status, disability, or any other factor. Discrimination or unfair treatment is not tolerated.

8

DECENT WORK AND ECONOMIC GROWTH

The natural resources provided by the planet must be used responsibly. In our daily operations, we offer solutions to promote the recycling and reuse of waste material and the safe final disposal of our used products. We can contribute to goal 12 by optimizing purchasing, production processes, and waste management.

12

RESPONSIBLE CONSUMPTION AND PRODUCTION

Economic growth and financial progress create job opportunities, and we must ensure that such jobs are decent, safe, and non-harmful to the environment. Hydroscand promotes good working conditions and the safety of our employees, customers, and partners. We require suppliers to respect labor rights and adhere to anti-corruption principles.

13

CLIMATE ACTION

We need to take immediate action to combat climate change. We acknowledge this situation by increasing awareness of and knowledge about the climate situation. A key objective here is to reduce our greenhouse gas emissions, and 2022 was the first year we mapped out our greenhouse gas footprint, setting a baseline for our upcoming improvement.

How We Work With Sustainability

Our sustainability work is characterized by responsibility, transparency, ethical behaviour, and respect for our stakeholders.

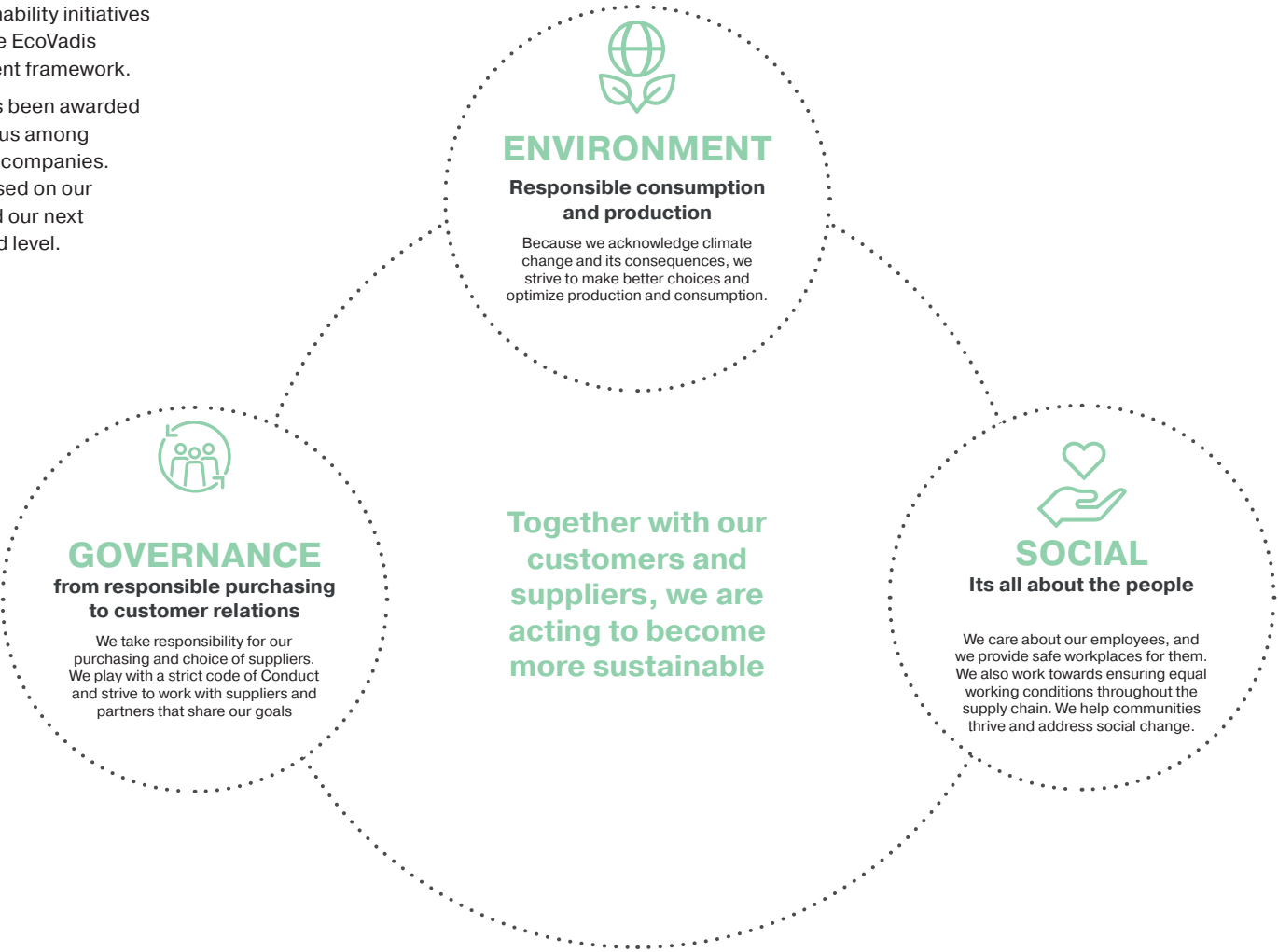
We aim to strengthen the basis for long-term value creation and its contributions to sustainable development, driven by our defined corporate ESG agenda.

An essential part of this is taking responsibility for the impact of our activities and decisions on the environment, society, and people. We are also implementing dedicated programs and a governance structure to integrate sustainability further into our daily business. We maintain an active, ongoing dialogue with our stakeholders to ensure that Hydroscand’s priorities and methods are relevant over time and that we are determined to drive change with our employees, customers, and partners. We aim to take the lead in advancing sustainability in our industry.

Regarding the UN Sustainable Development Goals, Hydroscand is developing sustainability in three focus areas, each defined to form part of the long-term backbone of our sustainable development and future actions.

We evaluate our sustainability initiatives and outcomes using the EcoVadis platform and assessment framework.

Hydroscand Group has been awarded a Silver Medal, placing us among the top 15% of all rated companies. This achievement is based on our 2025 performance, and our next goal is to reach the Gold level.



Bringing Sustainable Solutions To Our Customers

At Hydroscand, we work closely with our customers to deliver innovative solutions and a first-class customer experience.

Sustainability is a key part of our offering, and we actively collaborate with our customers through sustainability assessments, knowledge sharing, and third-party reviews of our initiatives. By listening to our customers and continuously developing our services, we can jointly reduce climate impact and support their sustainability goals.

We provide solutions, services, and products to a wide range of industries, including the construction, agriculture, forestry, and mining sectors. Understanding our customers' needs is crucial to us, and we always strive to exceed their expectations.

Through regular Net Promoter Score measurements and other feedback tools, we ensure that our products and services contribute to long-term, strong customer relationships.

Hydroscand Customers Assess Esg Commitment

In our 2025 customer survey, we asked respondents to evaluate our ESG efforts by answering the question:

How would you rate Hydroscand's commitment to sustainability and environmental responsibility?

Scale: 1 = Very low, 5 = Very high

The results show that Hydroscand received an average score of 3.68 out of 5 for this question. While this reflects a solid level of satisfaction, it also indicates that there are areas in which we can improve. To enhance our ESG efforts going forward, we will focus on increasing transparency, setting clear and measurable sustainability goals, and ensuring that our customers can actively engage with our environmental initiatives. By taking these steps, we aim to further demonstrate our dedication to sustainability and increase customer satisfaction within this area.



Sustainability As Competitive Strength

As Hydroscand's newest region, Global Business was established to coordinate and drive the company's international operations and partnerships.

In this interview, Carl Roth, Head of Global Business, explains how sustainability is integrated into strategy, operations, and customer dialogue – and why it is essential for long-term competitiveness.



Carl Roth,
Head of Global Business

The unit's mission is to create a unified global approach built on growth, quality, responsibility, and long-term customer value.

“Our task is to align how we operate internationally – leveraging synergies between markets, streamlining processes, and ensuring that we meet the same high standards worldwide. Sustainability is a fundamental part of that.

Our operations directly impact both people and the environment, and for us sustainability is not only about climate. It includes social and economic sustainability – safe working conditions, diversity, and long-term, responsible relationships with customers and partners. If we want sustainable growth, these aspects must be integrated into the core business.”

SUSTAINABILITY AS AN INTEGRATED BUSINESS FACTOR

Working closely with large, international OEM customers means operating in an environment where expectations are becoming increasingly specific.

“Sustainability is no longer a separate issue – it is an integrated part of the business relationship. Customers expect measurable CO₂ reductions, but also traceability, transparency, and compliance with evolving regulations.”

According to Carl, the requirements are becoming more concrete.

“It is not enough to communicate general ambitions or certifications. Customers increasingly ask for specific calculations across the entire value chain. Since we have calculated our emissions according to the GHG Protocol since 2022, we can provide the data.

Rather than reacting to external pressure, Hydroscand views structured sustainability work as part of responsible and competitive business management.

“When sustainability is supported by reliable data and clear KPIs, it becomes a tool for better decisions – not only in reporting, but in sourcing, product development, and long-term partnerships.”

STRUCTURE, GOVERNANCE AND COLLABORATION

Translating sustainability expectations into operational reality requires structure and collaboration.

“We work with clear group-wide targets, structured KPI follow-up, data-driven systems, and strong supplier governance. But equally important is the close cooperation between central and local functions – purchasing, production, quality, and sustainability.”

Internal collaboration is not optional.

“If functions operate in silos, sustainability risks becoming reactive and administrative. When collaboration works well, sustainability becomes integrated into the business – connecting customer requirements, cost efficiency, innovation, and risk management.”

Hydroscand's sustainability agenda is designed not only to meet minimum expectations but to drive continuous improvement.

“It is built to move us forward. And when we collaborate with customers, we can raise our ambition further and create measurable impact together.”

Rather than reacting to external pressure, Hydroscand views structured sustainability work as part of responsible and competitive business management.

**FROM COMPLIANCE TO
COMMERCIAL DIALOGUE**

Carl acknowledges that certain sustainability requirements are hygiene factors.

“If minimum levels are not met, there is a risk of being excluded. That is today’s reality.”

However, long-term value is created when sustainability becomes part of forward-looking collaboration.

“Sustainability becomes truly meaningful when we move from reporting backwards to developing forward together with our customers. When it is linked to efficiency improvements and cost savings, it becomes a commercial discussion – not just a compliance exercise. Then the focus shifts from fulfilling requirements to strengthening competitiveness on both sides.”

This shift is gradually transforming supplier relationships.

“Instead of only responding to requirement specifications, we need to present clear roadmaps and demonstrate ongoing improvements. That is how we move from being a traditional supplier to becoming a strategic partner.”

**FUTURE EXPECTATIONS: MEASURABLE,
TRANSPARENT, AND RESILIENT**

Looking ahead, Carl expects sustainability requirements to become even more strategic.

“Future expectations will focus on measurability, transparency, and future-proof operations. OEM and global customers will increasingly choose partners who can contribute to their transition – not only technically, but strategically.”

Climate targets are likely to tighten further, and Scope 3 emissions will remain central. Since a significant share of customers’ Scope 3 emissions originates from purchased products, Hydroscand’s performance directly affects their ability to reach their own goals.

“Customers now expect verified climate data, clear reduction targets, and transparency across the supply chain. That means we must have strong processes for collecting and quality-assuring data, while actively working with our own suppliers to reduce upstream emissions.”

At the same time, resilience remains high on the agenda.

“After the pandemic and the semiconductor shortage, the importance of a resilient supply chain has increased significantly. I believe this will remain a key focus area for many years to come.”

**SUSTAINABILITY AS
COMPETITIVE STRENGTH**

So, is sustainability a prerequisite or a differentiator?

“Today, it is both. It is a hygiene factor to receive an invitation to collaboration with our major customers. The ability to work strategically, proactively, and in an integrated way with sustainability is what creates real competitiveness.”

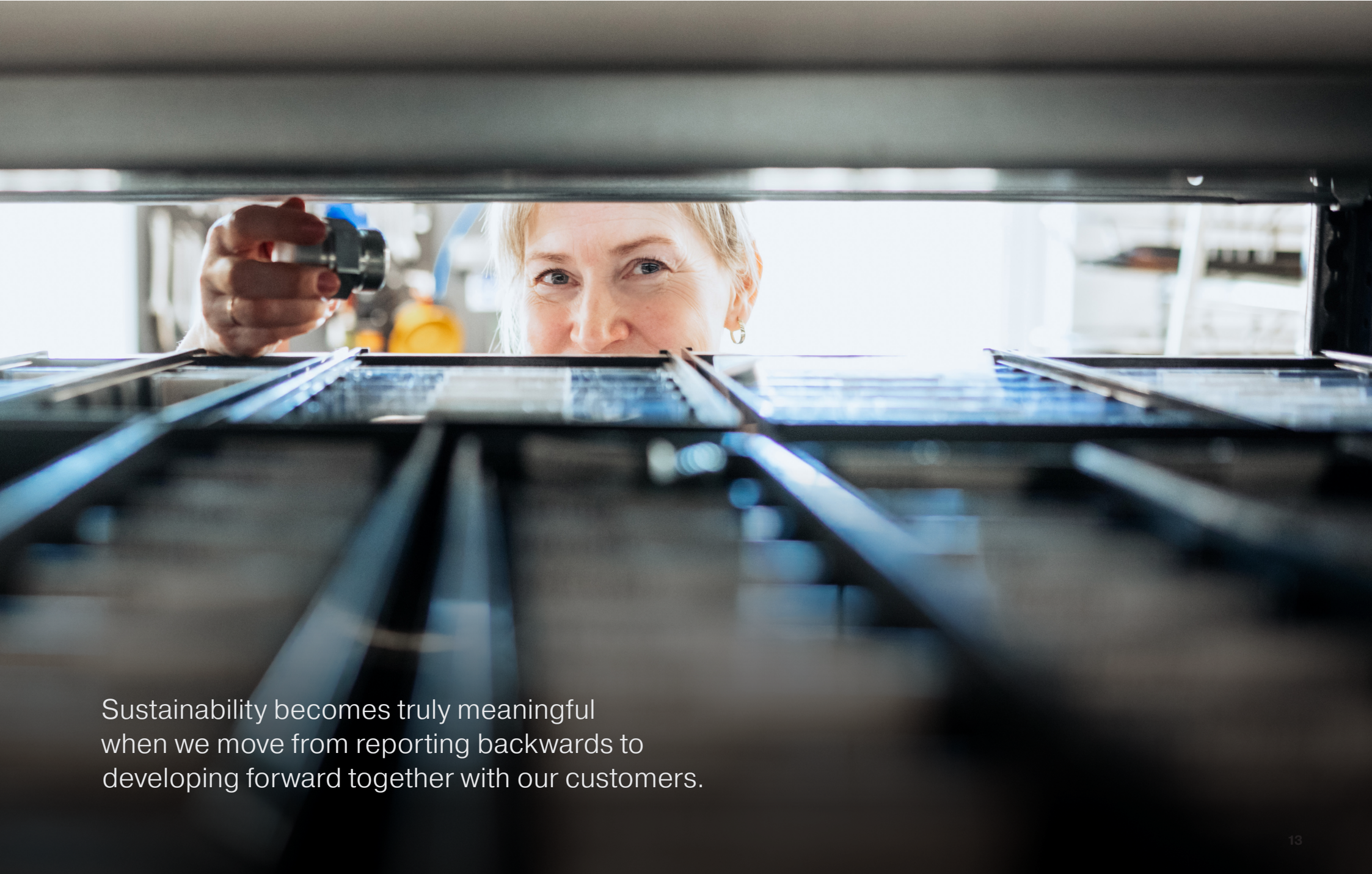
Hydroscand’s structured sustainability work has already strengthened customer relationships through transparency, credibility, and trust. Demonstrating measurable results in climate performance, supply chain responsibility, and working conditions has led to deeper collaborations, longer agreements, and increased business opportunities – particularly with customers that have high ESG requirements.

For Carl, the key success factor is clear:

“The most important success factor is to integrate sustainability into the core business – not to run it as a parallel initiative.”

When sustainability is embedded in strategy and operations, it becomes not only a responsibility, but a driver of resilience, innovation, and long-term value creation.

The most important success factor is to integrate sustainability into the core business – not to run it as a parallel initiative.

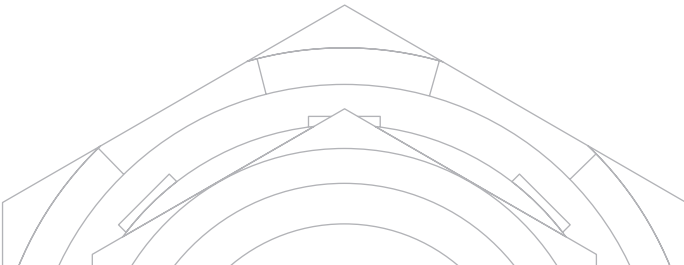


Sustainability becomes truly meaningful when we move from reporting backwards to developing forward together with our customers.

Driving Sustainable Supplier Partnerships

At Hydros cand, we are committed to advancing sustainability initiatives and promoting new working methods.

Our collaboration with suppliers is essential in achieving these goals, ensuring we work together to reduce emissions and align with ambitious environmental targets.



LEVERAGING TECHNOLOGY FOR SUSTAINABLE PROCUREMENT

To strengthen our sustainability efforts and optimize supplier collaboration, Hydros cand utilizes Kodiak Hub as a Supplier Relationship Management (SRM) platform. **This tool enables:**

TECHNOLOGY AND INNOVATION

Digitalizing supplier collaboration and procurement processes.

QUALITY MANAGEMENT

Ensuring high standards for products and services.

SOURCING AND PROCUREMENT

Embedding sustainability into supplier selection.

SUSTAINABILITY AND COMPLIANCE

Tracking environmental performance and monitoring adherence to sustainable practices.

KEY SUSTAINABILITY KPIS FOR SUPPLIER MANAGEMENT

To ensure transparency and measurable progress, we track key performance indicators (KPIs) across our supplier base, categorized by strategic partnership and spending:

Segmentation	No of suppliers	CSR assessment completed in %	On site audit completed in %	Signed Hydros cand supplier code of conduct
A Suppliers	13 suppliers	100%	15,4%	85%
B Suppliers	84 suppliers	94%	2,2%	77%
C Suppliers	181 suppliers	20,1%	N/A	67%

The key suppliers are divided into categories A, B and C based on spend and strategic partnership

By continuously tracking and improving these KPIs, we ensure that sustainability remains at the core of our supply chain operations.

By leveraging Kodiak, we enhance traceability and transparency in our supply chain, strengthening our ability to make informed decisions that align with our sustainability objectives. This benefits not only our business but also the environment while reinforcing Hydros cand's brand reputation and customer trust.

This structured approach ensures that Hydros cand continues to lead the way in responsible sourcing, integrating sustainability at the core of its procurement strategy.

SUSTAINABILITY TRAINING IN PURCHASING ROLES

Ensuring that local and central purchasers integrate sustainability into procurement is a key priority. In 2025, we continued our focus on mandatory training, achieving the following completion rates:

Role	Sustainability training	Code of Conduct training
Local purchasers	81%	85%
Group/central purchasers	100%	100%

For the group functions we are at target, however we still have some gaps to close in 2026. We are currently looking into additional training to further increase knowledge in sustainability in the local and global purchasing teams.

Strengthening ESG In Our Supply Chain

Hydros cand's sustainability agenda extends far beyond our own operations.

With most of our climate impact and several key Environmental Social and Governance (ESG) risks located in Scope 3, our supplier base plays a critical role in how we manage environmental, social and governance issues.

Sandra Åkerström, Global Supply Chain Quality Developer, works at the intersection of quality, sustainability and supplier performance.

"From a supply chain perspective, ESG is largely risk management," Sandra explains. "We need to minimize risks related to quality, environmental impact, workforce conditions and legal compliance. If something fails in our supply chain, it affects our operations, our brand and ultimately our customers."

A RISK-BASED AND STRUCTURED APPROACH

Hydros cand operates with a global supplier base across regions with varying regulatory frameworks and ESG maturity. To manage this complexity, suppliers are segmented based on spend and strategic importance.

"We cannot treat all suppliers the same," Sandra says. "The more critical a supplier is to our business, the closer and more structured our collaboration becomes."

Key suppliers are subject to deeper assessments, closer follow-up and, when relevant, on-site visits. In higher-risk regions, additional attention is given to ensure compliance and continuous improvement.

LEVERAGING TECHNOLOGY FOR TRANSPARENCY

Through the Kodiak Hub platform, suppliers complete a structured self-assessment covering quality, environmental management, workforce conditions, and compliance.

"The self-assessment gives us a baseline," Sandra explains. "But for us, it's not about sending out as many forms as possible. It's not quantity – it's quality. What really matters is the dialogue that follows."

Kodiak Hub supports traceability and documentation, while enabling Hydros cand to identify potential gaps and prioritize follow-up efforts. For strategically important suppliers, this includes regular performance reviews and site visits to verify processes and align expectations.

"When we meet suppliers on site, we gain a deeper understanding of their operations. It strengthens transparency and creates better conditions for improvement."

FROM COMPLIANCE TO COLLABORATION

All new suppliers are required to sign Hydros cand's Supplier Code of Conduct, which sets expectations on human rights, labor standards, environmental responsibility and anti-corruption. ESG is also embedded in sourcing and supplier evaluation processes.

"Our ambition is to build long-term relationships where sustainability is part of the ongoing business dialogue," Sandra says. "It's a shared journey."

By integrating ESG into supplier management, Hydros cand reduces operational and reputational risk while strengthening transparency in the value chain.

"Our customers expect accountability," Sandra concludes. "By working in a structured and proactive way together with our suppliers, we build trust and create a more resilient and responsible supply chain."



We are determined to lessen our climate impact.

Responsible Consumption And Production

In 2025, the climate crisis remains one of the most pressing challenges of our time, with widespread global impacts affecting both individuals and our business.

Hydroscand is committed to supporting our customers in the transition toward a more sustainable society by providing solutions and services in key areas such as electrification, green energy, and waste management.

Within our own operations, we continue to take action to lower greenhouse gas emissions and reduce environmental impact by optimizing energy use, minimizing waste, and ensuring the responsible management of materials and chemicals.

REDUCING OUR CARBON FOOTPRINT

We are determined to lessen our climate impact. In 2021, we started calculating our emissions for our most significant markets in Scope 1 and 2.

Since 2022, we have worked with a third-party expert team to calculate all three scopes, encompassing our whole value chain (Scope 1, 2, and 3). In 2025, we continued the journey to refine the data and include more data. There is still work to be done to clarify the data and develop the exact method for this going forward. We calculate emissions based on both spend-based and activity-based data, with the determination of fine-tuning the data in the coming years.

Our most significant impact is still to be found in our Scope 3 emissions, where we have 92% of our total emissions, and if we dig a bit deeper into our Scope 3 emissions, we see different areas where we have an impact.

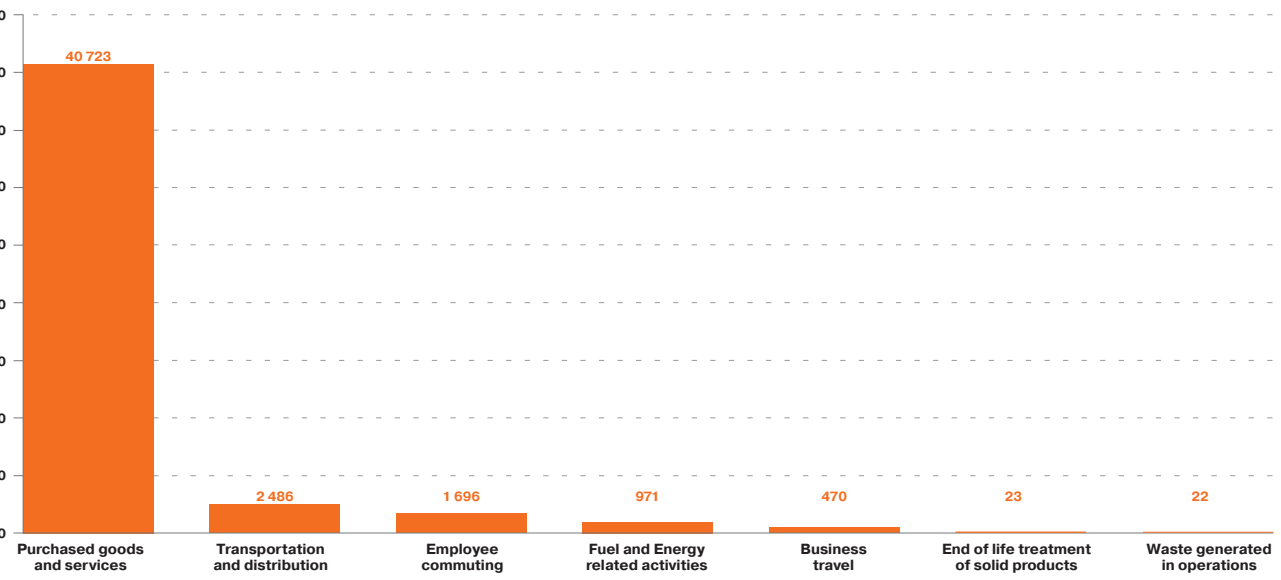
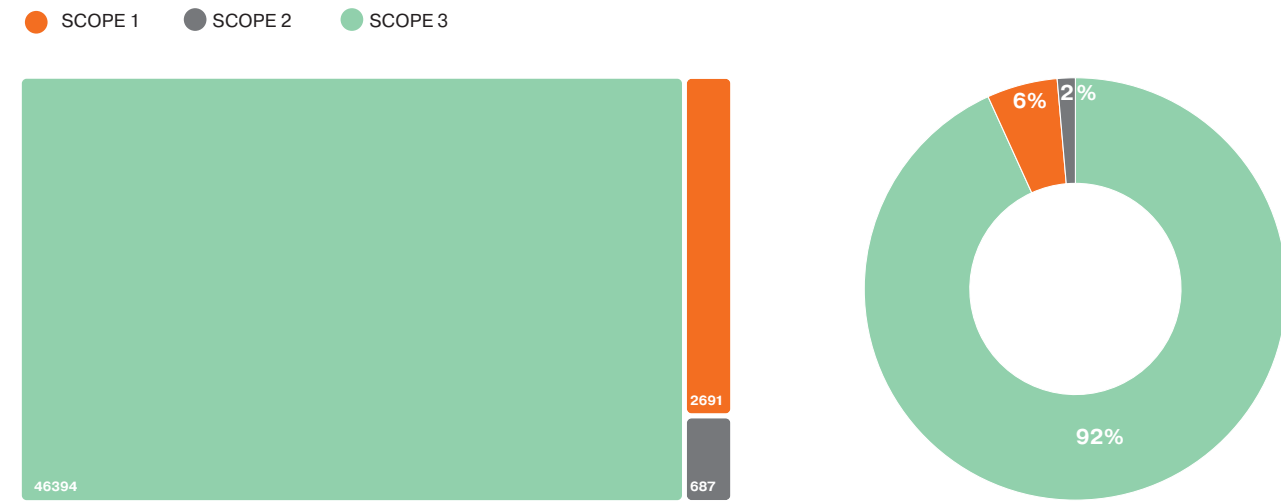
In 2025, we continued to move towards more activity-based data in our climate calculations. By late 2025 we submitted targets to Science Based Target initiative (SBTi) with 2024 as a baseline year.

Greenhouse Gas Emissions 2025

In 2025, our total emissions amounted to **49 772 tCO₂**.

These emissions are categorized into scopes **1**, **2**, and **3** as follows:

As we saw in previous year's reporting, the breakdown of Scope 1-3 emissions shows that the Scope 3 emissions are our most significant impact.



When we break down the scope 3 emissions, we can see that they include various elements, such as employee commuting and material components within our purchased products.

This is the largest category in terms of emissions.

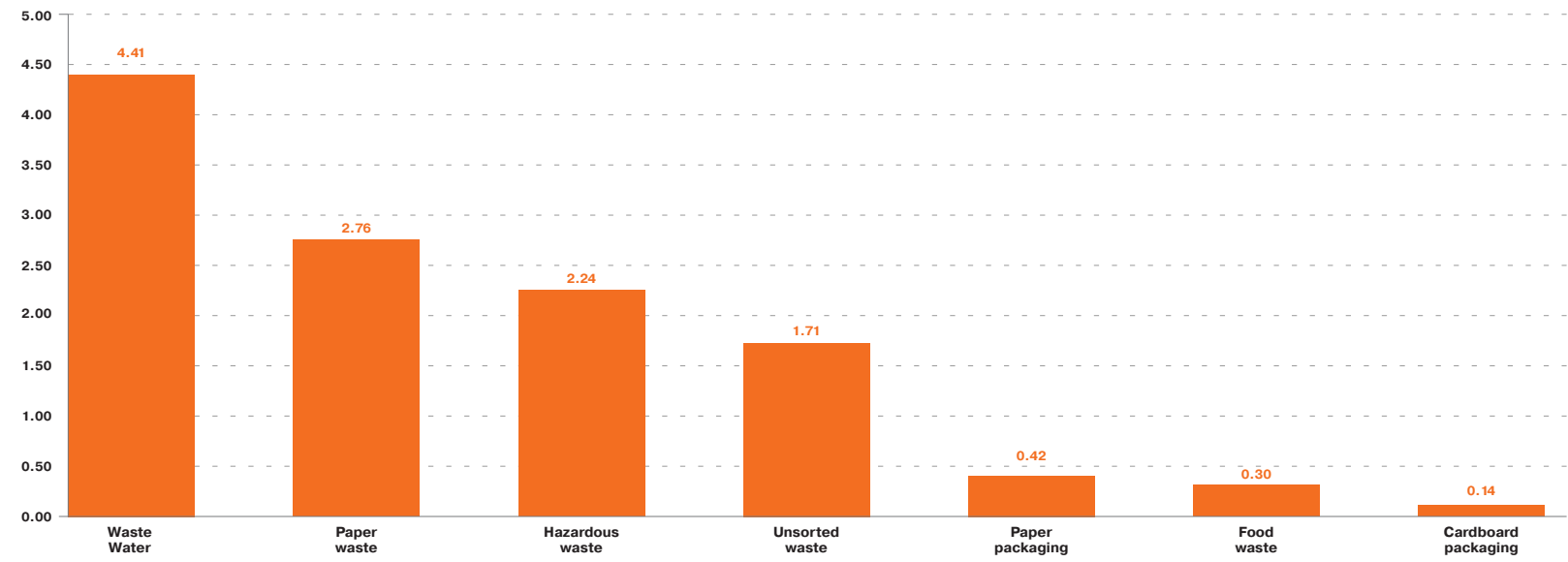
Sustainable Waste Management At Hydroscand

We act to make production waste a valuable resource while reducing our greenhouse gas emissions.

Minimizing waste is an essential area for Hydroscand, as considerable amounts of waste are related to purchasing, assembling, and packaging our products. Used hoses pose a high risk if handled incorrectly, as they are a significant waste fraction and may contain harmful oil that could contaminate the environment.

- As a service, we offer to receive used hoses from our customers to handle the waste correctly and minimize the risk of oil spills.
- At the sites covered by ISO 14001, we manage waste according to standard demands. Those standards are translated into routines for sites not yet certified.
- We have a responsible flow within our production sites and warehouses. Packaging material and pallets are always reused. Packaging material and pallets from suppliers are reused for customer products at production sites and warehouses.
- Collecting and measuring waste plays an important role in helping us reduce waste and increase our level of sorting. Throughout 2025, we have significantly expanded our collection of activity-based data on waste, allowing us to enhance our waste management strategies further.
- During 2025 we had an ongoing project called “**Closing the Life Cycle Loop Throughout Product Development**”, focusing on integrating sustainability considerations at every stage of product design and manufacturing. During 2026 we continue with the next phase of the project and look into the best way to collect information on the life cycle of our products.

During 2026 we continue with the next phase of the project and look into the best way to collect information on the life cycle of our products.



Responsible Handling Of Materials And Chemicals

Every product or component Hydroscand receives from third parties must also comply with Hydroscand's product safety and chemicals criteria according to the specifications in our Supplier Code of Conduct.

This helps us maintain high standards, comply with laws and regulations, and strive for as little environmental impact as possible. Risks related to using chemicals, hazardous substances, environmental accidents, and contamination are generally relatively low, although hazardous waste may occur.

In 2025, we continue to calculate CO2 footprints at the item level for our assortment, enhancing our understanding of Scope 3 emissions. By following the Greenhouse Gas Protocol and using emission factors per material and weight, we ensure accurate assessments. These efforts support data-driven targets and actions to reduce our environmental impact across Hydroscand.

SUPPLY CHAIN, CONFLICT MINERALS AND SUBSTANCES OF CONCERN

Hydroscand Group has a portfolio of suppliers located in different parts of the world, including countries listed as high-risk. Therefore, we must consider the risk that some of our suppliers have shortcomings concerning environmental and social issues such as reducing greenhouse gas emissions and human rights.

Hydroscand Group suppliers substantially impact substances of concern, especially in the products Hydroscand purchases from suppliers.

Through our Supplier Code of Conduct, we ensure that our suppliers maintain our high standards, comply with laws and regulations, and strive to have as little environmental impact as possible. This applies especially to conflict minerals, REACH regulations (EU regulation governing the production and use of chemical substances), and the RoHS (Restriction of Hazardous Substances) and EU Waste Framework Directives.

We constantly work to ensure our suppliers sign our Supplier Code of Conduct. To ensure supplier compliance, we will also follow up with our suppliers more proactively, with complete assessments, self-assessments, and the Supplier Code of Conduct.



Optimizing Transportation

We always strive to achieve high customer satisfaction levels and ensure all shipments are delivered on time and in full.

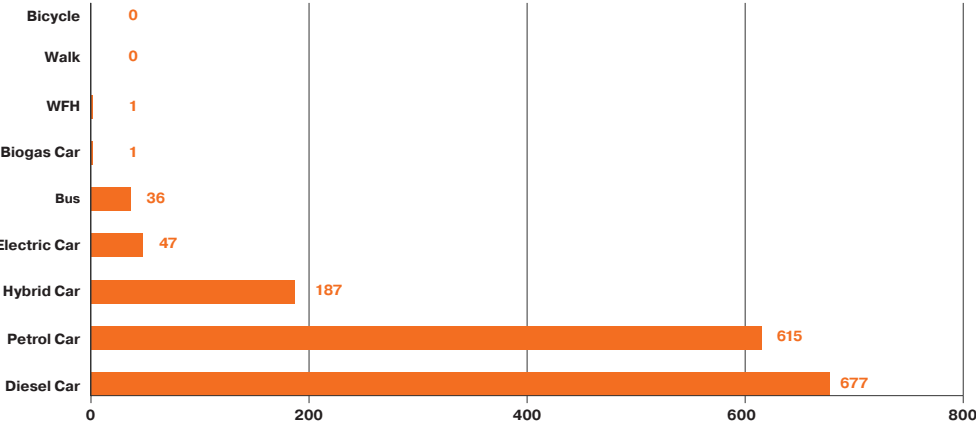
We also work on optimizing our supply chain to limit the environmental impact of our transportation.

Our company vehicle policy promotes the choice of green vehicles.

We use electric charging stations at more branches.

We are transitioning to incorporate hybrid or electric vehicles into our operational fleet. For instance, four of our operational vans in Norway are now fully electric.

Looking at our emissions from Scope 1, we see a decrease both in terms of CO2 and kWh from mobile combustion. We continue to expand electrical cars within the fleet.



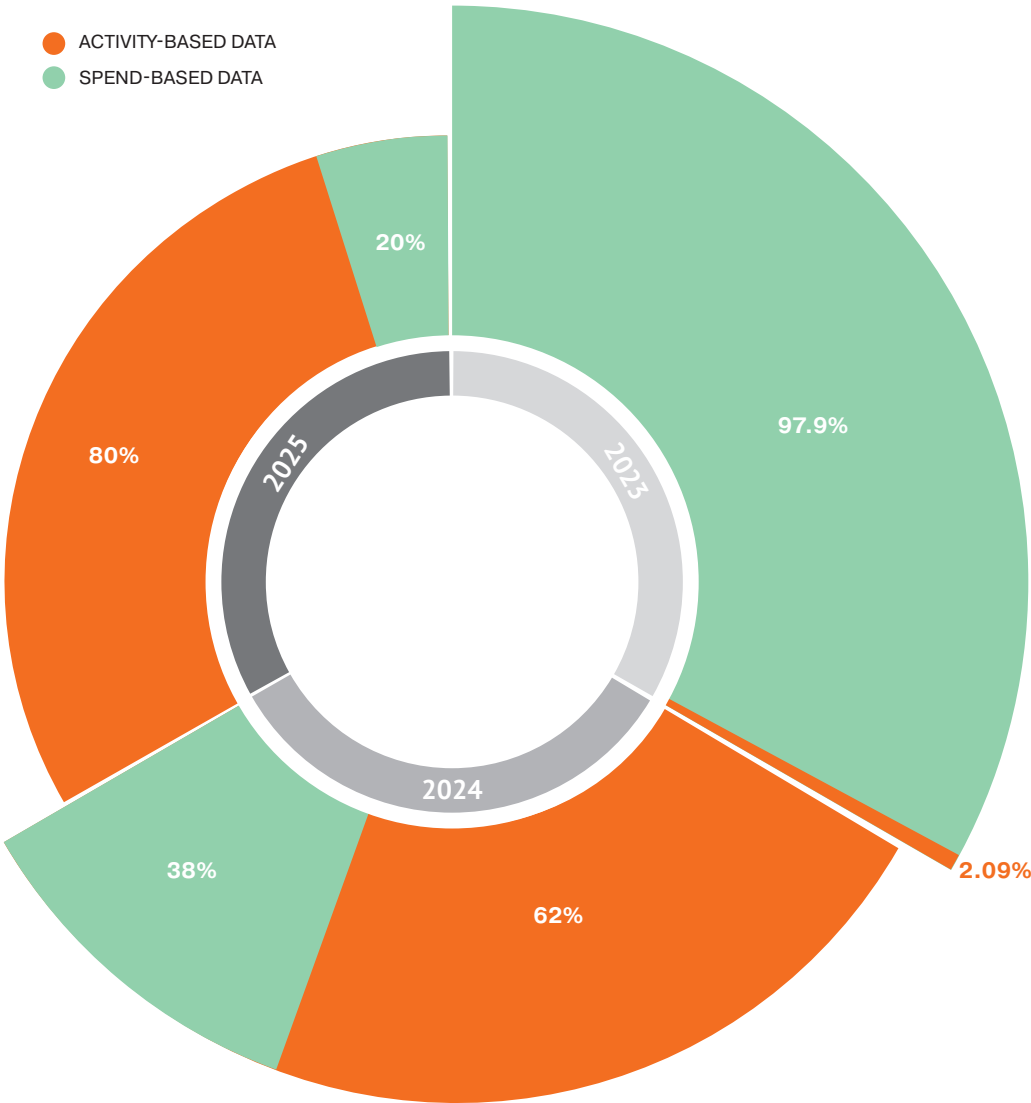
During 2025, we also reported emissions related to our employees' commute. The relatively low response rate of <30% still gives us an insight into the daily routine of Hydroscand Employees. We will continue to follow up on these numbers and ensure that there are viable alternatives to commuting by car.

Addressing The Impact Of Business Travel Emissions

We are a global business which includes business travel.

Even though we have a lot of meetings digitally, there is still a need to meet internal and external stakeholders. Within scope 3 business travel represents 692 tCO2 emissions. During 2025 we refined our data collection process in terms of business travel meaning with could capture more of the actual emissions related to business travel. In 2025, 80% came from activity-based data.

This is therefore a bigger contribution to our overall footprint giving us a reason to put more focus into this area in 2026 and beyond.



Energy Efficiency

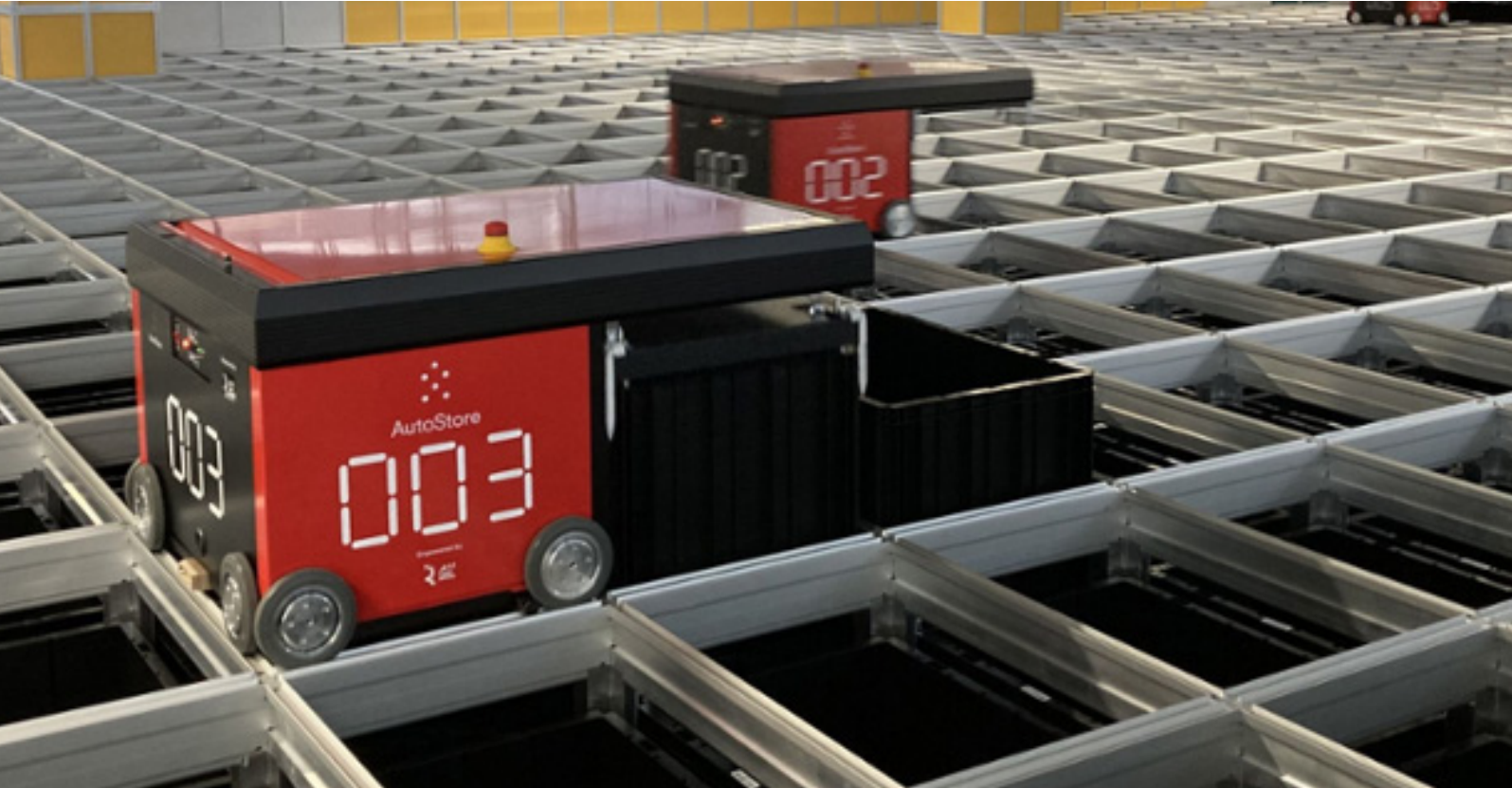
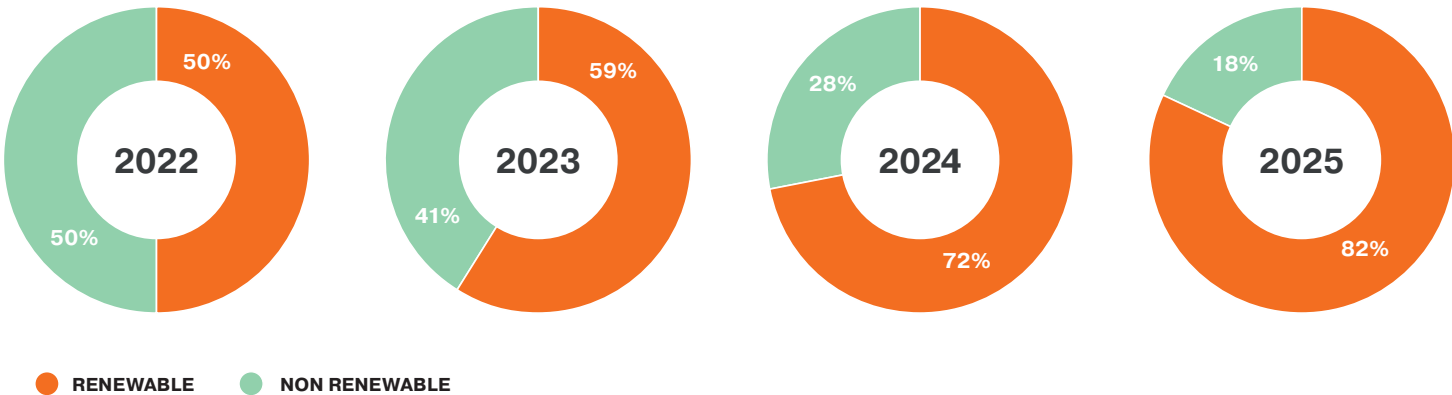
Emissions linked to energy consumption are an inescapable part of Hydroscand's business and operations.

Everyone at Hydroscand is responsible for achieving emission reductions, and this requires collaboration on both local and global levels. Innovation, technology, sustainability initiatives, data collection, and reporting all play a part in achieving our goal of reducing our environmental impact.

In Sweden and Norway, we use AutoStore, a modular warehouse robotics solution. Like electric vehicles, these warehouse robots use regenerative braking, returning energy to the battery. Additionally, the use of robots reduces the need for lighting and comfortable temperatures in warehouse areas, further lowering energy consumption.

The relocation of our Swedish head office to a new building doubled the capacity of our Swedish AutoStore and strengthened our supply chain at the same time.

Data shows that Hydroscand is on the right track when it comes to energy efficiency. We have increased our usage of renewable electricity from 50% to 82% since 2022. Looking at the actual consumption of purchased energy (scope 2), we see a decrease in emissions and in actual consumption (kWh).



We aim to be the industry leader when it comes to employee satisfaction.



A Workplace For Everyone

We strive to create attractive, inclusive, and sustainable workplaces where our employees feel motivated, engaged, and empowered to deliver results.

We also recognize that our business impacts people throughout the value chain, including suppliers' employees, customers, workplaces, and the local communities where we operate. That's why we are committed to promoting and protecting human rights across our entire value chain.

UNLOCKING EMPLOYEE INSIGHTS

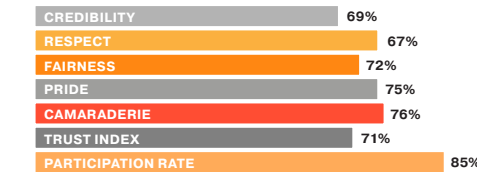
We aim to be the industry leader when it comes to employee satisfaction, and we use the employee survey, "Great Place to Work," to measure and evaluate our organizational culture. A great workplace is defined by trust in leadership, pride in work, and enjoyment of colleagues.

The model centers on trust as the key to a great workplace and measures trust through five areas: Credibility, Respect, Fairness, Pride, and Camaraderie.

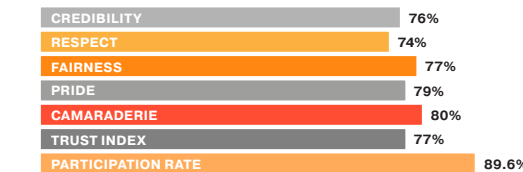
The "Great Place to Work" model centers on trust as the key to an exceptional workplace. A great workplace is defined by trust in leadership, pride in work, and enjoyment of colleagues. The model measures trust through five areas: Credibility, Respect, Fairness, Pride, and Camaraderie.

Overall, the results from 2025 show a high level of stability compared to 2024. Most dimensions remain at a similar level, with only minor changes. This indicates that the organization has maintained consistent performance and culture over time.

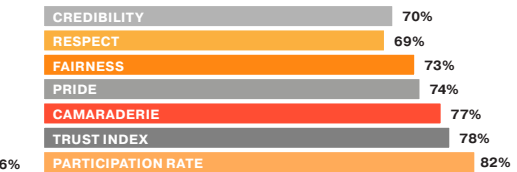
2022



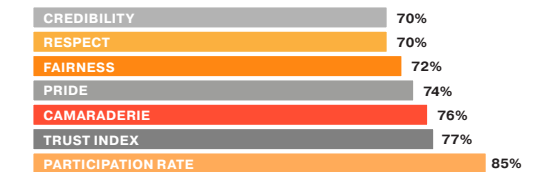
2023



2024



2025



KEY OBSERVATIONS

- **Credibility and Pride** remain unchanged, suggesting strong and stable foundations.
- **Respect** shows a slight improvement, which points to positive development in interpersonal relations.
- **Fairness, Camaraderie, and Trust Index** show marginal declines, but the differences are small and do not indicate a significant downward trend.
- All scores remain **well above 70%**, which reflects a generally strong and healthy work environment.

Overall, the results from 2025 show a high level of stability compared to 2024

FOCUS ON INCREASED PARTICIPATION

An important positive factor behind the 2025 results is the increased level of participation. Higher participation strengthens the reliability and representativeness of the data. This means that the results are more reflective of the organization, giving greater confidence in the findings.

With more employees engaging in the survey, the stable results in 2025 are especially valuable. They indicate that the positive culture is shared across a broader group and is not limited to a small subset of respondents. In this context, maintaining similar scores while participation increases can be seen as a sign of organizational maturity and trust in the feedback process.

CONCLUSION

In summary, the 2025 results demonstrate stability, strong engagement, and improved participation. While there are small areas for continued improvement, particularly in Fairness, Camaraderie, and Trust, the overall picture is positive. The increased response rate enhances the credibility of the results and provides a solid foundation for future development.

Empowering Growth

The continuous development of employees and managers is crucial for Hydroscand’s long-term success and its ability to attract and retain the right skills.

The environment in which we operate is complex and constantly changing. This requires us to be quick to develop, train, and adapt. Learning and development must form a fundamental part of our employees’ everyday life through training programs, learning from new challenges at work, and coaching.

Hydroscand takes a structured approach to identify the skills and talent needed to deliver on our business strategy.

We run leadership and functional courses to support efficient leadership and give leaders more time for employee support. Leadership training is provided to managers, both new and current.

We are transitioning from a traditional learning approach to more digital channels.

To support this shift, we have launched the ‘Hydroscand Global Academy’ e-learning platform, offering a wide range of topics to support employee development. The Academy also enables the creation of Learning Lifecycle Platforms, digitizing parts of classroom training to enhance follow-up on the skills employee’s need at different stages of their careers.

In 2025, we continued to enhance the Hydroscand Global Academy,

using the platform to develop training programs at both local and global levels, aiming to make training an integral part of every Hydroscand employee’s journey. We also saw a significant increase in time spent on learning, rising from 1,137 hours in 2023 to 4,512 hours in 2024. We continue to see an increase in hours spent in training with 5300 hours in 2025. These statistics also include physical training as well as online training.

Hydroscand takes a structured approach to identify the skills and talent needed to deliver on our business strategy.

5300 hrs TRAINING

KPI	2025	2024	2023
Total number of employees in Global Academy	1 697	1 636	1 544
Time spent on online training	5 300 hrs.	4 512 hrs.	1 137 hrs.
Total training modules	27	21	13
Global training modules	8	7	5
List of global training modules	■ Onboarding ■ Competition law ■ GDPR ■ Code of conduct ■ Health and Safety ■ CSRD ■ Sustainability ■ Introduction to -Health and Safety reporting	■ Onboarding ■ Competition law ■ GDPR ■ Code of conduct ■ Health and Safety ■ CSRD ■ Sustainability@Hydroscand	■ Onboarding ■ Competition law ■ GDPR ■ Code of conduct ■ Sustainability@Hydroscand

As an international organization operating across diverse regions, we recognize the importance of tailoring our on-site training initiatives to meet specific regional needs.

Moving forward, we are committed to further developing and enhancing our on-site training offerings to ensure alignment with each region’s unique requirements.

Although we have seen a significant increase in the completion rate, we will continue to prioritize this in 2026 to ensure that fundamental knowledge is effectively shared across the organization.

Global trainings	Completion rate 2025	Completion rate 2024	Completion rate 2023
Code of Conduct – Training in business ethics	53,5%	47,7%	New training
Competition law – Explained	57%	48,7%	New training
Sustainability training – Basic training in the basis of sustainability	53,3%	50,1%	25,9%
Cyber security awareness	55,3%	52,6%	29,3%
GDPR awareness	56,5%	51,7%	29,7%
Onboarding – Intro to Hydroscand incl. Business ethics, company culture, sustainability etc.	56,5%	53%	28,9%
Health and safety – global training in health and safety policy and measures	62,7%	41,4%	New training
Introduction to IA – Our global reporting tool for health and safety	28,2%	New training	New training

We recognize the importance of tailoring our on-site training initiatives to meet specific regional needs.



An Inclusive Workplace

Hydroscand is an international business that operates in several parts of the world.

We believe that employees from different backgrounds provide us with diverse skills and knowledge crucial for our organization.

Thus, it is second nature for Hydroscand to respect everyone. To ensure everyone regardless of gender, sexual orientation, gender identity, ethnicity, disability, religious beliefs, political opinion, or age enjoys the same opportunities and conditions.

We work to achieve equality and consider diversity issues in recruitment and human resource development. This is stipulated in our Code of Conduct and our Human Rights Policy.

The hydraulics industry is traditionally male dominated. This trend is mirrored within

Hydroscand across various organizational levels. However, this lack of diversity poses risks, potentially limiting the breadth of knowledge and skills vital for the company’s development.

To address this, we actively promote diversity in our job advertising to attract candidates from different backgrounds and experiences. By fostering inclusivity, we enrich our talent pool and cultivate a dynamic organizational culture that values and celebrates differences.

Through ongoing efforts, we remain committed to creating an environment where everyone feels valued and empowered to contribute.

We have a Human rights policy that includes sections around gender equality measures such as unbiased recruitment and equal promotion opportunities.

Our measures to increase women in the organization is supported by our recruitment tool which enable anonymous recruitment.

Individual performance reviews and target settings serve to evaluate progress, provide feedback, and align personal and organizational goals.

From a human rights perspective, these processes should ensure fair and equal treatment, uphold dignity at work, and support the right to fair and favorable working conditions.

From a **Diversity, Equity, and Inclusion (DEI)** perspective, performance reviews should be free from bias, recognize diverse contributions, and provide equitable opportunities for growth. Target setting should account for different needs and backgrounds, fostering an inclusive environment where all employees can thrive and reach their full potential.



	Target no. of employees	% completed
% of employees who received performance dialogue during 2025 ¹	1 327	73,9%
% of employees who received goal setting dialogue during 2025 ²	130	34,6%

¹The performance dialogue includes evaluating the previous period’s targets, setting new goals, and creating career development plans.

²A light version of the performance dialogue that includes target setting. Targets our Eastern European region.

Diversity - Gender	2025*	2024*	2023**	2022**	2021***
Total number of employees	1 734	1 717	1 544	1 499	845
Share women/men % Total employees	19/81%	19/81%	19/81%	19/81%	17/83%
Share women/men % Managers	18/82%	14/86%	14/86%	-	-
Share women/men % Group management	11/89%	22/78%	22/78%	22/78%	30/70%
Share women/men % Board of Directors	29/71%	29/71%	29/71%	29/71%	0/100%

*The 2024 and 2025 data include data from HR system and then manually added information regarding Georgia and Kazakhstan and newly acquired businesses in UK.

**The 2022 and 2023 data include all entities except Georgia, Armenia, and Kazakhstan since they were not included in the human resources system.

***The 2021 data include Sweden, Norway, Finland, and the Czech Republic, which were included in the human resources system during 2021.

At manager level, female representation has improved from 14% in 2023-2024 to 18% in 2025.

This positive development indicates progress in strengthening gender diversity within operational leadership.

In Group management, female representation has declined from 30% in 2021 to 11% in 2025. This highlights the need to reinforce succession planning and strengthen the leadership pipeline.

The Board of Directors has maintained 29% female representation since 2022, compared to 0% in 2021.

FOCUS AREAS 2026 AND BEYOND

- To further improve gender diversity, the company will focus on:
- Strengthening succession planning to increase female representation in executive roles
- Setting measurable gender diversity targets for senior leadership
- Expanding leadership development and mentorship programs for women
- Ensuring diverse candidate shortlists in all management and executive recruitments
- Monitoring promotion, retention and pay equity data to identify structural gaps
- Increasing outreach and employer branding initiatives to attract more women to operational and technical roles
- These actions aim to create a more balanced leadership structure and support long-term sustainable diversity development.

Workplace inclusivity and employee experience analysis

	2025
People here are treated fairly regardless of their age	83%
People here are treated fairly regardless of their race or ethnic origin	89%
People here are treated fairly regardless of their gender	88%
People here are treated fairly regardless of their sexual orientation	90%

INCLUSION & EQUAL TREATMENT INDEX 2025

The 2025 employee survey shows strong results across all measured diversity dimensions, with scores ranging between 83% and 90% (maximum 100%). The average score across all four areas is 88%, indicating a generally inclusive and respectful workplace culture.

Perceived fair treatment is highest regarding sexual orientation (90%), followed by race or ethnic origin (89%) and gender (88%).

These results suggest that employees largely experience the organization as inclusive and non-discriminatory across key identity dimensions.

The lowest score relates to age (83%). While still high in absolute terms, this result indicates comparatively greater variation in employee experience and may signal areas where generational perspectives, career development

opportunities, or workplace flexibility could be further strengthened.

Overall, the results reflect a strong inclusion culture with limited dispersion between categories (7 percentage points between highest and lowest). Continued focus on awareness, inclusive leadership, and structured follow-up on survey insights will be important to maintain high confidence levels and further close the remaining gaps.

Health, Safety And Well-Being

Ensuring the safety and well-being of all individuals within Hydroscand's production facilities and offices stands as our paramount objective.

We prioritize the health and welfare of our employees, recognizing their pivotal role in driving the success of our operations.

Given that much of the work at Hydroscand involves manual labor, we acknowledge the inherent risks associated with workplace accidents. Therefore, it is imperative that we actively address potential threats to the health, safety, and overall well-being of our workforce. Through comprehensive training programs and ongoing education initiatives, we equip our employees with the knowledge and skills necessary to navigate health and safety concerns effectively.

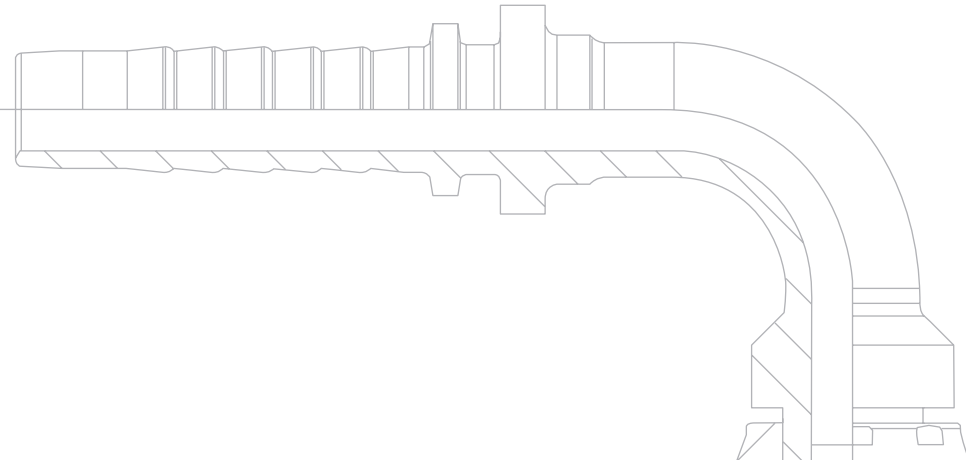
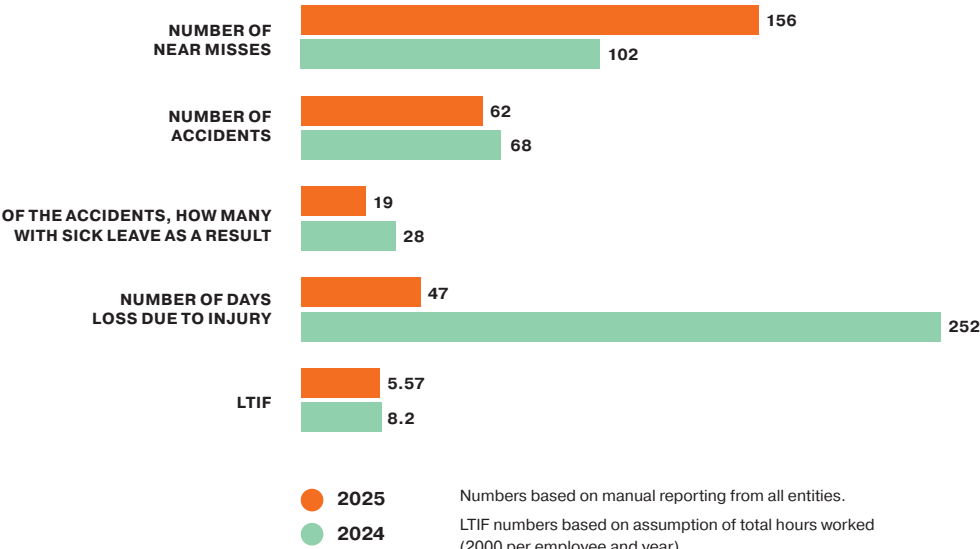
Furthermore, we uphold the principles of freedom of association, granting our employees the right to organize and engage in collective bargaining. This commitment underscores our dedication to fostering a supportive and empowered work environment.

Implementation of the IA tool began in late 2024, and during 2025 it was rolled out broadly across the organization. The tool is now implemented in all entities and actively used in daily operations, strengthening our systematic Health and Safety work.

The purpose of the tool is to create a structured, efficient, and transparent process for identifying, reporting, managing and preventing workplace risks. It enables employees to quickly report incidents, hazards and near misses, ensuring that appropriate actions are taken and followed up in a consistent manner.

By incorporating features such as safety rounds and risk assessments, the tool supports proactive risk management. It allows potential hazards to be identified and addressed before incidents occur, thereby reducing the likelihood of accidents and contributing to a safer working environment.

The digital documentation of reports and corrective actions enhances traceability, accountability and compliance, while also enabling trend analysis and continuous improvement in our Health and Safety management.



Building An Inclusive Workplace At Hydros cand Automotive

At Hydros cand Automotive, inclusion is not treated as a separate initiative; it is embedded in structures, leadership, and daily operations.

For Agnes Lillvik, HR Business Partner, the foundation lies in combining clear ways of working with a culture where people feel safe to speak up.

“Inclusion becomes real when expectations are clear, and people feel confident that their voice matters,” she says. “It’s about turning policy into everyday behaviour.”

COMPETENCE FIRST – WITH A BROAD PERSPECTIVE

Recruitment is a key starting point. Hydros cand Automotive applies a structured, competence-based process where requirements, interviews, and evaluations are directly linked to the actual tasks and working methods in production.

“We always select based on relevant competence and clear criteria,” Agnes explains. “At the same time, we actively strive for an inclusive recruitment process.”

Job advertisements use clear and inclusive language, and requirements are reviewed to avoid being unnecessarily limiting. Roles are advertised broadly to reach a diverse candidate base. All candidates are assessed using a shared interview structure and common evaluation criteria to reduce the risk of unconscious bias.

Beyond formal experience, the company values responsibility, accuracy, collaboration skills, and a strong safety mindset. Learning ability and openness to change are equally important.

“In production, long-term performance is often determined more by behaviours and ways of working than by having the ‘perfect’ background on paper,” says Agnes.

EQUAL OPPORTUNITIES FOR DEVELOPMENT

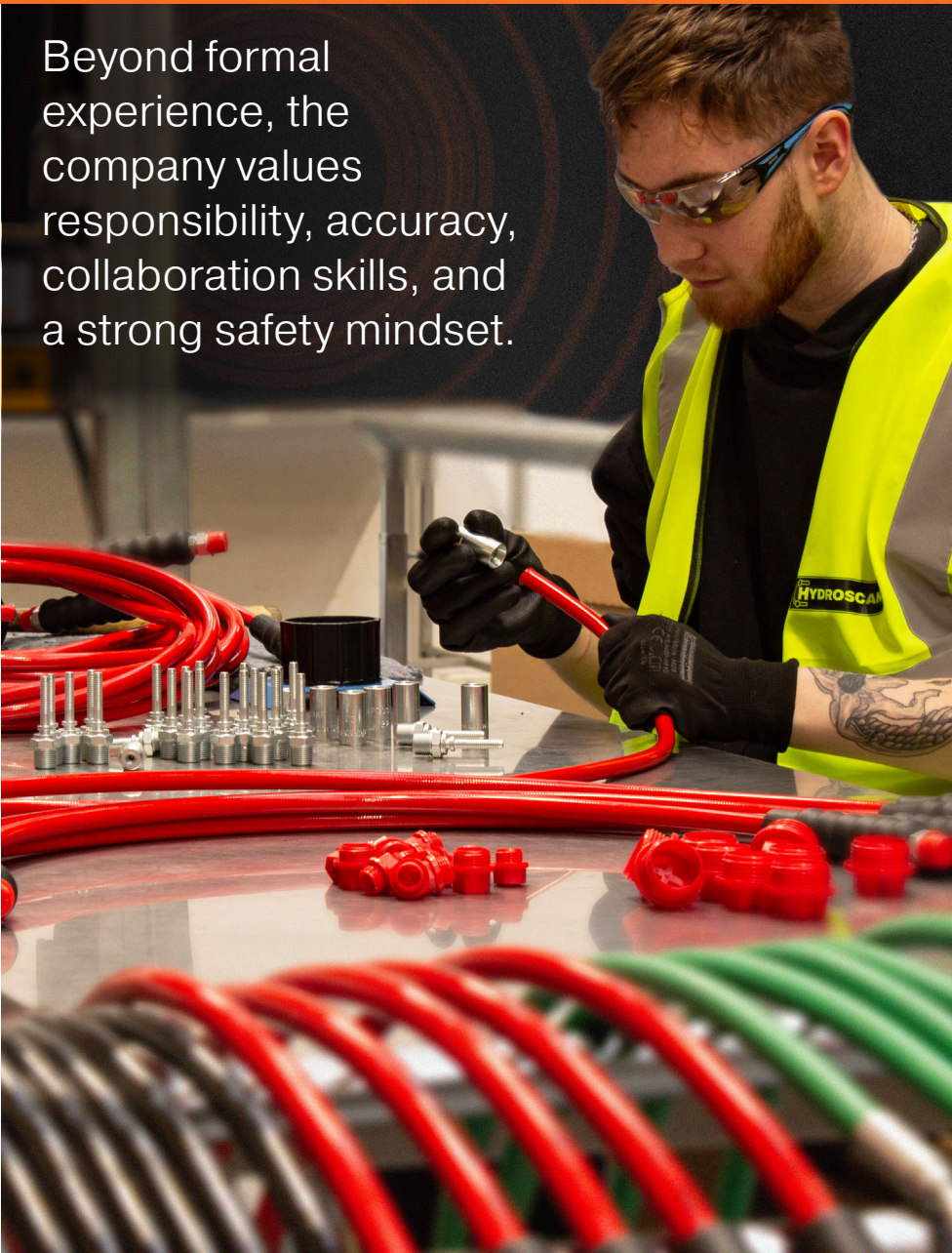
Inclusion also means ensuring equal access to development and internal mobility. Clear processes for goal setting, feedback, and performance dialogue create transparency around expectations and growth.

“We work with structured processes so that both managers and employees know what is expected and how development can take place,” Agnes says.

Training is planned based on both role requirements and individual needs, combining on-site and digital formats. Competence broadening, structured onboarding, and role rotation – where possible – support long-term development. We prioritize internal competence when new roles arise and ensure transparent, criteria-based decisions.

“Development opportunities should be visible and accessible to many – not only to those who are most visible in the organization,” she adds.

Beyond formal experience, the company values responsibility, accuracy, collaboration skills, and a strong safety mindset.



FROM INSIGHT TO CONCRETE ACTION

Employee experience is captured through continuous dialogue and structured processes such as performance reviews and the annual Great Place to Work survey. Results are analysed and translated into concrete action plans.

“When we identify an improvement area, we make it tangible – what needs to be done, who is responsible, and how we will follow up,” Agnes explains.

Clear feedback loops are central. Employees are informed about what has been heard, what decisions are taken, and what actions are implemented. This builds trust and strengthens engagement.

INCLUSION AND SAFETY GO HAND IN HAND

In a production environment, inclusion and safety are closely connected.

“When employees feel listened to and taken seriously, risks and deviations are reported earlier. That is crucial for preventing accidents,” Agnes says.

To support this, the IA reporting system has been implemented to strengthen traceability and follow-up in health and safety management. Daily operational meetings and structured improvement forums also provide natural spaces for employees to raise ideas and concerns.

“Inclusion becomes visible in everyday forums – team meetings, daily steering, improvement work. It’s about creating space to speak up early, not waiting,” she adds.

A SUSTAINABLE WORKING LIFE

For Hydros cand Automotive, inclusion also means enabling employees to perform over time without compromising their health. Adaptations may include ergonomic measures, adjusted tasks, or structured rehabilitation processes.

“The goal is that people should be able to perform over time without wearing themselves out – and go home in the same condition as when they arrive,” Agnes says.

With employees spanning approximately 20 to 65 years of age, generational diversity is another strength. Experience and tacit knowledge are combined with new perspectives and digital skills.

“If we are clear in our roles and curious about each other’s perspectives, differences become a strength – not a barrier,” she concludes.

Clear processes for goal setting, feedback, and performance dialogue create transparency around expectations and growth.

Inclusion in Practice – Key Actions

1 Fair and structured recruitment

- Competence-based process with shared criteria
- Inclusive job ads and common interview structure

2 Equal access to development

- Transparent goal-setting and performance dialogues
- Blended learning and internal mobility

4 Health and sustainable work life

- IA reporting system for incidents and near-misses
- Systematic work environment management and adaptations

3 Employee voice and follow-up

- Great Place to Work survey
- Clear action plans and structured improvement forums

From Responsible Purchasing To Customer Relations

Hydroscand has a long tradition and history of acting as an honest, responsible company. Sustainability is incorporated throughout our operations and forms an integral part of Hydroscand's overall governance.

The Board of Directors has the overall responsibility for Hydroscand's organization and administration.

Our CEO is responsible for managing the day-to-day administration of the Group and follows the Board's guidelines and instructions.

To ensure that we work with sustainability as set out in Hydroscand's ambitions and goals, there is a designated Group HR and Sustainability Manager at Group level, and sustainability-related issues are a standing item at the company's Group Management meetings. Sustainability topics are also regularly addressed by different business units, global units, and the company's group functions.

During 2025, the work to integrate business strategy and ESG continued. As of 2025, ESG is incorporated into the overall annual budget process.

We are committed to providing transparency regarding targets, progress, and actions to deliver our sustainability ambitions. Since 2021, we have disclosed our greenhouse gas emissions performance annually through the Sustainability Report in line with the relevant frameworks.



HUMAN RIGHTS

Working with business ethics and human rights requires perseverance. Since there will always be new challenges and ways to demonstrate commitment, we constantly learn, listen, and raise standards.

We are firmly committed to a zero-tolerance approach to human rights violations in the value chains we control. At Hydroscand, we respect every individual. Our employees enjoy the freedom of association and the right to organize and bargain collectively. We also work proactively to prevent discrimination and harassment in the workplace. No harassment, written, oral, or digital, is accepted.

This also encompasses our suppliers' employees and workplaces. A majority of Hydroscand's business is conducted in Europe, where human rights are generally protected by legislation, and the risk of violation is deemed low. However, Hydroscand also operates in high-risk countries, where we demand the same high standards regarding human rights.

CODE OF CONDUCT

The Hydroscand Group Code of Conduct describes how employees should act, how the company operates, and Hydroscand's commitment to human rights.

All Hydroscand subsidiaries are bound by the Code of Conduct, which is based on the following international guidelines, as supported by the Hydroscand Group:

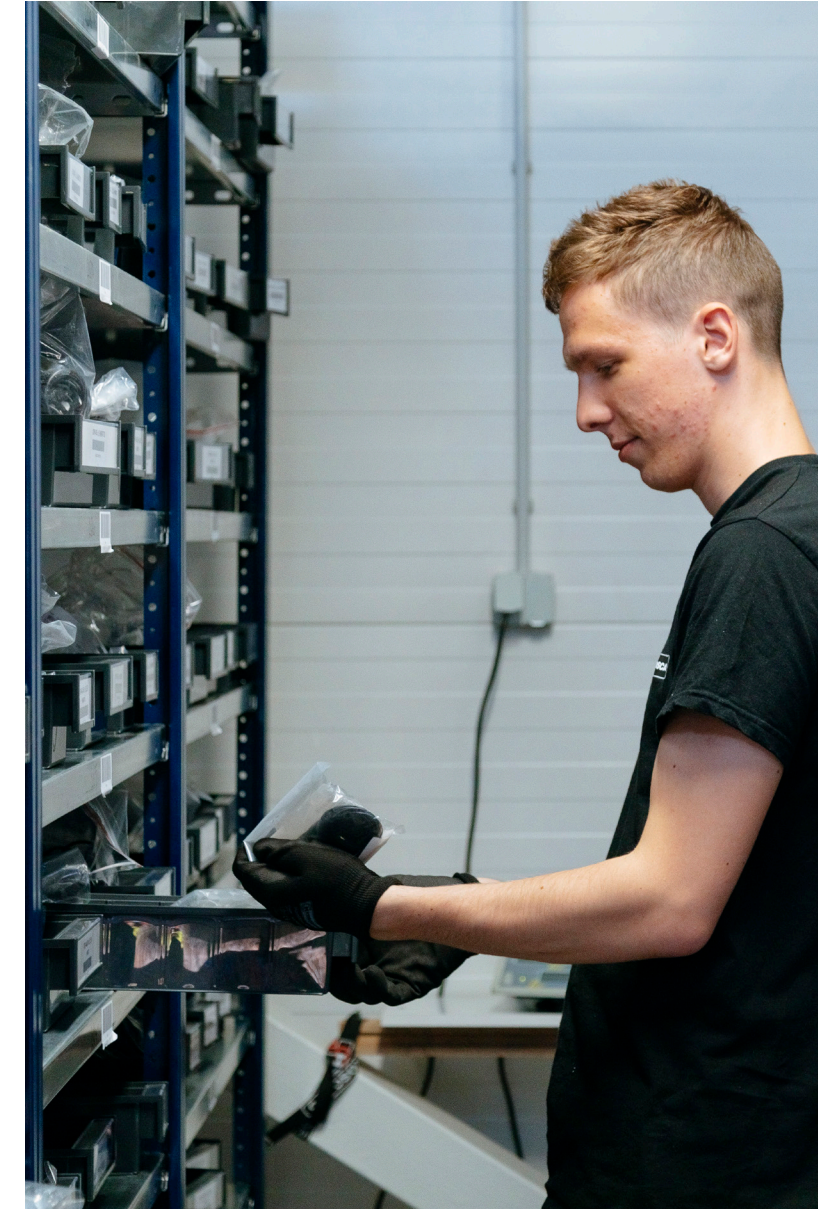
- United Nations Global Compact, Ten principles
- UN Sustainable Development Goals, Agenda 2030, 17 goals
- United Nations Universal Declaration of Human Rights
- OECD guidelines

The Supplier Code of Conduct sets expectations for our suppliers and aligns with the expectations we maintain for our directors, officers, employees, and representatives. All new suppliers sign the Supplier Code of Conduct.

Our Supplier Code of Conduct ensures that our suppliers maintain high standards, comply with laws and regulations, and strive for as little environmental impact as possible. This applies especially to conflict minerals, REACH regulations, and the RoHS and EU Waste Framework Directives.

We have implemented a whistleblower policy in all our operating countries, the latest version valid since 2023. Any suspicion of fraudulent conduct, bribery, or similar behavior must be immediately reported. The system is open to external parties, such as consultants, subcontractors, and suppliers for whom Hydroscand's commercial ethics regulations and whistleblowing policies are part of the supplier's agreement.

Code of conduct training is mandatory for all employees and a crucial part of our onboarding.



CORRUPTION AND ANTI-BRIBERY

Hydroscand has policies and regulations for our employees and business partners to ensure that our core values are respected throughout our operations and supply chain. We have zero tolerance for corruption and bribery. The crime risk is relatively low as we do not conduct

business with public authorities or the public sector. Still, there will be a risk of corruption as we are active in countries categorized as high-risk. In these cases, we work more actively against corruption and anti-bribery.

KPI	2025	2024	2023	2022
Whistleblower reports	1	0	1	0
Reported Corruption incidents	0	0	0	0
Information security incidents	1	6	3	N/A
GDPR incidents	1	1	N/A	N/A

INFORMATION SECURITY

Our commitment to sustainability also encompasses robust cybersecurity measures to safeguard our digital assets. One of the key components of our cybersecurity strategy is to train our employees, effectively turning them into one of our most important measures of defense.

In September 2024, we started a cybersecurity awareness program through which IT-users receive on-the-job training via simulations and micro-sessions in how to identify and respond to cybersecurity threats.

During 2025 this training intensified with an increase from 5 395 to 43698 simulations. During 2025 66% of our users were actively engaged in this training on at least a quarterly basis, demonstrating a high level of commitment to maintaining a secure and resilient digital environment.

This engagement not only helps in protecting sensitive information but also contributes to a culture of vigilance and proactive security measures within our organization.

By continuously educating our users, we are building a strong first line of defense against potential cyber threats, aligning our security practices with our overarching sustainability goals.

The implementation of our security awareness program is a testament to our dedication to excellence in cybersecurity, reflecting our broader mission to operate responsibly and sustainably across all facets of our business.

Number of simulations sent out as part of cyber security training	Participation rate in training (%)	No of reported real phishing attempts
43 698	66%	2 759



EU TAXONOMY AND CSR

As part of the EU's green growth strategy, the EU taxonomy directive was enacted in 2020. This is a classification tool for environmentally sustainable investments. The taxonomy directive does not cover Hydroscand's sales, capital, and operating expenditures for this reporting period.

We are welcoming the new reporting standard, CSRD and look forward to continuously learn and adapt to meet the demands of its reporting structure.

DOUBLE MATERIALITY ANALYSIS

Already in 2024, we conducted a double materiality analysis to enhance our understanding of both our impact on society and the environment and the financial risks and opportunities associated with sustainability factors. This analysis strengthens our ability to align strategy, risk management, and reporting with evolving stakeholder expectations and regulatory requirements.

PROCESS OVERVIEW:

- 1. IDENTIFYING KEY TOPICS**
We engaged stakeholders, analyzed regulations, and reviewed industry trends to define relevant sustainability issues.
- 2. ASSESSING MATERIALITY**
We evaluated the significance of these topics from both an impact and financial perspective.
- 3. PRIORITIZATION AND VALIDATION**
A materiality matrix was developed, reviewed by leadership, and integrated into our sustainability strategy.
- 4. ESRS ALIGNMENT**
The analysis identified five **European Sustainability Reporting Standards (ESRS)** most relevant to our business.
- 5. GAP ANALYSIS AND ACTION PLAN**
To ensure readiness for CSRD reporting, we conducted a gap analysis to identify areas for improvement and establish a clear action plan.

This structured approach provides valuable insights for decision-making, ensuring our sustainability efforts are both responsible and strategically aligned.

During 2025 66% of our users were actively engaged in this training on at least a quarterly basis, demonstrating a high level of commitment to maintaining a secure and resilient digital environment.



Appendix 1

KPI Index

KPI	Result	Description	Report reference
Entities included in the report	18/18		-
Customer survey -participation (no of customers)	1168		Pg. 10
Customer survey – result	3,68		Pg. 10
CSR self-assessment – A suppliers	100%	CSR assessment replies from segmented A suppliers	Pg. 14
CSR self-assessment – B suppliers	94%	CSR assessment replies from segmented B suppliers	Pg. 14
CSR self-assessment – C suppliers	20,1%	CSR assessment replies from segmented C suppliers	Pg. 14
CSR on site audit – A suppliers	15,4%	Performed CSR audit from segmented A suppliers	Pg. 14
CSR on site audit – B suppliers	2,2%	Performed CSR audit from segmented B suppliers	Pg. 14
Code of conduct signed – A suppliers	85%		Pg. 14
Code of conduct signed – B suppliers	77%		Pg. 14
Code of conduct signed – C suppliers	67%		Pg. 14
Sustainability training – local purchasers	81%		Pg. 14
Sustainability training – group purchasers	100%		Pg. 14
Code of conduct training – local purchasers	85,7%		Pg. 14
Code of conduct training – group purchasers	100%		Pg. 14
Total CO2 emissions (scope 1, 2 and 3)	49 772		Pg. 18
Gross total scope 1 emission	2 691		Pg. 18
Gross total scope 2 emissions	687		Pg. 18
Gross total scope 3 emissions	39 717		Pg. 18
Employee survey – Trust index	77%		Pg. 24
Employee survey – Participation rate	85%		Pg. 24
Total hours spent on training	5300hrs		Pg. 26
% of employees who received performance dialogue during	73,9%	Target no. of employees 1327	Pg. 28
% of employees who received goal setting dialogue during	34,6%	Target no. of employees 130	Pg. 28
Share women/men % Total employees	19/81%		Pg. 29
Share women/men % Managers	18/82%		Pg. 29
Share women/men % Group management	11/89%		Pg. 29
Share women/men % Board of Directors	29/71%		Pg. 29
Number of near misses	156		Pg. 30
Total Number of accidents	62		Pg. 30
Number of days loss due to injury	47		Pg. 30
Number of accidents with sick leave	19		Pg. 30
LTIF ([Number of lost time injuries in the reporting period] x 1,000,000) / (Total hours worked in the reporting period)	5,6	Based in 2000 worked hour per employee and year	Pg. 30
Whistleblower reports	1		Pg. 36
Reported Corruption incidents	0		Pg. 36
Information security incidents	1		Pg. 36
GDPR incidents	1		Pg. 36
Number of simulations sent out as part of cyber security training	43 698		Pg. 36
Participation rate in training (%)	66%		Pg. 36
No of reported real phishing attempts	2759		Pg. 36

Appendix 2

CRSD Disclosure

Datapoint ID	Datapoint Name	Value	Unit
E1-5.1	Total energy consumption related to own operations	19620,62	MWh
E1-5.2	Total energy consumption from fossil sources	11383,35	MWh
E1-5.3	Total energy consumption from nuclear sources	515,22	MWh
E1-5.4	Percentage of energy consumption from nuclear sources in total energy consumption	2,63	%
E1-5.5	Total energy consumption from renewable sources	7722,06	MWh
E1-5.6	Fuel consumption from renewable sources	496,21	MWh
E1-5.7	Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	7107,86	MWh
E1-5.8	Consumption of self-generated non-fuel renewable energy	117,99	MWh
E1-5.9	Percentage of renewable sources in total energy consumption	39,36	%
E1-5.11	Fuel consumption from crude oil and petroleum products	10040,31	MWh
E1-5.12	Fuel consumption from natural gas	9,20	MWh
E1-5.14	Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources	1333,84	MWh
E1-5.15	Percentage of fossil sources in total energy consumption	58,02	%
E1-5.16	Non-renewable energy production	0,00	MWh
E1-5.17	Renewable energy production	117,99	MWh
E1-6.5	Gross Scope 1 greenhouse gas emissions	2691,15	tCO ₂ e
E1-6.7	Gross location-based Scope 2 greenhouse gas emissions	853,04	tCO ₂ e
E1-6.8	Gross market-based Scope 2 greenhouse gas emissions	687,42	tCO ₂ e
E1-6.9	Gross Scope 3 greenhouse gas emissions	46050,63	tCO ₂ e
E1-6.9.1	Gross Scope 3 greenhouse gas emissions - Purchased goods and services	40380,61	tCO ₂ e
E1-6.9.3	Gross Scope 3 greenhouse gas emissions - Fuel and energy-related activities	971,50	tCO ₂ e
E1-6.9.4	Gross Scope 3 greenhouse gas emissions - Upstream transportation and distribution	2486,66	tCO ₂ e
E1-6.9.5	Gross Scope 3 greenhouse gas emissions - Waste generated in operations	22,27	tCO ₂ e
E1-6.9.6	Gross Scope 3 greenhouse gas emissions - Business travel	470,01	tCO ₂ e
E1-6.9.7	Gross Scope 3 greenhouse gas emissions - Employee commuting	1696,49	tCO ₂ e
E1-6.9.12	Gross Scope 3 greenhouse gas emissions - End-of-life treatment of sold products	23,10	tCO ₂ e
E1-6.10	Total GHG emissions location based	49594,81	tCO ₂ e
E1-6.11	Total GHG emissions market based	49429,20	tCO ₂ e
E1-6.15	Biogenic emissions of CO ₂ from the combustion or bio-degradation of biomass not included in Scope 1 GHG emissions	153,63	tCO ₂ e
E1-6.22	Biogenic emissions of CO ₂ from combustion or bio-degradation of biomass not included in Scope 2 GHG emissions	42,71	tCO ₂ e
E1-6.26	Biogenic emissions of CO ₂ from combustion or bio-degradation of biomass that occur in value chain not included in Scope 3 GHG emissions	952,36	tCO ₂ e

Appendix 3

Climate Calculation Methodology And Partnership

To calculate our emissions according to the Greenhouse gas (GHG) protocol and to set a baseline for an upcoming science based-targets commitment we need support through a strong partnership. We have been working with Normative since our climate calculation journey begun in 2021.

ABOUT NORMATIVE

Normative is a carbon management platform that empowers organizations to turn carbon data into smart sustainability actions. Automated data ingestion and AI-driven categorization reduces manual effort and improves reporting consistency, while scientifically vetted calculations across scopes 1,2, and 3 ensure audit-readiness. Access to verified supplier data via the Carbon Network and expert guidance from GHGP certified climate strategists mean Normative’s combined offering helps teams simplify reporting, understand where to act, and drive measurable emissions reductions with confidence.

THE METHODOLOGY

Normative's emissions calculations methodology is based on the official, global standard provided by the GHG protocol. To achieve the most granular calculations possible, Normative’s carbon accounting engine can use both transaction and activity data in its emissions calculations, selecting the best

approach depending on the type of data provided. The engine then uses intelligent automation to process the business data and combines the processed data with Normative's large database of scientifically vetted emissions factors to produce emissions calculations. In addition, Normative can collect emissions data directly from a company's suppliers to further enhance the quality of the overall calculations.

SUSTAINABILITY REPORTING IS A JOURNEY OF CONTINUOUS IMPROVEMENT

“Our partnership with Hydroscand continues to be defined by a shared commitment to accuracy and transparency. In 2025, maintaining high levels of data quality remained a top priority; Hydroscand’s dedication to capturing granular activity data across its operations is essential for accurately tracking progress over time. By prioritizing this detailed data, we ensure that emissions assessments are not just snapshots, but reliable benchmarks that validate the success of reduction initiatives. We are proud to support Hydroscand as they leverage these insights to drive meaningful climate action and continue their journey toward reducing their corporate carbon footprint.”

Luzia Buchmann, Senior Climate Strategy Advisor at Normative



hydroscand.com