

Sustainability Report

Karnell Group AB (publ)

2025

Karnell.

The English version of the Sustainability Report is a translation of the official Swedish report. In event of any discrepancies, the Swedish version shall prevail.

Sustainability Report 2025

Basis for preparation

Basis for preparation

General basis for preparation of the sustainability report

BP-1

The sustainability report has been prepared on a consolidated basis, with the same scope of consolidation as the financial statements. The group companies which, together with the parent company Karnell Group AB (publ) (559043-3214), constitute the Karnell Group as at 31 December 2025 are:

Company	Company registration number
Tekniseri Nordic AB	559096-6163
Autori Group AB	559124-1087
Simfas Sweden AB	556523-0652
Re-board Group AB	559230-0577
Vebe Teknik AB	556258-0844
KL Mechanics Group Oy	3232462-4
Rotomon Holding Oy	3250534-5
Drivex AB	556491-4587
Timeka Finland Oy	3304723-5
Vagnsteknik i Karlshamn AB	556682-1343
Plalite Ltd	00936082
Sähkö-Jokinen Oy	0511709-9
Ojop Sweden AB	556214-0755
Haco Tellus AB	556204-5194
NE Engineering Ltd	13404454
Männistö Oy Metallituote	0138455-2
Warwick SASCo Ltd	12896990
LundHalsey	02502850

The latter three companies were acquired during the reporting year. No Group company has been excluded from the sustainability reporting.

The sustainability report includes information on Karnell's value chain, both upstream and downstream, to the extent relevant for understanding the Group's material impacts, risks and opportunities. The information does not cover every actor in the value chain, but focuses on those parts where sustainability matters are of greatest significance in accordance with the principle of double materiality.

Karnell has not exercised the option to omit any information based on intellectual property rights, know-how or innovation outcomes. Furthermore, no exceptions have been applied to avoid reporting on future developments or ongoing negotiations.

European Sustainability Reporting Standard (ESRS)

As the EU has not yet approved the digital taxonomies for the European Sustainability Reporting Standard (ESRS) and Article 8, the sustainability report has not been labelled in the format specified in Section 14, Chapter 6 of the Annual Accounts Act.

Disclosures in relation to specific circumstances

BP-2

Time horizons

Karnell has not deviated from the standardised time horizons defined in ESRS 1, section 6.4. This means that Karnell applies the following time horizons in its analysis of impacts, risks and opportunities:

- Short term: Less than 1 year
- Medium term: 1–5 years
- Long term: More than 5 years

Estimation of the value chain

Karnell uses direct and indirect sources to calculate Scope 1, 2 and 3 greenhouse gas emissions (disclosure requirements E1-6). This means that the emissions are partly estimated. These key figures are the only ones in the sustainability reporting that are based on indirect sources.

- In Scope 1, climate calculations are based on the company's own activity data, such as fuel consumption. However, the majority of the emission factors used are generic and sourced from external sources, such as DESNZ's emission factors, which have been developed by the UK government. For example, the emission factor used for petrol is based on averages and is not specified for the particular fuel blend that has actually been used.
- As with Scope 1, the climate calculations in Scope 2 are also based on our own activity data, such as electricity consumption and heat consumption. For calculations using the **location-based method**, emission factors based on local and national averages are applied. For calculations using the **market-based method**, both activity-specific emission factors from applicable contractual instruments and emission factors based on national averages are used.
- For Scope 3, emissions have been estimated with greater uncertainty than for Scope 1 and 2, as they are primarily based on financial data (expenditure) rather than actual activity data (e.g. fuel consumption) from actors in the value chain. Average emission factors for expenditure (so-called spend-based emission factors) have been used to convert costs into emissions, which means that the estimates do not always reflect the actual climate impact of a particular supplier or product.

Sources of uncertainty in estimates and outcomes

Karnell has reported Scope 1, 2 and 3 greenhouse gas emissions (disclosure requirements E1-6), where Scope 3 emissions are subject to the lowest level of accuracy and the highest degree of measurement uncertainty. Scope 3 is calculated largely on the basis of financial expenditure and average spend-based emission factors, which means that emissions do not always correspond to the actual climate impact of specific suppliers or products. The assumption applied here is that financial expenditure is proportional to emissions and that spend-based emission factors represent average emissions per unit of expenditure. Measurement uncertainty arises primarily due to a lack of detailed activity data from the value chain and the use of generic emission factors that do not capture variations between suppliers. All Scope 3 categories that we measure (categories 1, 3, 4 and

6) are subject to this, corresponding to 78,125 tonnes of CO₂ emissions. To improve accuracy and reduce measurement uncertainty, and to obtain a more accurate picture of the company's climate impact in the future, we aim to increase the collection of more supplier-specific activity data and use more detailed emission factors for purchased products.

Scope 1 and Scope 2 emissions are based on our own activity data, such as fuel and electricity consumption, but a certain margin of uncertainty arises because generic emission factors are used. This means that variations in fuel mix, electricity generation or local conditions are not always captured, leading to a certain degree of uncertainty in the results.

In addition to our Scope 1–3 calculations, there is also some uncertainty in the calculations of our resource inflows (disclosure requirements E5-4), as the weight of incoming resources has primarily been calculated based on estimates and assumptions.

Changes to how sustainability information is prepared or presented

Karnell has switched to using the European Sustainability Reporting Standard (ESRS) as its reporting framework for the 2025 financial year, which has resulted in changes to the report's structure and content compared with the previous reporting year.

In 2024, one Group company (Haco Tellus) was excluded from the sustainability report due to limited access to data, but will be included in the reporting from 2025 onwards, as will the three new acquisitions completed in 2025 (Männistö, Warwick SASCo and LundHalsey). This means that the data for 2025 includes four additional companies compared with 2024.

Errors in reporting for previous periods

The intensity calculations relating to our energy consumption and greenhouse gas emissions in 2023 and 2024 have been updated as

incorrect revenue figures were used. The error has now been corrected, and the adjusted figures for 2023 and 2024 have been included in this year's sustainability report.

An incorrect fuel type and associated emission factor were used when calculating one of our companies' mobile emissions (Scope 1) in 2024, and one company's electricity consumption was incorrectly treated as fuel in our energy consumption table for the same year. These errors have been corrected, and the adjusted figures for 2024 have been included in this year's sustainability report.

Disclosures arising from other legislation or generally accepted standards for sustainability reporting

Karnell's sustainability reporting is based solely on the requirements of the Annual Accounts Act and is not subject to any other legislation governing sustainability reporting. Nor does the company apply any other generally accepted standards or frameworks for sustainability reporting beyond the European Sustainability Reporting Standard (ESRS).

Incorporation by reference

Karnell has not used incorporation by reference in its sustainability reporting. All disclosure requirements under the ESRS are reported directly in this report.

Use of phase-in provisions in accordance with Appendix C to ESRS 1

Karnell's identified material sustainability matters include climate change (ESRS E1), resource use and the circular economy (ESRS E5), its own workforce (ESRS S1), workers in the value chain (ESRS S2) and business conduct (ESRS G1). Karnell reports on all material topics in this report, but applies phase-in provisions for certain areas where additional time is required for data collection and analysis:

1. Anticipated financial effects related to disclosure requirements SBM-3, E1-9 and E5-6
2. Adequate wages related to disclosure requirements S1-10

The adjustments are summarised in the table below. The figures on the right are the adjusted, correct values.

Metric	Enhet	Adjustment	
		2023	2024
Total energy consumption from operations in sectors with a high climate impact	MWh	17,403	--> 17,397
Energy intensity per net revenue from all operations	MWh / MSEK	14.42 --> 13.11	13.96 --> 12.75
Total gross greenhouse gas emissions, Scope 1	Tonnes CO ₂ e		1,061 --> 1,063
Emissions intensity, Scope 1–3 (site-based)	Tonnes of CO ₂ e/MSEK	53.42 --> 48.58	70.88 --> 64.82
Emissions intensity Scope 1-3 (market-based)	Tonnes CO ₂ e/MSEK	53.76 --> 48.89	70.93 --> 64.86
Emissions intensity Scope 1 & 2 (market-based)	Tonnes CO ₂ e/MSEK	1.55 --> 1.41	1.47 --> 1.35

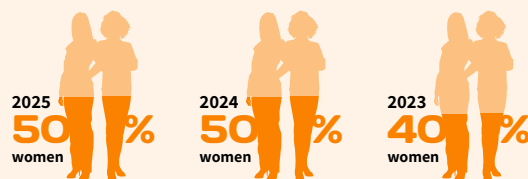
Governance

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

Karnell is a Swedish public limited company with its registered office in Stockholm. Governance is based on Swedish law and the rules and recommendations of relevant self-regulatory bodies, such as the Swedish Code of Corporate Governance. At Karnell, governance, management and control are divided between the shareholders, the Board of Directors, the CEO and Group management in accordance with applicable laws, rules and instructions.

The Board consists of six members elected by the Annual General Meeting. All have been elected for a term of office extending until the end of the 2026 Annual General Meeting. Five of these members are non-executive. As in previous years, 67% of the Board members are independent of Karnell and Group management, as well as of major shareholders. The Group has no employee representative on the Board. The gender distribution on the Board is 50%, as in previous years.

GENDER DISTRIBUTION ON THE BOARD



Experience of the Board and Group Management

The board members collectively possess extensive expertise in private equity, strategic consultancy, operational management, industrial operations, M&A, ECM and strategic investments. They have held senior positions across a range of sectors, including technology, telecoms, industrial operations, finance and marketing, with experience in both listed and unlisted environments. The Board's experience spans international markets, with significant exposure to the Nordic region, particularly Sweden and Finland.

Similarly, the Group management, including the CEO and CFO, contributes professional expertise that complements the Board's experience. With backgrounds in roles such as CEO, Head of M&A, Group Accounting Manager, Finance Manager and CFO, they possess strong competencies in technology-focused investments, financial governance and corporate finance. Their experience spans both Sweden and international markets, with a particular focus on investment companies and finance-related roles.

Responsibility for the Group's sustainability work

At Karnell, responsibility for the Group's sustainability work is divided among several roles: the Group CEO, the board of each Group company and the CEO of each Group company. Karnell's CEO has ultimate responsibility for overseeing the Group's overall sustainability work, ensuring that sustainability efforts are effectively coordinated and aligned with the Group's overall sustainability goals. The CEO sets the direction and maintains focus on achieving the Group's sustainability goals.

Within each Group company, the Board is responsible for implementing Karnell's ESG policy and for defining sustainability goals that are relevant, ambitious and aligned with the Group company's business strategy. They are also responsible for reviewing and discussing the company's sustainability progress annually. As effective sustainability practices can drive business growth, it is crucial that our companies integrate these efforts into their business and marketing strategies, and ensure clear communication to customers and other stakeholders in the market.

The CEO of each Group company is responsible for ensuring the implementation of sustainability initiatives within their company. Sustainability is considered to be as important as other strategic priorities and must be integrated into the company's day-to-day operations and long-term planning.

Each Group company reports annually on its progress in sustainability to Karnell's CEO through data collected for the preparation of the Group's sustainability report. Once the sustainability report has been finalised, proposals for areas of improvement are drawn up for each company with the support of an external consultant. These proposals are then followed up by Karnell's management in dialogue with each company's board. This process ensures that the companies' sustainability work is regularly reviewed and that constructive feedback is provided by Karnell's management. The metrics used to assess sustainability performance were initially developed in collaboration with an external consultant in 2022 and updated in 2025. Data reporting from Group companies takes place via a document sent to all companies, through which both quantitative and qualitative information is collected.

Sustainability-related expertise and skills

At Karnell, sustainability-related expertise and skills are distributed throughout the organisation. Our Board of Directors, Group Management (comprising the Group CEO and CFO), the boards of the respective Group companies and their CEOs contribute various areas of expertise, including company-specific strategy, governance and operational leadership. Several companies have also chosen to strengthen their internal capacity by hiring staff with ESG expertise or training existing staff in ESG-related matters.

To further strengthen internal expertise, Karnell has been working with an external consultant specialising in ESG since 2022. Through this collaboration, we have improved our ability to collect and analyse ESG data, whilst keeping ourselves continuously updated on developments in regulations and practices. This has strengthened both our decision-making and how we integrate sustainability into our business strategy and

our work on risks and opportunities – both at Group level and within the individual companies.

A central part of our approach is the annual data collection within the framework of the Group's sustainability reporting, where data relating to the Group's material impacts, risks and opportunities is gathered from all companies (see the metrics in the subject-specific chapters of this report). Once the report has been finalised, Group management, together with our external consultant, analyses the results and areas for development for each company and provides feedback to the respective companies. The process forms a structured part of the Group's monitoring and contributes to learning and further development. This feedback ensures that the companies continuously strengthen their knowledge and expertise within the Group's material sustainability areas and that the work is conducted in line with the Group's ESG policy and sustainability-related targets.

Information provided to, and sustainability matters addressed by, the company's administrative, management and supervisory bodies

GOV-2

Group management and the Board of Directors have been regularly informed of material impacts, risks and opportunities during the reporting period. Both Group management and the Board of Directors are kept informed on an ongoing basis as important issues arise. Karnell's CEO is responsible for compiling and presenting updates on these occasions, including following up on the Group's ESG policy.

However, the main sharing of information on sustainability with both Group Management and the Board takes place annually in connection with the preparation of the Group's sustainability report, when each Group company formally reports data and its sustainability measures and progress to Karnell's CEO, and the collected metrics are followed up prior to reporting.

Group management and the Board of Directors are actively working to integrate sustainability into decisions concerning Karnell's overall strategy, major business transactions and risk management. The process for assessing and balancing Karnell's sustainability-related impacts, risks and opportunities is being developed progressively to support long-term sustainable and responsible operations. During the current reporting period, particular attention has been paid to climate-related issues, including the identification of measures to reduce the Group's greenhouse gas emissions, and preparations for expanded sustainability reporting in line with the CSRD.

Due diligence statement

GOV-4

Due diligence can be applied by companies to identify, prevent and manage adverse impacts on people and the environment within their operations and value chain. Karnell currently has no established due diligence process, but implements certain parts of the process at both Group and company level. See the table below for details of Karnell's work on due diligence.

Key elements of due diligence	Disclosure requirements in the sustainability report
a. Integrating due diligence into governance, strategy and business model	GOV-2, SBM-3
b. Engaging with affected stakeholders at all key stages of due diligence	SBM-2, SBM-3, S1-2, S2-2
c. Identifying and assessing adverse impacts	SBM-2, IRO-1
d. Taking measures to address these adverse impacts	E1-3, E5-2, S1-4, S2-4
e. Monitoring the effectiveness of these measures and communicating the results	E1-4, E5-3, S1-5, S2-5

Risk management and internal control over sustainability reporting

GOV-5

Karnell is actively working to develop processes for risk management and internal control linked to sustainability reporting. Sustainability reporting is not yet fully integrated into the overall governance of risks and internal control, and we are still working to achieve this.

The existing internal control process involves an external party collecting data annually and preparing the report, which is then reviewed by management and a designated board member to ensure reliability prior to publication. Karnell has a procedure for the data collection and calculation process that must be followed when preparing the sustainability report. The procedure includes instructions for data collection, data verification, calculation and data consolidation.

The primary risk identified in sustainability reporting is ensuring sufficient quality of the collected data, which is challenged by the Group's decentralised structure and the difficulties this entails for data collection and traceability across multiple companies and systems. The risk of poor data quality also applies to greenhouse gas emissions data collected from indirect sources, particularly in relation to Scope 3. To manage this risk, we are continuously working to improve the guidelines for data collection, to ensure consistent and accurate application. Management and a board member are actively involved in the preparation of the sustainability report and receive regular updates throughout the process.

Strategy

Strategy, business model and value chain

SBM-1

Our market segments, products, customers and end users

Karnell is a committed long-term investor in industrial technology companies and is actively involved in their operations. To ensure agility, we maintain a controlling stake in the companies we acquire, enabling us to make swift decisions when necessary. We focus on small to medium-sized private companies with promising growth opportunities within the industrial technology sector. At the end of 2025, our portfolio consists of 18 companies.

Our companies are divided into two business areas: Product Companies and Niche Production. These two business areas constitute Karnell's main sources of revenue, in line with IFRS 8. Karnell does not conduct any significant operations within any of the ESRS sectors. We do not sell products and services that are prohibited in certain markets and are not active in fossil fuels, chemical production, controversial weapons or tobacco.

The Product Companies business area comprises companies that base their operations entirely or predominantly on proprietary products, which may include various rights such as trademarks, patents and more. The companies' product offerings are characterised by well-developed product solutions that create a strong identity and loyal customers. Karnell has narrowed its investment focus to product-owning companies within hardware. In 2025, the Group's revenue from this business area amounted to SEK 891.8 million.

The Niche Production business area comprises manufacturing companies with a high degree of specialisation within their field of expertise, which produce smaller product ranges, often in close dialogue with customers. The companies focus on expert competence within a specific area (niche) and can thus create value for the end customer. In 2025, the Group's revenue from this business area amounted to SEK 795.7 million.

The table below lists our companies, categorised by Product Companies and Niche Production, as well as the year they were acquired.

Year of acquisition	Product companies	Niche Production
2017	• Autori	• Tekniseri
2019		• Simfas
2020	• Vebe and Re-board	
2021		• KL Mechanics
2022	• Rotomom and Drivex	• Timeka
2023	• Vagnsteknik in Karlshamn (K-vagnen)	• Plalite
2024	• Sähkö-Jokinen, Ojop and Haco Tellus	• NE Engineering
2025	• Männistö, Warwick SASCo and LundHalsey	

Our companies manufacture a wide range of industrial products, covering both end products and intermediate products. Each company has a unique business, which contributes to the diversity of our product offering. Key products and services within our business areas include:

Products within Product Companies	Products within Niche Production
<ul style="list-style-type: none"> • Automatic bag filling systems • Paper-based board materials • Outdoor lighting products • Drainage products, cable protection and waste tanks • Attachments for wheel loaders and tractors • Trolleys for grounds maintenance • Industrial wheels, roller conveyors, transport and moving aids • Eccentric locks, trailer locks and quick-release couplings for batteries • Infrastructure maintenance management systems • Pipe support systems and insulation products • Medical plastic products such as instrument trays and bowls • Operator consoles for control rooms 	<ul style="list-style-type: none"> • Industrial printing and marking products and insulation solutions • Fillers, adhesives and sealants • Small and complex components for demanding environments • Machine parts • Components used in various measuring instruments • Aviation and high-performance automotive components

Karnell's products are mainly available on the Nordic market, whilst some also have a global reach. We primarily sell our products B2B (Business-to-Business), where the end users are companies and their employees, rather than private individuals. The products are used across a wide range of industries, including machinery manufacturing, infrastructure (construction and excavation), property, agriculture, hardware, chemicals, printing, painting, landscaping, aviation, motorsport, healthcare, transport, subsea telecommunications and security.

Our strategy

Karnell's strategy emphasises the importance of each group company establishing a clear and ambitious growth plan. This may involve initiatives such as launching new products, expanding into new geographical markets, acquiring additional customers or making selective add-on acquisitions. Operating under a decentralised model, each company develops and implements its own business plan and agenda. The parent company supports these efforts by offering strategic guidance, utilising a broad network to promote long-term value creation, and facilitating access to additional capital to enable growth when needed.

Our strategy is driven by strong governance, risk mitigation and resource optimisation, where short-term performance is balanced with long-term value creation. To support this, sustainability and ESG considerations are central to our strategy and are systematically incorporated into our decision-making processes. Several elements of Karnell's strategy relate to and impact ESG aspects:

- **Environment:** Our operations impact climate change and the transition to a circular economy, including through our production, choice of materials and energy use. We are therefore committed to reducing our carbon footprint, particularly within our own operations, maximising the use of recyclable input materials and working to improve resource efficiency in our production processes.
- **Social and governance issues:** We strive to create a positive and stimulating workplace where everyone feels valued and motivated.

We rely on input materials and suppliers to produce and sell our products and therefore recognise the importance of promoting good environmental and working practices, as well as business ethics, throughout the value chain. This includes maintaining strong governance both within our own operations and among our suppliers.

In relation to our strategy, we have set several targets related to sustainability and ESG. Our targets are set out later in this chapter, under the heading 'Metrics and Targets'. We currently have no targets linked to specific products, services, customer categories, geographical areas or stakeholder relationships. The main identified challenges to achieving our sustainability targets:

- **Harmonisation of sustainability efforts:** Coordinating and harmonising sustainability efforts across multiple group companies and units can be complex and hinder the achievement of the Group's objectives.

- **Increased transparency and compliance with the CSRD:** Ensuring that all relevant information is collected (particularly with regard to the value chain), documented and reported correctly in accordance with the CSRD can be challenging in a decentralised organisation with many companies and different systems.

Our business models

Karnell is a decentralised group in which each group company has a unique business model. The parent company's business model relies on inputs such as capital, market expertise and a carefully selected portfolio of companies. The primary output is the financial returns generated for investors. Through capital allocation and well-founded strategic decisions, this business model creates long-term value by promoting and supporting responsible business conduct within our portfolio. We focus on driving innovation whilst strengthening the companies we invest in to achieve growth and competitive advantages. Through these measures,

this business model plays a vital role in the wider economy, where the positive effects extend beyond financial returns and contribute to societal well-being and development.

The Group companies have unique business models, but what they have in common is that the majority are manufacturing entities. It is within the Group companies that we have identified the Group's greatest impacts, risks and opportunities relating to sustainability matters. The common features of the Group companies' business models are described below.



INPUTS: What we need

01

The majority of Karnell's purchased goods consist of input materials such as steel, aluminium, plastic and paper, including components and parts manufactured from these materials. Apart from plastic, paper (cardboard) is used primarily as packaging material.



OUTPUTS: What we offer on the market

02

Our companies manufacture industrial products, both finished products and intermediate products, as described earlier in this chapter.



VALUE CREATION: The value we create

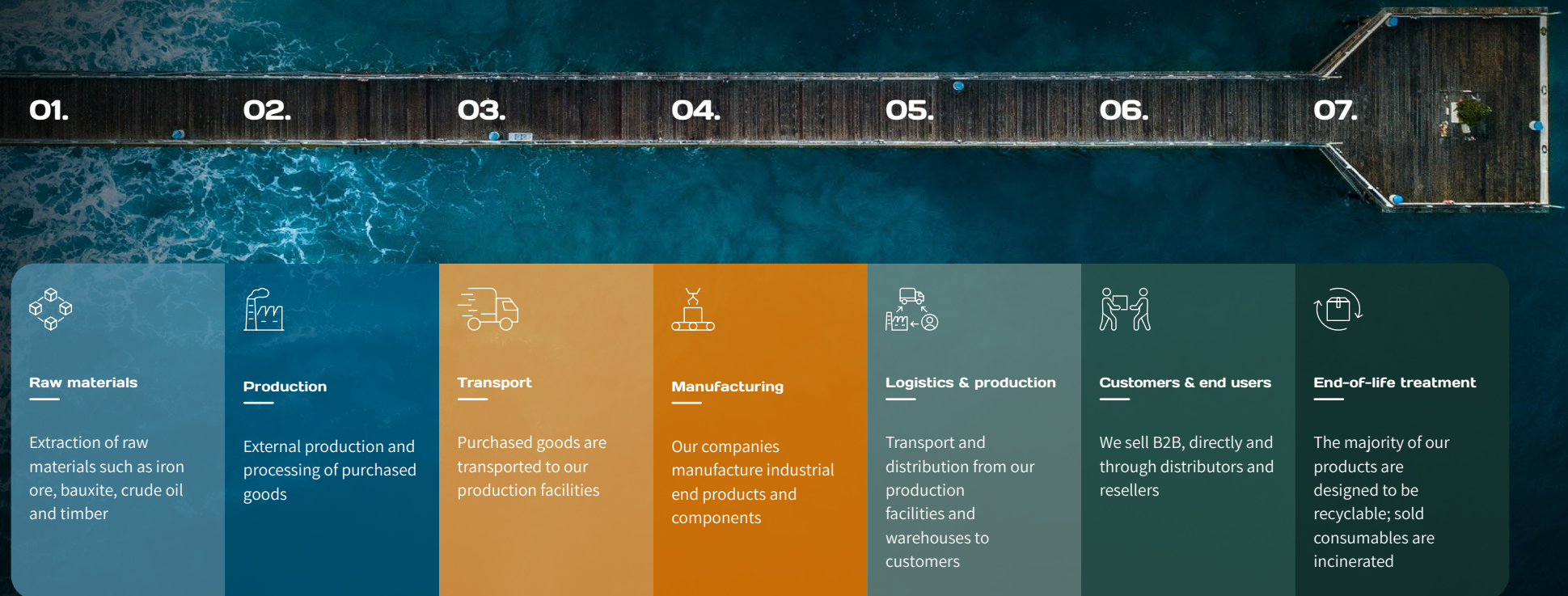
03

By purchasing our products, our customers and end-users gain access to solutions that create value for their businesses in various ways. Our finished products, such as machinery and operator consoles, help to implement and streamline operational processes, whilst our intermediate products, including machine parts, drainage pipes and paper-based board materials, support our customers' production of high-quality goods. In summary, our products enable companies to implement and optimise their manufacturing processes or serve as key components in the finished products they sell.

OUR VALUE CHAIN

In 2024, we began mapping our value chain. This is a complex and challenging process, but we are committed to improving our understanding of the value chain in terms of its impacts, risks and opportunities. By identifying and analysing these factors, we can make more informed decisions and reduce business risks. The main aspects of our value chain are described below.

Information regarding Karnell’s business model and value chain has been gathered in connection with the preparation of the company’s double materiality assessment, including through interviews and questionnaires with group companies, to ensure the information is as accurate and relevant as possible.



Upstream value chain

As Karnell primarily consists of manufacturing companies, the goods included in our products and their related activities are central to our upstream value chain. Therefore, our upstream value chain encompasses activities and actors involved in the extraction, processing/production and transport of purchased goods to our production facilities.

We maintain direct dialogue with our tier 1 suppliers, which include manufacturers of input materials, transport providers and service providers for electricity, heating, water and waste management – all of which are essential to the operation of our production facilities, warehouses and offices. We have no direct contact with suppliers further up the value chain, such as those involved in raw material extraction. Although most of our largest suppliers (based on purchase volume and expenditure) are located in the Nordic region, our supplier network is global and spans Europe, Asia, North America and other regions.

The products that account for the majority of the Group's total purchased goods include steel, aluminium, plastic and paper, together with components and parts manufactured from these materials. Key raw materials for these products are iron ore (for steel), bauxite ore (for aluminium), crude oil (for plastic) and wood (for paper). Our products consist, for example, of iron ore from Sweden, bauxite from Romania, crude oil from Qatar, Saudi Arabia and Yemen, and wood from Sweden, Finland and Germany. However, due to the complexity of the global supply chain, certain raw materials may originate from countries other than those mentioned above. We are committed to improving our understanding of the origin of raw materials in our supply chain over the coming years.

Own operations

Our companies manufacture industrial end products and components, as described earlier in this chapter. Our production facilities, warehouses and offices are located in Sweden, Finland, Norway, the UK and China, with the majority of our operations based in Sweden and Finland. The information in the table corresponds to the average number of employees (persons).

Average number of employees by geographical area

Geographical area	Number of employees 2024	Number of employees 2025
Finland	382	411
Sweden	201	205
United Kingdom	49	96
China	31	30
Norway	3	3

Downstream value chain

We sell our products B2B, both directly and through distributors and resellers. End users – companies and their employees – integrate our intermediate products into their manufacturing processes or use our end products in their operations. As a result, our downstream value chain encompasses activities and actors involved in the transport and distribution of goods sold to our customers and end users, the use of these products, and their management at the end of their life cycle.

We maintain direct relationships with our customers and, in some cases, with transport providers for our sold products. We also engage directly with end-user customers. However, we have no direct contact with end-users further down the value chain following sales to distributors or retailers, nor with companies involved in the end-of-life treatment of our sold products. Our products are available on the Nordic market, and some even reach a global audience, reflecting the geographical location of our customers, end-users and other downstream stakeholders.

Interests and views of stakeholders

SBM-2

Our stakeholders are defined as those who can influence or be influenced by the Group. In this context, the Group's most important stakeholders are those who have the greatest influence on, or are most affected by, the Group's operations, decisions and results. Our most important stakeholders play a central role in our ability to achieve our goals, manage risks and create long-term economic value.

We have identified investors, banks, regulatory authorities and the media as the primary users of our sustainability report, whilst we also welcome other stakeholders to review the report and its findings, as we believe the information it contains may be valuable to them as well.

Key stakeholders	Why the stakeholder is important to Karnell's strategy and business model	Is the stakeholder a user of Karnell's sustainability report?
Employees	Employees are among the Group's most important stakeholders, as their skills, commitment and productivity directly impact our companies' growth and profitability. Attracting and retaining talent capable of driving and supporting the development of the business over time is crucial.	Not a primary user, but may still find the report informative.
Investors	Investors' trust and support are crucial to the Group's financial stability and growth. Maintaining transparency, complying with regulations and providing timely reporting are important for securing investors' trust and long-term support, as investors expect accountability and consistent communication in a regulated market.	Yes. Investors are increasingly relying on sustainability information to assess long-term risks and opportunities, evaluate companies' ESG performance and make informed investment decisions.
Banks	Banks are key stakeholders for the Group, as they are crucial to ensuring stable financing for the Group. To build and maintain strong, long-term relationships with our lenders, it is important that we conduct our business and communications in a clear and transparent manner.	Yes. Banks are increasingly relying on sustainability information to assess long-term risks and opportunities, evaluate companies' ESG performance and make well-informed lending decisions.
Customers	Customers are at the heart of the Group's revenue generation. Building loyal customer relationships and ensuring high customer satisfaction are crucial for our companies. This supports revenue growth and strengthens the Group's market position over time.	Not a primary user, but may still find the report informative.
Suppliers	Suppliers are important partners as they influence our operational efficiency, quality and delivery reliability. Strong, long-term supplier relationships contribute to stability, risk management and our companies' ability to achieve their growth plans.	Not a primary user, but may still find the report informative.
Regulatory authorities	Regulatory authorities play a particularly important role for listed companies such as Karnell, as they monitor compliance with stock exchange rules, financial reporting and sustainability reporting standards, amongst other things. Strict adherence to these rules is crucial to avoid sanctions, reputational risk or market consequences.	Yes. Regulatory authorities use sustainability reports to ensure that companies in regulated markets meet sustainability reporting requirements (e.g. CSRD).
Media	For a company listed on a regulated market, the media plays a crucial role in shaping public and investor perception. Accurate reporting is vital, as misleading or negative coverage can affect the share price, investor confidence and regulatory scrutiny.	Yes. The media use sustainability reports to scrutinise companies' ESG performance and hold them accountable to investors and the public.

Stakeholder engagement

As part of the preparation of Karnell's double materiality assessment, we have analysed how various stakeholders are affected by and influence our own operations and our value chain. This process also identified stakeholders' sustainability-related expectations and requirements. Direct engagement with external stakeholders has not been carried out in this phase; instead, information has been gathered indirectly through representatives from our own workforce within the Group companies. Through interviews and questionnaires, these representatives have described their respective companies' stakeholders, as well as the stakeholders' sustainability-related expectations and requirements.

The purpose of this data collection was to provide a basis for the double materiality assessment and to use the results to inform the identification of material impacts, risks and opportunities, which in turn not only guides reporting in the sustainability report but also provides important input for the development of the Group's and the companies' strategies and business models.

Sustainability matters identified as important to our stakeholders, particularly our customers, include climate, health and safety, and business ethics. These areas are already integrated into the Group's ESG policy and have associated targets, indicating that we are working in line with our stakeholders' expectations and priorities. Against this background, no further specific measures have been implemented at Group level as a direct response to stakeholder expectations.

Stakeholders' perspectives and views will be communicated to Group management and the Board annually as part of the regular update of the materiality assessment.

Material impacts, risks and opportunities and their relationship to strategy and business model

SBM-3

Through Karnell's materiality assessment, we have identified material impacts, risks and opportunities, concentrated in various parts of the Group's operations and value chain. These are set out in the table below and explained in more detail in the report's subject-specific chapters.

Topic	Sub-topic	Impacts, risks and opportunities (IRO)	Where in the value chain
Climate change ESRS E1	- Climate change adaptation - Climate change mitigation - Energy	FNI = Greenhouse gas emissions arise in several parts of the Group's value chain and contribute to climate change, which in turn leads to extreme weather, increased health risks, loss of biodiversity and negative impacts on ecosystems and communities. Emissions include indirect emissions (Scope 2 and 3) linked to purchased energy, raw material extraction, production of goods and transport in the supply chain, direct emissions (Scope 1) from controlled manufacturing facilities, offices, warehouses and transport, as well as indirect emissions (Scope 3) related to the transport, processing and final disposal of sold products. The impacts occur in the short, medium and long term. R = Extreme weather events can damage facilities, disrupt transport and reduce access to raw materials. At the same time, stricter regulations to reduce greenhouse gas emissions, carbon pricing and requirements for renewable energy may lead to higher production costs and affect competitiveness, profitability and investor appeal. The risk is assessed as likely to materialise primarily in the medium to long term. O = No significant opportunities have been identified.	Upstream Own operations Downstream
Resource use and the circular economy ESRS E5	- Resource inflows	FNI = The Group's purchases of products (not recycled or reused) – primarily steel, aluminium, plastic and paper – contribute to increased resource consumption and raw material extraction in the supply chain, which contributes, for example, to increased greenhouse gas emissions and the degradation of natural habitats. The impact occurs in the short, medium and long term. R = The Group's dependence on input materials and other products entails financial risks, including increased raw material costs due to local price fluctuations, disruptions in supply chains caused by climate and social events, and political decisions regarding resource use. The risk may materialise in the medium and long term. O = No significant opportunities have been identified.	Upstream
	- Waste	FNI = Waste is generated in several parts of the Group's value chain, both upstream in connection with suppliers' raw material extraction, material processing and manufacturing, and in the Group's own production. Downstream, waste arises primarily during the end-of-life treatment of our sold products. Incorrect waste management can lead to pollution, health risks and damage to ecosystems. The impact occurs in the short, medium and long term. R = As the EU transitions towards a circular economy, waste management costs may rise, which could entail financial risks in the form of higher costs for the Group's own waste and increased purchase prices if suppliers' costs are passed on. The risk may materialise in the medium and long term. O = No significant opportunities have been identified.	Upstream Own operations Downstream
	- Resource outflows	FPI = Many of the Group's products have a relatively long lifespan, which is beneficial for the environment. At the end-of-life treatment stage, most products and packaging can be recycled, contributing to resource efficiency and circular use. The impact is felt in the short, medium and long term. R = No significant risks have been identified. O = Opportunity to increase competitiveness by developing more long-lasting and recycled/recyclable products in line with growing demand for circular solutions. The opportunity may arise in the medium and long term.	Downstream
Our own workforce ESRS S1	- Working conditions - Equal treatment and opportunities for all - Other work-related rights	PNI = The majority of the Group's employees work in operational roles, which entails an increased risk of physical injury. Gender imbalance and/or other factors in the working environment may pose a risk of discrimination, whilst the handling of employees' personal data entails privacy risks. Our operations in China also entail specific risks linked to labour law and human rights. The impact may be felt in the short, medium and long term. R = Injuries can lead to increased costs relating to sick leave, compensation and staffing, and can affect productivity and insurance premiums. Workplace accidents and shortcomings in gender equality, inclusion or the working environment may also damage the Group's brand, lead to legal consequences and negatively affect recruitment and the supply of talent. Inadequate handling of sensitive personal data may also result in fines and damage to reputation. The risk may materialise in the short, medium and long term. O = No significant opportunities have been identified.	Own operations
Workers in the value chain ESRS S2	- Working conditions - Equal treatment and opportunities for all - Other work-related rights	PNI = The Group's suppliers and customers are located globally. Negative impacts on workers throughout the upstream and downstream value chain cannot be fully ruled out, as the Group does not have full insight into working conditions, equal treatment and labour rights across all parties. Negative impacts could, for example, include low wages and poor safety, particularly in the oil and raw materials sectors. Impacts may occur in the short, medium and long term. R = No significant risks have been identified. O = No significant opportunities have been identified.	Upstream Downstream

Actual negative impact = ANI Potential negative impact = PNI Risk = R Actual positive impact = API Potential positive impact = PPI Opportunity = O

Topic	Sub-topic	Impacts, risks and opportunities (IRO)	Where in the value chain
Business conduct ESRS G1	- Corporate culture	PPI = Through governance and policies, the Group can contribute to responsible and sustainable business decisions that reduce negative impacts on people and the environment. These impacts may occur in the short, medium and long term. R = No significant risks have been identified. O = A strong corporate culture promotes better cooperation and communication between employees, leading to a more efficient and productive working environment. It strengthens the company's reputation and attracts and retains customers and partners who value ethical standards. Furthermore, it increases employee well-being and reduces staff turnover. The opportunity may arise in the short, medium and long term.	Own operations
	- Protection of whistle-blowers	FPI = The Group has a whistle-blowing channel available on our website that can be used anonymously by employees from all subsidiaries as well as by external parties. The whistle-blowing channel is operated by an external party and enables the whistleblower to report suspected irregularities securely. By encouraging transparency and accountability, the channel enables the Group to manage risks that could harm individuals or the environment. R = No significant risks have been identified. O = No significant opportunities have been identified.	Upstream Own operations Downstream
	- Management of relationships with suppliers, including payment practices	PNI = Late payments and poor supplier management can harm both people and the environment. In such cases, suppliers may be forced to cut wages, compromise on safety measures or reduce compliance with environmental requirements. This can lead to unsafe working conditions and increased environmental impact. The impact can be short-, medium- or long-term. R = No significant risks have been identified. O = No significant opportunities have been identified.	Upstream
	- Corruption and bribery	PNI = Corruption and bribery result in money and resources being used in ways that are less effective for people and the environment. In some cases, the Group's supply chain involves raw materials and markets with an elevated risk of corruption and bribery, such as crude oil extraction in Qatar, Saudi Arabia and Yemen. In addition, external or internal security breaches may expose sensitive information and cause harm to the Group and our stakeholders. The impact may be short-, medium- or long-term. R = No significant risks have been identified. O = No significant opportunities have been identified.	Upstream Own operations Downstream

Actual negative impact = FNI Potential negative impact = PNI Risk = R Actual positive impact = FPI Potential positive impact = PPI Opportunity = O

Karnell is not making any major changes to our business model or strategy in relation to our identified material impacts, risks and opportunities, but is actively working to support Group companies with the resources needed to manage these. Due to the Group's decentralised structure, business models, strategies, value chains and decision-making are primarily affected at company level, where managing these requires local adaptation within each unit, with the Group's ESG policy (which includes statements on our material sustainability matters) guiding the work in the right direction. Climate and resource-related challenges are addressed through local initiatives for energy and resource efficiency. Our own workforce is strengthened through local efforts regarding the working environment, skills development and ethical guidelines to ensure

good working conditions. Work with workers in the value chain is covered, among other things, by the companies' own supplier codes of conduct and controls. Business conduct is promoted through the companies' management systems, their own ESG-related policies (in conjunction with the Group's policies), training and internal controls.

No current financial impacts of the Group's identified material risks and opportunities on the Group's financial position, results and cash flows have been identified. Nor have we identified any risks or opportunities that are assessed as likely to result in a significant adjustment to reported assets or liabilities during the next annual reporting period.

The assessment of the Group's strategy and the resilience of its business model is based on the identified material impacts, risks and opportunities within the Group's operations, including the following time horizons: short term (<1 year), medium term (1–5 years) and long term (>5 years). The initial assessment indicates that the Group has good resilience, as our risks are spread across several companies, which reduces exposure to individual events. Resilience is further strengthened by the fact that our companies can make locally adapted decisions in line with the Group's ESG policy, enabling rapid response.

Management of impacts, risks and opportunities

Description of the process for identifying and assessing material impacts, risks and opportunities

IRO-1

Karnell has conducted a double materiality assessment in collaboration with external consultants to ensure an objective, robust and transparent process. The assessment forms the basis of our sustainability reporting, and the results have been presented to and formally approved by the Board.

The double materiality assessment process began with an analysis of the Group's business models and value chains to establish an understanding of which activities/operations related to the Group may cause or underpin impacts, risks and opportunities. This resulted in a value chain mapping at Group level. The mapping describes the activities within the Group's own operations as well as in the upstream and downstream value chains. Each activity has been analysed based on its geographical location, the Group's business relationships linked to the activity, the key resources used in the activity, and stakeholders who are affected or may potentially be affected by the activity. Based on this mapping, the Group's actual and potential impacts, as well as associated risks and opportunities, were identified. As part of the process, factors that increase the risk of adverse impacts were also taken into account, such as specific geopolitical or social conditions associated with certain activities, which resulted in certain groups within our value chain being assessed as potentially more vulnerable to adverse effects than others. Read more about this in the chapter 'Workers in the value chain'.

The identification of impacts was based on whether the Group causes them, contributes to them or is directly linked to them through its business relationships. In the identification process, all sustainability matters listed in ESRS 1 AR 16 were taken into account.

In order to map the Group's value chain and identify impacts, risks and opportunities, information was gathered directly from all Group companies via interviews and questionnaires, which included questions about their business model, value chain, actual and potential impacts, risks, opportunities, and stakeholders' requirements and expectations. In addition to input from Group companies, relevant external sources such as industry-specific materiality questions and benchmarks were also used.

Once impacts, risks and opportunities had been identified, materiality was assessed. All impacts, risks and opportunities were assessed against pre-defined materiality criteria. Impacts were analysed based on their severity (including scale, scope and reversibility) and likelihood. Risks and opportunities were analysed based on their financial impact and likelihood. The highest materiality score that an impact, risk or opportunity could achieve was 5, with a materiality threshold set at 3. All impacts, risks and opportunities with a final materiality score of 3 or above have therefore been classified as material and are included in this report. All impacts, risks and opportunities have been assessed using the same threshold value. Upon completion of the process, Group management verified the results of the assessments.

The double materiality assessment process began in 2024 and resulted in a preliminary list of material areas in the same year. In 2025, a review of the results was carried out, and they are still considered relevant. No significant changes have been made compared with the previous reporting period.

Group management and the Board of Directors prioritise sustainability-related impacts, risks and opportunities by actively integrating sustainability into decisions concerning the Group's overall strategy, major business transactions and risk management. For example, all potential acquisitions are assessed against a range of ESG criteria before an investment decision is made.

Disclosure requirements in ESRS standards covered by the company's sustainability report

IRO-2

Below is a list of the disclosure requirements that Karnell reports on in this report.

ESRS	Category	Disclosure requirements	Covered by the report	Comment	Page
2 – General disclosures	1. Basis for preparation	BP-1 – General basis for preparation of the sustainability report	Covered		14
		BP-2 – Disclosures in relation to specific circumstances	Covered		14
	2. Governance	GOV-1 – The role of the administrative, management and supervisory bodies	Covered		16
		GOV-2 – Information provided to, and sustainability matters addressed by, the company's administrative, management and supervisory bodies	Covered		17
		GOV-3 – Integration of sustainability-related performance into incentive schemes	Not covered	Karnell has not implemented any incentive scheme linked to sustainability matters.	-
		GOV-4 – Due diligence statement	Applicable		17
		GOV-5 – Risk management and internal control over sustainability reporting	Covered		17
	3. Strategy	SBM-1 – Strategy, business model and value chain	Covered		18
		SBM-2 – Interests and views of stakeholders	Covered		21
		SBM-3 – Material impacts, risks and opportunities and their relationship to strategy and business model	Covered		23
	4. Management of impacts, risks and opportunities	IRO-1 – Description of the process for identifying and assessing material impacts, risks and opportunities	Covered		25
		IRO-2 – Disclosure requirements in ESRS standards covered by the company's sustainability report	Covered		26
		MDR-P – Adopted policies on how to address material sustainability matters	Covered		30
		MDR-A – Actions and resources relating to material sustainability matters	Covered	Reported under category “5. Metrics and targets” together with MDR-M and MDR-T.	31
	5. Metrics and targets	MDR-M – Measures relating to material sustainability matters	Covered		31
		MDR-T – Monitoring the effectiveness of policies and measures through targets	Covered		31

Environmental information

ESRS	Category	Disclosure requirements	Covered by the report	Comment	Page
E1 – Climate change	Governance	GOV-3 – Integration of sustainability-related performance into incentive schemes	Not covered	Karnell does not have any remuneration models that include climate-related considerations.	-
	Strategy	E1-1 – Transition plan for climate change mitigation	Covered		32
		SBM-3: Material impacts, risks and opportunities and their relationship to strategy and business model	Covered		32
	Management of impacts, risks and opportunities	IRO-1 – Description of the process for identifying and assessing material climate-related impacts, risks and opportunities	Covered		33
		E1-2 – Policies for climate change mitigation and climate change adaptation	Covered		33
		E1-3 – Actions and resources regarding climate change policies	Covered		33
	Metrics and targets	E1-4 – Targets for climate change mitigation and climate change adaptation	Covered		34
		E1-5 – Energy use and energy mix	Covered		35
		E1-6 – Gross greenhouse gas emissions within Scopes 1, 2 and 3, and total greenhouse gas emissions	Covered		36
		E1-7 – Greenhouse gas removals and mitigation projects funded through carbon credits	Not covered	Karnell has no greenhouse gas removals or mitigation projects financed through carbon credits.	-
E1-8 – Internal carbon pricing		Not applicable	Karnell has no internal carbon pricing systems.	-	
E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Not applicable	Phasing in accordance with Appendix C to ESRS 1.	-		
E5 – Resource use and circular economy	Management of impacts, risks and opportunities	IRO-1: Description of the process for identifying and assessing material impacts, risks and opportunities relating to resource use and the circular economy	Covered		40
		E5-1: Policies on resource use and circular economy	Covered		40
		E5-2: Measures and resources for resource use and circular economy	Covered		40
	Metrics and targets	E5-3: Targets for resource use and circular economy	Covered		40
		E5-4: Resource inflows	Covered		40
		E5-5: Resource outflows	Included		41
		E5-6: Anticipated financial effects of material risks and opportunities related to resource use and the circular economy	Not covered	Phased implementation in accordance with Appendix C to ESRS 1.	-

ESRS	Category	Disclosure requirements	Covered by the report	Comment	Page
-	EU Taxonomy	Information pursuant to Article 8 of Regulation (EU) 2020/852 (the Taxonomy Regulation)	Covered		42

Social information

ESRS	Category	Disclosure requirements	Covered by the report	Comment	Page
S1 – Our own workforce	Strategy	SBM-2: Interests and views of stakeholders	Covered		45
		SBM-3: Material impacts, risks and opportunities and their relationship to strategy and business model	Covered		45
	Management of impacts, risks and opportunities	S1-1: Policies regarding the organisation's own workforce	Covered		45
		S1-2: Procedures for engaging with the organisation's own workforce and employee representatives regarding impacts	Covered		46
		S1-3: Procedures for addressing adverse impacts and channels through which the organisation's own employees can raise concerns	Covered		46
		S1-4: Measures regarding material impacts on the own workforce and strategies to mitigate material risks and capitalise on material opportunities, in relation to the own workforce, and the effectiveness of these measures	Covered		47
	Metrics and targets	S1-5: Targets for how to address material impacts, enhance positive impacts, and manage material risks and opportunities	Covered		47
		S1-6: Information on the company's employees	Covered		48
		S1-7: Information on workers in the company's own workforce who are not employees	Covered		48
		S1-8: Collective bargaining coverage and social dialogue	Covered		48
		S1-9: Diversity indicators	Covered		49
		S1-10: Adequate wages	Not covered	Phased in in accordance with Appendix C to ESRS 1.	-
		S1-11: Social protection	Covered		49
		S1-12: People with disabilities	Not covered	Not material.	-
		S1-13: Measures for training and skills development	Covered		49
		S1-14: Measures for the working environment	Covered		50
		S1-15: Measures of work-life balance	Covered		50
S1-16: Remuneration indicators (pay gaps and total remuneration)	Covered		50		
S1-17: Incidents, complaints and serious impacts on human rights	Covered		51		

ESRS	Category	Disclosure requirements	Covered by the report	Comment	Page
S2 – Workers in the value chain	Strategy	SBM-2: Interests and views of stakeholders	Covered		51
		SBM-3: Material impacts, risks and opportunities and their relationship to strategy and business model	Covered		51
	Management of impacts, risks and opportunities	S2-1 – Policies for workers in the value chain	Covered		52
		S2-2: Procedures for engaging with workers in the value chain regarding impacts	Covered		52
		S2-3: Procedures for addressing adverse impacts and channels through which workers in the value chain can raise concerns	Covered		52
		S2-4: Measures regarding material impacts on workers in the value chain and strategies for managing material risks and capitalising on material opportunities, in relation to workers in the value chain, and the effectiveness of these measures	Covered		53
	Metrics and targets	S2-5: Targets for addressing material impacts, enhancing positive impacts, and managing material risks and opportunities	Covered		53

Corporate governance information

ESRS	Category	Disclosure requirements	Covered by the report	Comment	Page
G1 – Business conduct	Governance	GOV-1: Responsibilities of the administrative, management and supervisory bodies	Covered		54
	Management of impacts, risks and opportunities	IRO-1: Description of the process for identifying and assessing material impacts, risks and opportunities	Covered		54
		G1-1: Policies on business conduct and corporate culture	Covered		54
		G1-2: Management of supplier relationships	Covered		55
		G1-3: Preventing and detecting corruption and bribery	Covered		55
	Metrics and targets	G1-4: Incidents of corruption and bribery	Covered		56
		G1-5: Political influence and lobbying	Not covered	Not material.	-
G1-6: Payment practices		Covered		56	

Karnell has adopted an approach whereby only information deemed to help explain the Group's material impacts, risks and opportunities, and to support users' decision-making, is included in the report. This approach ensures that the report's content is focused and material.

Adopted policies on how to address material sustainability matters

MDR-P

ESG policy

Karnell prioritises sustainability throughout our ownership, with the aim of building resilient companies that can navigate future challenges and capitalise on opportunities. Our strategy integrates environmental, social and governance (ESG) factors into investment decisions and operational practices. This includes setting clear ESG standards and expectations for our group companies. To ensure compliance with applicable laws and regulations, and to maintain the effectiveness of the Group's values and working methods within the organisation, we have developed a Group-wide ESG policy that applies to all entities within the Group.

Karnell's CEO is responsible for the overall implementation of and compliance with the policy. The boards of the Group companies are responsible for ensuring that the policy is implemented in each company. Implementation of the policy is monitored annually through data collected for the Group's sustainability report. To ensure that the ESG policy remains relevant and up to date, it is reviewed annually by the Board. Our ESG policy covers various frameworks and policy areas described below.

Framework for the investment process

This framework applies solely to the parent company, as it concerns Karnell's investment process. The purpose of the framework is to define acceptable investments and ensure that we avoid companies involved in the manufacture of weapons, betting and gambling, alcohol and drugs, fossil fuels or illegal activities. The framework also emphasises the importance of understanding how sustainability-related business risks and opportunities are managed throughout the value chain of a potential acquisition during the due diligence process. Consequently, all

potential acquisitions are assessed using several ESG criteria during this process. The results of the review are then reported in the investment recommendation, which is presented to the board before an acquisition decision is made.

Framework for responsible ownership and sustainable business conduct

This framework applies to all entities within the Group and aims to promote a holistic approach to sustainability by establishing common ESG focus areas that all entities are to actively work on. These focus areas cover sustainability themes such as climate change, the circular economy, working conditions, human rights and business ethics – issues that are important to address in terms of impacts, risks and opportunities within our value chain.

- **Environment:** The Group's common environmental focus areas include reducing environmental impact through lower energy consumption, carbon reduction and transport optimisation. Efforts shall be made to replace environmentally harmful products with eco-friendly alternatives where possible, minimise greenhouse gas emissions, maximise the use of recyclable materials and promote circular business models alongside resource efficiency.
- **Social:** The Group's shared social focus areas include promoting diversity and ensuring zero tolerance for discrimination, as well as guaranteeing fair treatment of employees and stakeholders. The Group is committed to complying with international human rights conventions, respecting employees' right to decent working conditions, and striving to maintain a safe working environment that prevents work-related injuries and ill health.
- **Governance:** The Group's common governance focus areas include complying with laws and regulations in all regions of operation,

applying high standards of business ethics and preventing corruption. The Group is committed to creating targeted sustainability plans that are integrated into our companies' governance models. We shall maintain a clear corporate governance structure, with effective control mechanisms such as a whistleblowing service. Furthermore, sustainability aspects shall be integrated into our companies' business plans and their monitoring processes.

Code of Conduct

In addition to Karnell's ESG policy, we also have a code of conduct that focuses on social and governance-related issues. The Code includes, amongst other things, positions on human rights, the elimination of discrimination, working conditions, anti-corruption and business integrity, the prevention of insider trading, and the handling of personal data and privacy, and must be followed by all our companies. We are committed to ensuring ethical practices throughout the value chain and expect our business partners to share these commitments. We therefore also have a Code of Conduct for business partners covering the same areas.

Our ESG policy and Code of Conduct are not publicly available; their content is instead described in the Group's sustainability report.

Metrics and targets

Measures, resources, metrics and target monitoring for material sustainability matters

MDR-A, MDR-M & MDR-T

Below is a summary of the Group's targets, key actions and performance indicators relating to our material sustainability matters. Further information on our work in each specific area is presented later in this report.

ESG	Focus area	Commitment	Planned actions for the Group	Action status	KPIs monitored annually	Targets for 2030
Environment	Climate change	Reduce the Group's carbon footprint and prepare for the transition to net-zero greenhouse gas emissions	Strategic plan for reducing greenhouse gas emissions	Work in progress	<ul style="list-style-type: none"> Total Scope 1 and 2 greenhouse gas emissions (market-based) Scope 1 and 2 emissions intensity (market-based) Scope 1 and 2 emissions intensity per employee (market-based) Total energy used in operations (MWh) Proportion of fossil-free purchased electricity, heating, steam and cooling used in operations 	<ul style="list-style-type: none"> Reduce greenhouse gas intensity within Scope 1 and 2 by 42% from 2023 to 2030 (tonnes CO₂e/MSEK net revenue) (market-based) 100% of purchased energy in Scope 2 is fossil-free (market-based).
			Mapping of greenhouse gas emissions and energy use	Achieved		
			Climate calculation in accordance with the GHG Protocol	Achieved		
	Resource use and the circular economy	Contributing to a circular economy and responsible resource management	Expand data collection on materials used and waste generated	Work in progress		
Conduct life cycle assessments at the Group's manufacturing companies			Work in progress	<ul style="list-style-type: none"> Proportion of companies that have carried out life cycle analysis(es) 		
Social	Our own workforce	Protect employees' rights and promote a safe, secure and sustainable working environment for all	Maintain good social conditions and implement systems to measure social issues	Work in progress	<ul style="list-style-type: none"> Staff turnover Proportion of sick leave Number of fatalities Number of serious injuries Number of recordable work-related accidents Number of working days lost due to work-related accidents and fatalities Average number of training hours per year per employee Gender diversity Proportion of female candidates in the recruitment process for managers 	<ul style="list-style-type: none"> 98% attendance at work Zero serious injuries and fatalities When hiring managers, at least 30% of candidates must be women (during the contact phase)
	Workers in the value chain	Ensuring ethical conditions throughout the value chain	Our group companies implement a Supplier Code of Conduct (SCoC)	Work in progress	<ul style="list-style-type: none"> Number of SCoC audits, along with a description of any identified shortcomings and measures taken 	<ul style="list-style-type: none"> Develop and implement a process to ensure that suppliers of critical raw materials in high-risk sectors related to raw material extraction provide satisfactory information and measures to manage human rights-related risks
			Monitoring and compliance checks of the SCoC	Work in progress		
Governance	Business conduct	Promoting a culture characterised by integrity. We have a zero-tolerance policy towards corruption and bribery	Employee training	Work in progress	<ul style="list-style-type: none"> Total number of whistleblowing cases and actions taken Proportion of employees who have completed training in business ethics 	<ul style="list-style-type: none"> No cases of corruption or bribery
		Implement a whistleblowing function	Achieved			

Environmental Information

Climate change

Strategy

Transition plan for climate change mitigation

E1-1

Karnell has not drawn up a formal transition plan at group level to mitigate climate change; instead, our companies are responsible for actively working to reduce emissions in line with our ESG policy and targets. Karnell will assess the need to draw up a transition plan in 2026. We have not determined whether a plan will be implemented in 2026 or later.

Karnell is not excluded from the EU benchmarks for alignment with the Paris Agreement pursuant to (EU) 2020/1818, Articles 12(1)(d) to (g) and 12(2). This means that we do not engage in activities that contravene international standards or the climate targets of the Paris Agreement, such as deriving significant revenue from fossil fuels, having a high climate impact without a clear transition plan, or breaching fundamental sustainability principles.

Material impacts, risks and opportunities and their relationship to strategy and business model

SBM-3

The Group's greenhouse gas emissions and use of fossil fuels entail several **transition risks**. These risks have been identified using the RCP2.6 climate scenario (see disclosure requirements SBM-3 in this chapter for further information). Stricter climate regulations to limit global warming to 1.5 °C may lead to increased compliance costs and the risk of fines, whilst price fluctuations in fossil fuels affect the cost structure. A higher emissions intensity than competitors may also reduce the Group's attractiveness from an investor's perspective. Furthermore, carbon pricing, such as carbon taxes or emissions trading schemes like CBAM, may further increase operating costs, which could affect the Group's financial results.

At the same time, **physical climate risks**, such as extreme weather events resulting from continued high levels of greenhouse gas emissions in line with climate scenario RCP 8.5 6 (see disclosure requirements SBM-3 in this chapter for further information), may damage our facilities, disrupt transport and reduce the availability of raw materials. This could lead to production stoppages, delays in deliveries and increased costs for repairs, logistics and energy, which in turn would affect the Group's financial results.

All risks are assessed as likely to materialise primarily in the medium term (1–5 years) and long term (>5 years). These risks may arise in several parts of the Group's value chain:

- **Upstream:** Price fluctuations in fossil fuels and carbon pricing may increase the costs of purchased materials and energy. Physical risks, such as extreme weather events, may disrupt deliveries and limit the availability of raw materials.
- **Own operations:** Tighter climate regulations and increased compliance requirements may lead to higher operating costs and the risk of fines for non-compliance. Extreme weather can damage facilities, cause production stoppages and increase costs for repairs, logistics and energy. High emissions intensity compared with competitors may also affect investor appeal.
- **Downstream:** Physical disruptions to transport and distribution may lead to delays and affect customer relationships and revenue.

The assessment of the Group's strategy and the resilience of its business model is based on the above risks, including the same time horizons. In its analysis, Karnell has assumed that the transition to a more low-carbon and resilient economy (to limit global warming to 1.5 °C) will affect macroeconomic trends, energy consumption and the energy mix through increased costs for regulatory compliance, fossil fuels and carbon pricing. At the same time, technological developments are expected

to enable more energy-efficient and climate-friendly solutions, which could reduce emissions intensity. A comprehensive analysis of climate risks and resilience, including the identification of specific at-risk assets and business operations, has not yet been carried out, meaning that this assessment is preliminary and provides only an indication of the Group's resilience. The analysis was conducted in November 2025.

This initial assessment shows that the Group has good resilience, as our climate-related risks are spread across several companies, which reduces the Group's exposure to individual events. For example, risks relating to suppliers and the supply of raw materials are spread across several companies, meaning that disruptions in a single company have a limited impact on the Group as a whole. At the same time, the decentralised structure may limit the ability to immediately address risks affecting the entire Group, such as the Group's emissions intensity. This means that measures to reduce emissions or improve energy efficiency may take longer to implement. An analysis of the Group's ability to adapt its strategy and business model to climate change has not been carried out. To strengthen resilience, Karnell ensures support at Group level by providing guidelines in the form of an ESG policy and climate targets, discussing climate mitigation measures with the companies, and offering financial resources, whilst each company retains the flexibility to adapt its efforts to local conditions.

Several companies within the Group have taken measures during the year to reduce their climate impact and improve energy efficiency. These include, among other things, switching to electric service and company cars, installing charging infrastructure, and purchasing energy-efficient equipment such as LED lighting and motion-sensor lights.

Description of the process for identifying and assessing material climate-related impacts, risks and opportunities

IRO-1

Karnell's negative impact on the climate is primarily concentrated upstream in the value chain, from the raw material extraction, processing

and manufacture of the input products required for the manufacture of products that Karnell sells and uses in its own operations. In our own operations, it is primarily fuel consumption in vehicles and the manufacturing process, as well as electricity consumption and district heating for production facilities and offices, that contribute to the Group's greenhouse gas emissions. Transport to customers and the waste management of sold products result in further emissions downstream in the value chain. We are aware of our negative impact on the climate through our climate calculations, which cover Scope 1 and Scope 2, as well as certain upstream emission categories in Scope 3, together with a materiality assessment of our largest Scope 3 emissions carried out in 2023.

To date, we have not identified any assets or business operations that are incompatible with, or require significant efforts to become compatible with, a transition to a climate-neutral economy.

To identify actual and potential future sources of greenhouse gas emissions, the Group has reviewed its operations by compiling climate calculations for Scope 1 and Scope 2, as well as relevant upstream categories in Scope 3. This has been supplemented by a materiality assessment of the largest Scope 3 emission sources, which was carried out in 2023. Through these processes, we have assessed where emissions currently arise within our own operations and in the value chain, and where future emissions may arise. The materiality assessment of climate-related impacts has been carried out in the same way as for other sustainability areas and follows the same methodology and assessment criteria as described in the chapter General Disclosures, disclosure requirements IRO-1.

We have also identified a number of material climate-related transition risks and physical risks, both within our own operations and in the value chain. The risk analysis has been inspired by the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures), but has not been carried out in accordance with their full framework. The assessment

of the resilience of the Group's strategy and business model is based on the risks identified in this process (see disclosure requirements SBM-3 in this chapter for further information).

The analyses of transition risks are based on the RCP2.6 climate scenario, which is characterised by more stringent climate policies designed to meet the Paris Agreement's goal of limiting global warming to below 2 °C and pursuing efforts to limit it to 1.5 °C. This scenario illustrates how the transition to a low-carbon society may affect the Group. The time horizons applied are short term (<1 year), medium term (1–5 years) and long term (>5 years).

The analysis of physical risks is based on the RCP 8.5 climate scenario. This scenario describes a future in which greenhouse gas emissions remain very high globally, leading to more severe climate change, such as higher temperatures and more extreme weather. By using this scenario as a basis, we can better understand the risks that may affect the Group if current emission trends continue. The time horizons applied are short term (<1 year), medium term (1–5 years) and long term (>5 years).

The scenarios are taken from the IPCC's (Intergovernmental Panel on Climate Change) Fifth Assessment Report. The IPCC's scenarios are based on the latest science and draw on extensive climate research from around the world. The analysis of risks is based on a qualitative assessment of the financial impacts, rather than on quantitative data. The analysis of physical climate-related risks does not yet take into account data specific to the Group's sites or assets.

The materiality assessment of climate-related risks and opportunities has been carried out in the same way as for other sustainability areas and follows the same methodology and assessment criteria as described in the chapter General Disclosures, disclosure requirements IRO-1.

No climate-related assumptions are made in Karnell's financial reports.

Policies for climate change mitigation and adaptation

E1-2

To mitigate our climate-related risks and steer us towards reducing our carbon footprint, the Group's ESG policy includes several key areas that our companies are expected to work on, including reduced energy consumption, transport optimisation and improved resource efficiency. The policy applies to all entities within the Group, and Karnell's CEO is responsible for the overall implementation of and compliance with the policy.

The ESG policy does not currently address climate adaptation specifically. The reason for this is that climate adaptation has not yet been integrated within the framework of existing risk management strategies and processes. The need for a more formal policy on climate adaptation will be assessed in 2026.

The climate-related areas (see above) covered by our ESG policy have not been specifically identified based on stakeholders' interests. In the policy, we make no reference to third-party standards or initiatives to which we commit to adhere.

Measures and resources relating to climate change policies

E1-3

Karnell has not drawn up a formal transition plan, including specific mitigation measures to reduce greenhouse gas emissions (decarbonisation levers), at group level. The potential implementation of a Group-wide transition plan will be evaluated in 2026. As the Group comprises several companies with decentralised governance, responsibility for work on reducing greenhouse gas emissions currently lies at company level. However, the Group ensures that the entire business operates on the basis of common principles through our Group-wide ESG policy, which includes positions on this area. The companies' ability to implement measures may be affected by access to resources, with the Group offering financial support and other resources to enable relevant investments and initiatives.

In 2025, our companies, each according to their own circumstances, implemented various measures to reduce their carbon footprint, such as switching to electric service and company cars, installing charging infrastructure, and purchasing energy-efficient equipment such as LED lighting and motion-sensor lights. Going forward, the companies are planning various initiatives to reduce their carbon footprint. Several companies plan to review their vehicle fleets, including by switching to renewable fuels or only approving electric company cars. Some companies are also working to identify opportunities to replace existing energy supplies with renewable alternatives, such as solar panels. In addition, initiatives are planned to enhance environmental expertise and systematic approaches, such as evaluating the introduction of environmental management systems.

As we have not established joint mitigation measures at Group level, we have not made any estimates regarding the expected reductions in greenhouse gas emissions. Information on reductions or increases achieved is provided under disclosure requirements E1-6. No specific measures have been implemented or are planned regarding climate adaptation.

No significant operating or capital expenditure for implemented or planned measures has been identified at Group level.

Metrics and targets

Targets for climate change mitigation and adaptation

E1-4

In line with our climate commitment to reduce the Group's carbon footprint and prepare for the transition to net-zero greenhouse gas emissions, we have set two targets for reducing greenhouse gas emissions at Group level, which all our companies are working towards:

We have chosen to set an intensity target for our Scope 1–2 emissions, as Karnell continuously acquires new companies and an intensity target provides an accurate picture of climate performance in relation to our

Targets	Metric	2023 (base year)	2025	Comment on progress
Reduce greenhouse gas intensity within Scope 1 and 2 by 42% from 2023 to 2030	Emissions intensity, Scope 1 & 2, tonnes CO ₂ e/MSEK net revenue (market-based)	1.41 (corresponding to absolute emissions of 1,550 tonnes CO ₂ e)	2.28 (corresponding to absolute emissions of 3,854 tonnes CO ₂ e)	<ul style="list-style-type: none"> This trend represents a 62% increase in intensity from 2023, corresponding to an absolute increase in emissions of 2,304 tonnes CO₂e. The reason for the increase in intensity is that a larger proportion of our Scope 2 electricity consumption is reported based on the residual electricity mix, as there are no verified guarantees of origin for renewable energy, which results in higher emission factors. Furthermore, some companies have increased their consumption of fossil fuels. In 2026, we will review the possibility of adjusting/updating the base year based on more reliable data.
100% of purchased energy in Scope 2 is fossil-free (market-based) by 2030	Proportion of non-fossil energy sources in total consumption of purchased or procured electricity, heat, steam and cooling	93% (corresponding to absolute emissions of 479 tonnes CO ₂ e)	72 (corresponding to absolute emissions of 2,542 tonnes of CO ₂ e)	<ul style="list-style-type: none"> This corresponds to a 23% reduction in fossil-free energy from 2023, equivalent to an absolute increase in emissions of 2,063 tonnes of CO₂e. The reason for the reduced share of non-fossil sources is that a larger proportion of our electricity consumption is based on the residual mix, as there are no verified guarantees of origin for renewable energy. In 2026, we will review the possibility of adjusting/updating the base year based on more reliable data.

revenue. As the target is intensity-based, the base year is less sensitive to changes in the Group's size or external factors, as emission levels are set in relation to revenue. This means that the base year remains representative even as the business grows or changes over time, and that progress can be tracked in a comparable manner.

Of Karnell's total Scope 1–2 emissions for the base year (2023), Scope 1 accounted for 70% of emissions and Scope 2 (market-based) for 30% of emissions. We ensure consistency by ensuring that the targets are directly linked to the emission sources and greenhouse gases included in our inventory (see disclosure requirements E1-6), and that any changes to the inventory boundaries are reflected in our targets. The greenhouse gases covered are the six greenhouse gases covered by the Kyoto Protocol.

The targets (or metrics) have not been verified by an external party, but they have been set using scientifically recognised methods, such as the Science Based Targets initiative (SBTi), which specifies the rate and scale at which emissions must be reduced to limit global warming to 1.5 °C. According to the SBTi's cross-sectoral emissions pathway to limit global warming to 1.5 °C, companies with a base year of 2023 need to reduce their absolute Scope 1–2 emissions by 42% by 2030 (source: based on Pathways to Net-zero –

SBTi Technical Summary, version 1.0, October 2021). Previously, our target was to reduce greenhouse gas intensity within Scope 1 and 2 by 40%. To better align with the Paris Agreement's goals, we have updated the target and set 42% as the benchmark for the reduction in intensity.

In setting the targets, no specific account has been taken of future developments (e.g. changes in sales volumes or new technology). An external consultant specialising in ESG issues assisted us in setting our climate-related targets. No other stakeholders have been involved in the target-setting process.

Karnell has not established joint mitigation measures at Group level, but assesses, based on our Scope 1 and Scope 2 emission sources and the emission reductions achieved through measures already implemented by our companies, that relevant mitigation measures to reduce our emissions could include:

- **Scope 1:** Switching from fossil fuels to biofuels or increased electrification in relation to our production facilities and vehicles
- **Scope 2 (market-based):** Energy efficiency improvements and increased procurement of renewable electricity and district heating

No specific climate scenarios have been taken into account when identifying mitigation measures, and no quantification of the measures' contribution to achieving the Group's greenhouse gas targets has yet been carried out. To date, there are no plans to introduce new technology, and its potential role in achieving the targets has not been assessed.

The Group has no targets relating to climate adaptation.

Energy use and energy mix

E1-5

The energy data presented for 2025 includes data from the entire Group. Of the companies included, all our operating companies, with the exception of the parent company and one group company within the ' ' sector, operate in sectors with a high climate impact (such as manufacturing units in sector C of Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council, as defined in Commission Delegated Regulation (EU) 2022/1288). This remains unchanged from the previous reporting year. Values without brackets refer to companies operating in sectors with a high climate impact, whilst values in brackets refer to companies not operating in such sectors.

Karnell's energy consumption in 2025 is derived, as in previous years, from fuel consumption, purchased electricity and heat, and our own electricity generation from solar energy. Significant changes in our total energy consumption between 2024 and 2025 are primarily due to the fact that more companies are included in the Group compared with previous years. We see a lower proportion of renewable sources in total energy consumption, which is mainly due to a larger proportion of electricity consumption being based on the residual mix, as there are no verified guarantees of origin for renewable energy, and due to increased consumption of fossil fuels in certain companies.

Despite increased energy consumption in 2025, the Group's energy intensity per MSEK of net revenue has decreased by 7% from 2023.

Method for data collection and calculation of energy consumption and energy mix

Data on the Group's energy consumption and energy mix has been collected from all Group companies and consolidated at Group level. As the collection of this data is managed on a decentralised basis, there may be variations in data collection between different companies and regions. Fuel, electricity and heat consumption have been derived from internal measurements and invoices. Purchased electricity and heat with a guaranteed renewable origin have been counted as renewable energy. Where the renewable origin could not be verified, the energy mix has been calculated using relevant residual mixes. Energy consumption from fuels (petrol, diesel, etc.) has been converted to MWh using DESNZ's conversion factors for effective calorific value.

The calculation of the proportion of non-fossil energy sources in the total consumption of purchased or procured electricity, heat, steam and cooling includes all companies in the Group.

Energy consumption and energy mix	Unit	2023 (base year)	2024	2025
Fuel consumption from coal and coal products	MWh	46	0	0
Fuel consumption from crude oil and petroleum products	MWh	1,261	2,149	5,130
Fuel consumption from natural gas	MWh	0	63	85
Fuel consumption from other fossil sources	MWh	2,915	2,138	0
Consumption of purchased or procured electricity, heat, steam and cooling from fossil fuel sources	MWh	657	2,638	4,242
Total use of fossil energy	MWh	4,879 (11)	7,033 (133)	9,457 (4)
<i>Share of fossil sources in total energy consumption</i>	%	34% (8%)	40% (65%)	46% (6%)
Consumption from nuclear energy sources	MWh	567 (25)	1,344 (0)	1,959 (2)
<i>Share of nuclear energy sources in total energy consumption</i>	%	4% (18%)	8% (0%)	10% (3%)
Fuel consumption for renewable energy sources, including biomass (including industrial waste and municipal waste of biological origin, biogas, renewable hydrogen, etc.)	MWh	1,004 (0)	355 (0)	319 (0)
Consumption of purchased or procured electricity, heat, steam and cooling from renewable sources	MWh	7,781 (100)	8,661 (72)	8,711 (63)
Consumption of self-generated renewable non-fuel energy	MWh	96 (0)	6 (0)	10 (0)
Total use of renewable energy	MWh	8,881 (100)	9,020 (72)	9,040 (63)
<i>Share of renewable sources in total energy consumption</i>	%	62% (74%)	52% (35%)	44% (91%)
Total energy consumption	MWh	14,327 (136)	17,397 (204)	20,456 (69)
<i>Proportion of non-fossil energy sources in total consumption of purchased or procured electricity, heat, steam and cooling</i>	%	93%	79%	72

Energy intensity	Unit	2023 (base year)	2024	2025
Energy intensity per net revenue from operations in sectors with high climate impact	MWh / MSEK	13.33	12.93	12.32
Energy intensity per net revenue from all operations	MWh / MSEK	13.11	12.75	12.16
<i>Net revenue from operations in sectors with high climate impact</i>	MSEK	1,075	1,345	1,661
<i>Net revenue (other)</i>	MSEK	28	35	27
<i>Total net revenue (financial reports)</i>	MSEK	1,103	1,380	1,688

Gross greenhouse gas emissions within Scopes 1, 2, 3 and total greenhouse gas emissions

E1-6

Karnell's climate report has been prepared using the operational control consolidation method. Climate data has been collected from the parent company and all Group companies. We have no investment objects such as associates, joint ventures or non-consolidated subsidiaries that are not included in the financial statements. Our greenhouse gas emissions (GHG emissions) are calculated in accordance with the GHG Protocol standards, and we include all greenhouse gases covered by the Kyoto Protocol (CO₂, CH₄, N₂O, HFCs, PFCs, SF₆ and NF₃). We carry out full reporting for Scope 1 and 2 emissions and report emissions within four relevant Scope 3 categories.

Scope 1 GHG emissions	Unit	Retroactive				Year for milestones and targets 2030
		2023 (base year)	2024	2025	% change between 2025 and 2024	
Stationary combustion	Tonnes of CO2e	763	754	1,006		
Mobile combustion	Tonnes of CO2e	287	309	304		
Fugitive emissions	Tonnes of CO2e	22	0	0		
Process emissions	Tonnes of CO2e	0	0	2		
Total gross greenhouse gas emissions, Scope 1	Tonnes of CO2e	1,071	1,063	1,313	23%	
Percentage of Scope 1 GHG emissions from regulated emissions trading systems	%	0	0%	0%		

Scope 2 GHG emissions	Unit	Retroactive				Year for milestones and targets 2030
		2023 (base year)	2024	2025	% change between 2025 and 2024	
Electricity (location-based)	Tonnes of CO2e	141	550	566		
Heating (site-based)	Tons of CO2e	0	180	116		
Total site-based gross Scope 2 greenhouse gas emissions	Tonnes of CO2e	141	730	683	-6%	
Electricity (market-based)	Tonnes of CO2e	420	662	2,426		
Heat (market-based)	Tonnes of CO2e	59	133	116		
Total market-based gross Scope 2 greenhouse gas emissions	Tonnes of CO2e	479	796	2,542	219%	

Scope 3 GHG emissions	Unit	Retroactive				Year for milestones and targets 2030
		2023 (base year)	2024	2025	% change between 2025 and 2024	
1. Purchased products and services	Tonnes of CO2e	51,158	84,861	75,415		
3. Energy and fuel-related activities	Tonnes of CO2e	161	981	1,150		
4. Upstream transport and distribution	Tonnes of CO2e	968	1,701	1,464		
6. Business travel	Tonnes of CO2e	84	110	96		
Total gross Scope 3 greenhouse gas emissions	Tonnes of CO2e	52,371	87,635	78,125	-11%	

Totala GHG emissions	Unit	Retroactive				Year for milestones and targets 2030
		2023 (base year)	2024	2025	% change between 2025 and 2024	
Total GHG emissions Scope 1-3 (site-based)	Tonnes of CO2e	53,583	89,446	80,121	-10%	
Total GHG emissions Scope 1-3 (market-based)	Tonnes of CO2e	53,922	89,512	81,980	-8%	
Total Scope 1 & 2 GHG emissions (market-based)	Tonnes of CO2e	1,550	1,859	3,854	107%	
Emissions intensity Scope 1-3 (site-based)	Tonnes of CO2e/MSEK	48.58	64.82	47.48	-27%	
Emissions intensity Scope 1-3 (market-based)	Tonnes of CO2e/MSEK	48.89	64.86	48.58	-25%	
Emissions intensity Scope 1 & 2 (market-based)	Tonnes of CO2e/MSEK	1.41	1.35	2.28	70%	Reduce greenhouse gas intensity within Scope 1 and 2 by 42% from 2023
Scope 1 & 2 emissions intensity per employee (market-based)	Tonnes of CO2e per employee	2.89	2.80	5.17	85%	
Net revenue*	Total net revenue (SEK million)	1,103	1,380	1,688		
Number of employees	Total average number of employees (persons)	535	665	745		

* The net revenue figure has been reconciled against net turnover as reported in Note 3 of the financial statements. Please note that one group company (Haco Tellus) is not included in the calculation for 2024, which explains the difference.

Scope 1, 2 and 3 greenhouse gas emissions

As in the previous reporting year, the majority of the Group's Scope 1 emissions originate from stationary and mobile combustion in boilers and vehicles. During this year, process emissions from welding have also been identified. No fugitive emissions from refrigerants were identified during the year. The Group's absolute Scope 1 emissions have increased compared with the previous year, which can be explained both by increased fossil fuel consumption for stationary combustion at certain companies and by the fact that more companies have been included in the Group during the year as a result of acquisitions.

The Group's Scope 2 emissions come from purchased electricity and heat used in our offices and production facilities. Electricity is purchased by all our companies, whilst heat is purchased only for some of our facilities in Sweden and Finland.

For Scope 2 (market-based) emissions, 40% of the Group's electricity consumption is covered by contractual arrangements (either directly or indirectly via landlords). These agreements include contracts involving energy attribute certificates with guarantees of origin, with or without physical delivery. Of this electricity consumption, 93% is stand-alone, i.e. the agreements cover only the environmental attribute without physical delivery, and 7% is bundled, covering both the physical delivery of the electricity and its environmental attribute. Similar agreements for renewable sources have been made for purchased heat, but only to a limited extent, with 1% of heat consumed covered by specific agreements for renewable sources. All of these agreements are standalone agreements.

Like our absolute Scope 1 emissions, the Group's absolute Scope 2 emissions (market-based) have also increased compared with the previous year. The increase is primarily explained by the fact that the emission factors have been updated to be based to a greater extent on verified guarantees of origin for renewable energy, whilst the residual mix has been applied where such evidence could not be established, and by the fact that more companies have been included in the Group during the year as a result of acquisitions.

Together, our Scope 1 and 2 emissions account for only a small proportion of the Group's total emissions. As in the previous year, the majority of emissions correspond to our Scope 3 emissions from Category 1: Purchased goods and services. These emissions include emissions from raw material extraction to the manufacture of all our purchased products and services (excluding those covered by other Scope 3 categories), which explains why this emissions category dominates the Group's total carbon footprint, as we are dependent on stable resource inflows to produce and sell our products.

Karnell has no carbon offsets or purchased, sold or transferred carbon credits or emission allowances that affect the calculation of Scope 1 and 2 emissions. We have no facilities subject to regulated emissions trading systems.

Greenhouse gas emissions outside the scopes

2025 is the second year we are reporting biogenic emissions. Biogenic emissions are CO₂ emissions derived from biological material, such as biomass, wood and other organic substances, and form part of the natural carbon cycle.

As in previous years, biogenic emissions have been identified primarily in relation to our paper-based board materials, fillers, adhesives and sealants. This is because these products have product-specific environmental product declarations in which biogenic emissions are reported separately from fossil emissions. Otherwise, biogenic emissions have been identified in relation to the fuels we use in Scope 1 and for a small number of purchased products in Scope 3. We have not been able to identify any biogenic emissions in relation to our other emission sources, as the emission factors used do not report the biogenic component separately. In this context, our total biogenic emissions are negative. This is primarily due to our sold paper-based board materials, which have sequestered carbon dioxide during the trees' growth.

Outside the scope	Unit	2024 (base year)	2025	% change between 2025 and 2024
Biogenic emissions (market-based)	Tonnes of CO ₂ e	- 2,299	-2,382	4%

Method for data collection and calculation of greenhouse gas emissions

Data on the Group's greenhouse gas emissions has been collected from all Group companies and consolidated at Group level. As the collection of this data is managed on a decentralised basis, there may be variations in data collection between different companies and regions. The figures have not been validated by an external party.

Scope 1

Greenhouse gas emissions from stationary combustion and mobile combustion have been calculated based on the quantity and type of fuel used. Data on fuel quantity and type is primary and has been collected from all Group companies, with the exception of one company. This Group company has been unable to quantify the amount of natural gas used in its boilers. To ensure these emissions are not omitted from the report, we have estimated them based on the same type of activity data from another of our companies that uses natural gas.

The emission factors per fuel type applied in the calculations have been developed by the UK Government's Department for Energy Security and Net Zero (DESNZ) for the year 2025. Only fossil emissions are reported under our Scope 1 emissions, as the emission factors from DESNZ distinguish between biogenic CO₂ and fossil emissions. No significant changes have been made to the calculation method compared with the previous reporting year. No emission sources have been excluded.

Our process emissions have been calculated based on the composition of the welding gas used.

Scope 2

Greenhouse gas emissions have been calculated using both the location-based and market-based methods. Data on the amount of electricity and heat consumed (including renewable energy contracts) is primary and has been collected from the respective Group companies. No emission sources have been excluded. The emission factors applied are described below under the respective method used.

Location-based method

Purchased electricity: The vast majority of emission calculations for our purchased electricity are based on emission factors for national electricity mixes, regardless of contract. This is because emission factors for several of our local electricity grids could not be identified. The emission factors applied for the national electricity mix in Sweden have been developed by AIB for the year 2024, the national electricity mix in Finland by Fingrid for 2025, the national electricity mix in the UK by DESNZ for 2025, and the national electricity mix in China by China's Ministry of Ecology and Environment for 2023.

Purchased heat: For all purchased heat, emission calculations are based on emission factors for the heat mixes in our companies' local heating networks, regardless of contract. The emission factors applied for local heating networks in Sweden have been developed by Energiföretagen Sverige for the years 2023 and 2024, whilst the emission factors for local heating networks in Finland have been developed by Finnish Energy for the years 2024 and 2025.

Market-based method

Purchased electricity: Where specific agreements for purchased renewable electricity exist, emissions have been calculated based on the emission values stated on the electricity certificates or in the agreements. Where specific agreements are lacking, calculations have been based on emission factors for national residual mixes. The emission factors applied for the national residual mixes in Sweden, Finland and the UK have been developed by AIB for the year 2024. For China, the same emission factor is used as in the location-based method.

Purchased heat: Where specific contracts for purchased renewable heat exist, emissions have been calculated using the emission values stated on the heat certificates or in the contracts. Where no specific contracts exist, the calculations have been based on the same emission factors as those applied in the location-based method.

It is possible that biogenic CO₂ is also reported within Scope 2 under both the location-based and market-based methods, as none of the emission factors applied for electricity and heat distinguish between biogenic CO₂ and fossil emissions.

Compared with the previous year, the method for market-based Scope 2 calculations has been updated to rely to a greater extent on verified guarantees of origin for renewable energy, whilst the residual mix is used where such evidence could not be established. For all companies reporting purchases of renewable energy, the data has been checked and verified through certificates and/or specific contracts confirming the origin of the energy.

The emission factors from AIB and Finnish Energy include only CO₂ and not CH₄ and N₂O. The emission factors from DESNZ, Energiföretagen Sverige and China's Ministry of Ecology and Environment include all greenhouse gases.

Scope 3.1 – Purchased products and services

Data on the volume and cost of purchased products and services has been collected from the respective Group companies. For two of our companies, we have calculated greenhouse gas emissions using our own environmental product declarations for products sold. Emissions from these companies' other purchases (e.g. various services) have been calculated per krona spent, i.e. using the spend-based method, where emissions are calculated by multiplying the purchase cost by an emissions indicator per krona in the respective purchase category.

For all other companies, we have calculated emissions using a combination of supplier-specific environmental product declarations,

average emission factors per purchased product category and the spend-based method. However, the majority of emissions have been calculated using the spend-based method. The emission factors per krona spent applied in the calculations have been developed by the Swedish Public Procurement Agency for the years 2021 and 2023. The majority of the average emission factors applied per product category have been developed by DESNZ for the year 2025, but emission factors from ClimaTiq and relevant environmental product declarations have also been applied for the years 2023 and 2024.

Our own environmental product declarations and certain supplier-specific environmental product declarations distinguish between biogenic CO₂ and fossil emissions. Other emission factors do not distinguish between biogenic CO₂ and fossil emissions, which means that biogenic CO₂ may also be reported within Scope 3.1.

No significant changes have been made to the calculation method compared with the previous reporting year. No emission sources have been excluded.

19% of emissions in this category have been calculated using primary emission factors or emission data obtained from suppliers or other value chain partners. Emission factors from supplier-specific environmental product declarations are treated as primary.

Scope 3.3 – Energy and fuel-related activities

Upstream greenhouse gas emissions related to purchased fuel (activity A) have been calculated based on the quantity and type of fuel used. The emission factors per fuel type applied in the calculations have been developed by DESNZ for the year 2025 and correspond to the fuel's emissions from extraction, production and transport (well-to-tank).

Upstream greenhouse gas emissions for the fuel consumed in the production of purchased electricity and heat (Activity B) have been calculated based on the amount of electricity and heat used. The emission factors used for electricity and heat are average values and correspond

to fuel emissions from extraction, production and transport (well-to-tank). The emission factors also include well-to-tank emissions from energy losses in purchased electricity and heat. The emission factors have been developed by DESNZ for the year 2025.

Upstream greenhouse gas emissions related to energy losses from purchased electricity and heat (Activity C) have been calculated based on the amount of electricity and heat used. Emissions from energy losses associated with the charging of electric vehicles that are not charged at our facilities are also included. Average emission factors have been applied, developed by DESNZ for the year 2025.

None of the emission factors applied in this emissions category distinguish between biogenic CO₂ and fossil emissions, which means that biogenic CO₂ may also be reported within Scope 3.3. No significant changes have been made to the calculation method compared with the previous reporting year.

Karnell does not report emissions under activity D, as we do not purchase electricity for resale.

No emissions in this category have been calculated using primary emission factors or emissions data obtained from suppliers or other value chain partners.

Scope 3.4 – Upstream transport and distribution

Greenhouse gas emissions from upstream transport have been calculated using the expenditure-based method, by multiplying the purchase cost per mode of transport by an emissions indicator per krona for the respective mode of transport. The emission factors per krona spent applied in the calculations were developed by the Swedish Public Procurement Agency for the years 2021 and 2023. The emission factors do not distinguish between biogenic CO₂ and fossil emissions, which means that biogenic CO₂ may also be reported within Scope 3.4.

One difference compared with the previous year is that all emissions have been calculated using the expenditure-based method. In the previous

year, a smaller proportion of emissions was calculated using the distance-based method and based on emissions data obtained directly from transport providers.

We do not calculate emissions linked to the storage of goods purchased by the company, the manufacture of vehicles, facilities and infrastructure.

No emissions in this category have been calculated using primary emission factors or emissions data obtained from suppliers or other value chain partners.

Scope 3.6 – Business travel

Greenhouse gas emissions from business travel have been calculated using various methods. We have primarily used the distance-based method by collecting the number of kilometres travelled for each mode of transport and multiplying these by an average emission factor per passenger kilometre for the respective mode of transport. Estimates and assumptions have been applied in certain cases to determine the distance. The remaining emissions have been calculated using the expenditure-based method, by multiplying the purchase cost per mode of transport by an emissions indicator per krona for the respective mode of transport.

The average emission factors per passenger kilometre applied for each mode of transport have been developed by DESNZ for the year 2025. The emission factors per krona spent applied in the calculations have been produced by the Swedish Public Procurement Agency for the years 2021 and 2023. The emission factors do not distinguish between biogenic CO₂ and fossil emissions, which means that biogenic CO₂ may also be reported within scope 3.6.

No significant changes have been made to the calculation method compared with the previous reporting year.

Emissions from hotel stays are excluded.

No emissions in this category have been calculated using primary emission factors or emissions data obtained from suppliers or other value chain partners.

Biogenic CO₂ emissions

CO₂ emissions from biogenic sources have been identified in relation to stationary and mobile combustion in Scope 1 and for a small number of purchased products in Scope 3, Category 1: Purchased goods and services. Emissions have been calculated using the same methods and emission factor sources as described above for the aforementioned emission categories. No material changes have been made to the calculation method compared with the previous reporting year.

Materiality assessment of Scope 3 categories

In 2023, Karnell, in collaboration with an external consultant, carried out a review of Scope 3 categories, followed by a materiality assessment of the categories' relevance to the Group's operations. According to the materiality assessment, Category 1 – Purchased products and services – accounts for by far the largest emissions, making it particularly important to include in the reporting, a finding subsequently confirmed by the Group's actual calculated greenhouse gas emissions. The other categories are not, in themselves, considered to come anywhere near these emissions, but we have chosen to also focus on parts of our upstream value chain where data collection is possible and reliable, in comparison with the downstream value chain where it is generally more difficult to collect data. The categories included are therefore 3. *Energy and fuel-related activities*, 4. *Upstream transport and distribution*, and 6. *Business travel*. This prioritisation ensures meaningful and practically manageable reporting, whilst allowing the scope to be gradually expanded.

Apart from the categories for which we carry out calculations and reporting, we have identified upstream emission sources for category 2. *Capital goods*, 5. *Waste generated in operations* and 7. *Employee commuting*, as well as downstream emission sources for category 9. *Transport in later stages*, 10. *Processing of sold products*, 11. *Use of sold products* and 12. *Final disposal of sold products*. Of these categories, the largest emissions are expected to stem from category 9. *Transport in later stages*.

Resource use and circular economy

Management of impacts, risks and opportunities

Description of the process for identifying and assessing material impacts, risks and opportunities relating to resource use and the circular economy

IRO-1

The double materiality assessment carried out comprised a comprehensive review of the Group's resource inflows and outflows, as well as waste generation throughout the value chain. The analysis included a mapping of the types of products the Group purchases and sells, their material composition and how the materials are likely to be handled at end-of-life, which resulted in the identification of dependencies, impacts, risks and opportunities. The analysis was not carried out in consultation with affected communities, but is based on information gathered from our Group companies.

The materiality assessment of our impact on people and the environment in relation to resource use and the circular economy has been carried out in the same way as for other sustainability areas and follows the same methodology and assessment criteria as described in the chapter General Disclosures, disclosure requirements IRO-1.

The companies' ability to implement measures may be affected by access to resources, where the Group offers financial support and other resources to enable relevant investments and initiatives.

Policies on resource use and the circular economy

E5-1

To mitigate our risks and capitalise on our opportunities related to resource use and the circular economy – as well as to steer us towards reducing our negative impact on the environment and people – the Group's ESG policy

covers several key areas that our companies are expected to work on. These include maximising the use of recyclable resources in production, optimising resource use and promoting a more circular business model. The policy currently makes no specific commitments regarding a transition away from the use of virgin resources (including a relative increase in the use of secondary resources). The policy applies to all entities within the Group, and Karnell's CEO is responsible for the overall implementation of and compliance with the policy.

The areas relating to resource use and the circular economy covered by our ESG policy have not been specifically identified on the basis of stakeholders' interests. The policy makes no reference to third-party standards or initiatives to which we commit to adhere.

Measures and resources for resource use and circular economy

E5-2

Karnell has not drawn up a formal plan with measures to address resource use and the circular economy at Group level. As the Group consists of several Group companies with decentralised governance, responsibility for work on resource use and the circular economy lies primarily at company level. However, the Group ensures that the entire business operates on the basis of common principles through our Group-wide ESG policy, which includes positions on these areas. The companies' ability to implement measures may be affected by access to resources, with the Group offering financial support and other resources to enable relevant investments and initiatives.

In 2025, our companies, each based on their own circumstances, implemented various measures to improve the efficiency of their resource use and strengthen the transition towards a more circular economy, for example by increasing the use of recycled materials, improving waste sorting and reducing production waste. Going forward, the companies have plans to continue working in these areas.

No significant operating or capital expenditure for implemented or planned measures has been identified at Group level.

Metrics and targets

At present, we have no established targets linked to resource use or the circular economy. The original plan was to investigate relevant targets during 2025, but during the year the focus has instead been on climate issues and compliance with the CSRD. Work on identifying and setting targets for resource use and the circular economy is planned to be carried out during 2026.

Resource inflows

E5-4

When it comes to resource inflows, our material impact is concentrated in our upstream value chain, where the extraction, processing and manufacture of the products we purchase take place. The Group is dependent on a stable resource inflow, and significant inflows include input materials such as steel, aluminium, plastic and paper, together with components and finished products and packaging made from these materials, which are used in the manufacture and distribution of our products. No critical raw materials have been identified.

Thus, the resource flow in our upstream value chain comprises the raw materials used for these products, including iron ore (for steel), bauxite ore (for aluminium), crude oil (for plastic) and wood (for paper). These materials come from industries that are both resource- and energy-intensive, which means that the majority of our environmental impact occurs before the products reach our own operations.

Apart from the input materials for our sold products, our operations also depend on the facilities and equipment used in production. However, new purchases in this category are relatively rare compared with input materials. We therefore measure our resource inflows solely on the basis of the resources expected to be included in our products, focusing on the

most significant inflows, which are steel, aluminium, plastic and paper (including components and finished products made from these materials) and packaging. This means that purchases of, for example, production equipment and office furniture are not included in the calculation.

Resource inflows, excluding packaging	Unit	2025*
Steel	Tonnes	6,911
Proportion reused or recycled	%	19%
Aluminium	Tonnes	223
Proportion reused or recycled	%	51%
Plastic	Tonnes	3,296
Proportion reused or recycled	%	12%
Paper	Tonnes	1,269
Proportion reused or recycled	%	6
Resource inflows: packaging	Unit	2025*
Packaging materials	Tonnes	1,067
Proportion reused or recycled	%	19%

* All Group companies are included in the calculation, except for one that is not yet able to collect this data.

The Group's dependence on input materials and other products entails financial risks, including increased raw material costs due to local price fluctuations, disruptions in supply chains caused by climate and social events, and political decisions regarding resource use. The analysis of these risks is based on a qualitative assessment of the financial impacts, rather than on quantitative data.

Method for data collection and calculation of resource inflows

Data on resource inflows has been collected from all but one group company and consolidated at group level. As the collection of this data is managed in a decentralised manner, there may be variations in data collection between different companies and regions. The metrics have not been validated by an external party.

Each company has collected available data based on product specifications and technical documentation for purchased materials and products to be included in sold products. All companies received the same guidance on what information needed to be collected and how this could be done, but approaches and data quality vary depending on data availability and resources. Some companies have access to detailed and product-specific material information, whilst others have based their calculations to a greater extent on estimates and assumptions. The calculations are thus based on existing product data as well as estimates and assumptions where complete information is not available.

In the coming years, we will review this area to assess the possibility of developing a more standardised and reliable method, which is expected to improve the comparability and quality of the calculations.

Resource outflows – Products sold E5-5

With regard to the Group's resource outflows, we assess that we have a positive impact, as the majority of our products sold are designed for a long service life and can be recycled thanks to their material composition. This applies to both our input products and finished products.

Many of the Group's products have a lifespan exceeding 10 years, and in some cases considerably longer. For example, our sold sewer and drainage pipes can last for several decades, attachments for wheel loaders and tractors have an estimated lifespan of around 20 years, our paper-based board material can be reused and then recycled up to 57 times, and our reusable plastic products for hospital and healthcare environments can be used up to a thousand times. To date, we have not compared the expected durability of our products with the industry average for each product group.

Our companies sell a range of products that can be repaired, which helps to extend the lifespan of our products. Many products are designed with serviceability in mind, meaning that worn or damaged parts can be replaced without having to replace the entire unit, such as our attachments for wheel loaders and tractors, and trolleys for grounds maintenance. We also sell products where repair is limited, such as bases for outdoor lighting poles, which must be replaced if damaged to meet safety requirements.

The majority of Karnell's products consist of metal, plastic and/or paper. The packaging materials used are primarily cardboard and plastic, followed by wood and metal. In theory, all these materials can be recycled and, in some cases, reused, but what actually happens in practice is unknown as this process takes place with our customers and end consumers. The proportion of recyclable material in products sold and their packaging has not been quantified due to difficulties in collecting data.

Only a small proportion of the Group's products sold consist of consumables (e.g. fillers, adhesives and sealants). Overall, the most common final disposal methods for these products are landfill and incineration, due to difficulties in recycling the materials. Consequently, they are not part of a circular system.

We see an opportunity to increase our competitiveness by developing more durable and recycled/recyclable products in line with growing demand for circular solutions.

Resource outflows – Waste E5-5

Waste is generated in several parts of the Group's value chain, both upstream in connection with suppliers' raw material extraction, material processing and manufacturing, and in the Group's production. Downstream, waste arises primarily during the end-of-life treatment of our sold products. Incorrect waste management can lead to pollution, health risks and damage to ecosystems.

As the EU transitions towards a circular economy, waste management costs may rise, which could entail financial risks in the form of higher costs for the Group's own waste and increased purchase prices if suppliers' costs are passed on. The analysis of these risks is based on a qualitative assessment of the financial impacts, rather than on quantitative data.

Within our own facilities, scrap metal constitutes our largest waste stream, which is reasonable given that the majority of the Group's companies operate in the manufacturing industry and produce various industrial products containing different metals, such as bagging systems, trolleys for grounds maintenance, machine parts, vehicle components, etc. 3% of our total waste consists of hazardous waste, including oil, paint, cutting fluids, emulsions and aerosols. We do not generate any radioactive waste.

Waste generated	Unit	2024	2025
Scrap metal	Tonnes	*	994
Plastic	Tonnes	*	130
Paper and cardboard	Tonnes	*	504
Wood	Tonnes	*	56
Glass	Tonnes	*	0
Electronic waste	Tonnes	*	1
Organic waste	Tonnes	*	4
Mixed waste	Tonnes	*	485
Radioactive waste	Tonne	*	0
Hazardous waste	Tonnes	84	73
Other waste	Tonnes	*	96
Total amount of waste	Tonnes	2,098**	2,344

* 2025 is the first year in which data on various types of waste, with the exception of hazardous waste, has been collected and reported.

** Includes wastewater. From 2025 onwards, we will not report on wastewater as water is deemed non-material.

The majority of our waste has been diverted from disposal through recycling. The waste diverted from disposal consists mainly of scrap metal. 31% of our total waste has not been diverted from disposal and consists mainly of mixed waste that has been incinerated.

Waste diverted from disposal	Unit	2025
Non-hazardous waste prepared for reuse	Tonnes	67
Non-hazardous waste prepared for recycling	Tonnes	1,473
Non-hazardous waste prepared for other recovery processes	Tonnes	54
Hazardous waste prepared for reuse	Tonnes	1
Hazardous waste prepared for recycling	Tonnes	27
Hazardous waste prepared for other recovery processes	Tonnes	5
Total amount of waste diverted from disposal	Tonnes	1,626

Waste that has been disposed of	Unit	2025
Non-hazardous waste for incineration	Tonnes	502
Non-hazardous waste for landfill	Tonnes	163
Non-hazardous waste for other disposal methods	Tonnes	0
Hazardous waste for incineration	Tonnes	19
Hazardous waste for landfill	Tonnes	31
Hazardous waste for other disposal methods	Tonnes	2
Total amount of waste disposed of	Tonnes	718

Method for data collection and waste calculation

Data on the Group's waste generation and waste management practices has been collected from all Group companies and consolidated at Group level. As the collection of this data is managed on a decentralised basis, there may be variations in data collection between different companies and regions. Information has been collected through waste management suppliers and via their invoices. Assumptions regarding waste management methods have been made in isolated cases where information on the methods applied could not be identified. The figures have not been validated by an external part

EU Taxonomy

Changes compared with last year's reporting

In July 2025, the European Commission adopted a delegated act which, among other things, introduces changes to taxonomy reporting regarding the application of a 10% materiality threshold in reporting. In accordance with these rules, non-financial companies may, for the key performance indicators of turnover and capital expenditure (CapEx), choose not to assess whether certain economic activities fall within the scope of the taxonomy or meet the compatibility criteria, if these activities together account for less than 10% of total turnover or capital expenditure, respectively. The same principle also applies to the key performance indicator for operating expenses (OpEx), but in that case, all operating expenses may be excluded from further assessment if a qualitative analysis shows that they are immaterial to the company's business model.

This materiality principle is being applied for the first time in Karnell's EU taxonomy reporting for the 2025 reporting year

Materiality assessment

Revenue

The majority of Karnell's revenue is not linked to any economic activity covered by the taxonomy's delegated acts. Only a small proportion comes from sectors covered by the taxonomy, namely Information and Communication and Transport. Revenue from these sectors amounts to 2% and < 1% respectively and is therefore reported as non-material as it does not meet the 10% materiality threshold.

Capital expenditure

45% of Karnell's capital expenditure comes from the Construction and Property sector and is linked to the Group's right-of-use assets for leased and owned premises. These expenses are considered material as they meet the materiality threshold of 10%. Less than 1% from the same sector comes from the purchase of chargers for electric vehicles, but as this expenditure is well below the materiality threshold, it is reported as immaterial. Furthermore, 3% of the Group's capital expenditure comes from the Information and Communication sector. As these expenditures also do not meet the materiality threshold, they are reported as immaterial.

Karnell's other capital expenditure is not linked to any economic activity covered by the delegated acts of the taxonomy.

Operating expenses

Following a qualitative analysis of the materiality of operating expenses, it was found that certain operating expenses are material to Karnell's business models. Consequently, not all operating expenses have been excluded from further assessment; instead, a quantitative assessment has been carried out in the same manner as for revenue and capital expenditure. The results show that the majority of Karnell's operating expenses are not linked to any economic activity covered by the delegated acts of the taxonomy. Significant operating expenses (corresponding to 20%) occur solely within the Construction and Real Estate sector

for building renovations and maintenance. Karnell also has operating expenses from the Information and Communication sector, but these amount to less than 1% and are therefore reported as immaterial.

Economic activities covered by the taxonomy

Revenue

Karnell has no material revenue covered by the taxonomy. Consequently, the Group reports no activities covered by the taxonomy from a revenue perspective.

Capital expenditure

The only material capital expenditure that meets the taxonomy's scope criteria corresponds to the Group's right-of-use assets for leased and owned premises covered by economic activity 7.7. Acquisition and ownership of buildings in relation to the taxonomy's climate change mitigation (CMM) objective.

Operating expenses

The only material operating expenses that meet the taxonomy's scope criteria correspond to the Group's expenses for building renovations and maintenance covered by economic activity 7.7. Acquisition and ownership of buildings in relation to the taxonomy's climate change mitigation (CMM) objective.

Compatibility analysis of economic activities covered by the taxonomy

CCM 7.7. Acquisition and ownership of buildings in the form of right-of-use assets

The Taxonomy Regulation sets out criteria that an economic activity must meet to qualify as environmentally sustainable, i.e. to be consistent with the taxonomy:

- Meet the technical screening criteria (TSC) for the environmental objectives by contributing significantly to one or more of the six environmental objectives and not causing significant harm (DNSH) to the other objectives.
- Comply with minimum requirements covering social and governance standards.

In 2024, Karnell carried out a compliance analysis for the economic activity CCM 7.7 for the first time, which was then assessed as non-compliant with the taxonomy's criteria. To assess compliance, all relevant group companies were asked to answer questions in a questionnaire. The results showed that none of Karnell's companies covered by CCM 7.7 met the DNSH requirement to carry out climate risk and vulnerability analyses for their premises in accordance with Annex A of the taxonomy's Delegated Regulation on Climate 2021/2139. Given that no active work to meet the compliance criteria has been carried out by the Group's companies during 2025, we assess that the result of last year's analysis of CCM 7.7 remains unchanged.

A further compliance analysis for CCM 7.7 has been carried out only for those new acquisitions that were not included in the previous year's analysis. To begin the analysis, the newly acquired companies were asked whether they had carried out climate-related risk and vulnerability assessments for their leased or owned premises in accordance with Annex A of the EU Taxonomy Delegated Regulation on Climate 2021/2139. All companies answered 'no' to this, which means that they do not meet the DNSH criteria for compliance. Consequently, compliance is not deemed to have been achieved for CCM 7.7 in this reporting year either.

As we do not meet the DNSH criteria, no further analysis has been carried out regarding the criteria for material contribution and the criteria for minimum safeguards.

Accounting policies

The numerator for key performance indicators

The reported capital expenditure from economic activities covered by the taxonomy via CCM 7.7 relates to right-of-use assets for leased and owned premises. Karnell has not drawn up a capital expenditure plan.

The reported operating expenses from economic activities covered by the taxonomy via CCM 7.7 relate to building renovations and maintenance.

The denominator for key performance indicators

Total revenue corresponds to net revenue in the Group's income statement in the consolidated financial statements.

Total capital expenditure is reported in accordance with Note 10. Intangible assets, Note 11. Property, plant and equipment, and Note 12. Leases in the

consolidated financial statements. Investments related to goodwill and customer relationships are excluded.

Total operating expenses correspond to the sum of all Group companies' reported operating expenses that are not recognised as assets and that relate to research and development, building refurbishment, short-term

leases, maintenance and repairs, and all other direct expenses relating to the day-to-day maintenance of property, plant and equipment carried out by the company or a contracted third party and required to ensure the continued and proper functioning of these assets.

Summary of key performance indicators – 2025					Breakdown by environmental objective for activities that are compatible with taxonomy requirements										
KPI	Total	Proportion of taxonomy eligible activities	Taxonomy aligned activities	Proportion of taxonomy aligned activities	Climate change mitigation	Adaptation to climate change	Water	Circular economy	Pollution	Biodiversity	Proportion of enabling activities	Proportion of transition activities	Unassessed operations considered to be non-material	Activities compliant with taxonomy requirements in the previous financial year (2024)	Proportion of activities compliant with taxonomy requirements in the previous financial year (2024)
Text	SEK	%	SEK	%	%	%	%	%	%	%	%	%	%	SEK	%
Turnover	1,687,571,704	0%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	2%	0	0%
Capital expenditure	92,646,741	45%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	3%	0	0%
Operating expenditure	45,637,036	20%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0	0%

Capital expenditure by activity - 2025					Environmental targets for activities that are consistent with taxonomy requirements								
Financial operations	Code	Capital expenditure covered by taxonomy requirements	Capital expenditure that complies with the taxonomy requirements	Capital expenditure consistent with taxonomy requirements	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Enabling activities	Transition activities	Proportion that is consistent with the taxonomy requirements of the proportion covered by the taxonomy requirements
Text		%	SEK	%	%	%	%	%	%	%	(E where applicable)	(T where applicable)	%
Acquisition and ownership of buildings	CCM 7.7	45%	0	0%	0%	0%	0%	0%	0%	0%			0%
Total compatibility per target					0%	0%	0%	0%	0%	0%			
Total capital expenditure		45%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Operating expenditure by activity - 2025					Environmental objectives for activities that are consistent with the taxonomy requirements								
Financial operations	Code	Operating expenditure covered by taxonomy requirements	Operating expenses that are consistent with taxonomy requirements	Operating expenses that are consistent with the taxonomy requirements	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Enabling activities	Transition activities	Proportion that is consistent with the taxonomy requirements of the proportion covered by the taxonomy requirements
Text		%	SEK	%	%	%	%	%	%	%	(E where applicable)	(T where applicable)	%
Acquisition and ownership of buildings	CCM 7.7	20%	0	0%	0%	0%	0%	0%	0%	0%			0%
Total compatibility per target					0%	0%	0%	0%	0%	0%			
Total operating expenditure		20%	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Social Information

Our own workforce

Strategy

Interests and views of stakeholders

SBM-2

As part of the development of Karnell's double materiality assessment, we have analysed how various stakeholders, including our own workforce, may be affected by and influence the business. The purpose of this was to provide a basis for the double materiality assessment and to use the results to inform the identification of material impacts, risks and opportunities, which in turn not only guides reporting in the sustainability report but also provides important input for the development of the Group's and the companies' strategies and business models. Identified material impacts, risks and opportunities related to Karnell's own workforce are presented below under disclosure requirements SMB-3.

In the analysis of our stakeholders, as well as their requirements and expectations, information has been gathered from our own workforce through representatives within the Group companies. These representatives consist primarily of the CEO, CFO and controllers. Through interviews and questionnaires, these roles have provided important input to the Group's overall stakeholder analysis, in which, among other things, employee health and safety was identified as a material area. Read more about our key stakeholders in the chapter on general disclosures, disclosure requirements SBM-2.

Employees' perspectives and views will be communicated to Group management and the Board annually as part of the regular update of the materiality assessment.

Material impacts, risks and opportunities and their relationship to strategy and business model

SBM-3

Significant adverse impacts have been identified and assessed based on the type of work employees perform, their geographical location and the social context in which they operate. Historical data on, for example, workplace injuries has also informed the process.

The majority of the Group's employees work in production environments. This entails an increased risk of physical workplace accidents. The remainder of our employees are office-based. For both operational and office-based staff, there are inherent risks of a deteriorating psychosocial working environment, for example due to high workloads or stress. The majority of the Group's workforce consists of our own employees, but we also have some non-employees who are self-employed or from staffing agencies performing similar tasks to our own employees.

The Group operates in a male-dominated industry where men are over-represented both in the workforce and in the management teams of the Group companies. Gender imbalance and/or other factors in the working environment may entail a risk of discrimination.

Our operations in China also entail an increased human rights risk, as the country is classified as a high-risk area with regard to child labour, working conditions and restrictions on freedom of expression, freedom of association and other fundamental rights.

The Group and our Group companies process employees' personal data in computer systems, which means that sensitive information is handled from a privacy perspective. If this data is not processed correctly, there is a risk of harm to employees' privacy.

These identified potential impacts form an important basis for the Group's ongoing strategic work and the development of our companies' business models. Among other things, they influence how the companies prioritise initiatives related to the working environment, leadership, compliance

with human rights, and how common policies are formulated and implemented within the framework of Karnell's decentralised governance model.

Our employees are our most valuable resource, which means that their well-being is crucial to our development and long-term value creation. Risks associated with failing to ensure a good working environment can lead to direct costs for sick leave, wage costs during absence, and the need to recruit and train replacement staff, as well as fines for the mishandling of sensitive information. In addition, there is a risk of increased insurance premiums, claims for damages and a negative impact on the Group's reputation. A damaged reputation may, in turn, make it more difficult to attract and retain talent.

For further information on the Group's employees, please refer to disclosure requirements S1-6.

Management of impacts, risks and opportunities

Policies relating to our own workforce

S1-1

To mitigate potential negative impacts on our workforce and the associated risks, the Group's ESG policy and Code of Conduct cover several key areas, including promoting diversity and a zero-tolerance approach to discrimination, ensuring fair treatment of employees and other stakeholders, complying with international human rights conventions, respecting decent working conditions such as minimum wages, and striving for a safe working environment and the prevention of work-related injuries and ill health. The policy documents also state that national legislation must be complied with. Forced labour and child labour are explicitly addressed in the Code of Conduct. Human trafficking is not explicitly mentioned, but is covered by the Code through our commitment to comply with international human rights conventions, under which human trafficking is prohibited and recognised as a form of slavery and forced labour.

The policies apply to all entities within the Group, and Karnell's CEO is responsible for their overall implementation and compliance.

The areas covered by our ESG policy and Code of Conduct have not been specifically determined on the basis of stakeholders' interests. In our Code of Conduct, we refer to the UN Convention on the Rights of the Child and the UN Guiding Principles on Business and Human Rights, which we undertake to comply with.

As the Group consists of several Group companies with decentralised governance, responsibility for day-to-day work on working conditions, dialogue with employees and compliance with human rights lies primarily at company level. However, the Group ensures that the entire business operates on the basis of common principles through our ESG policy and Code of Conduct. Group companies are expected to implement these in their local operations and to engage in regular dialogue with their workforce through, for example, employee surveys, health and safety representatives, and trade union representatives.

Karnell monitors compliance with policy commitments by tracking how Group companies implement the Group's policies at company level. These control mechanisms include, among other things, monitoring key performance indicators linked to the working environment, health and safety, which are tracked in relation to the preparation of the Group's sustainability report. Through these processes, we work to ensure that the principles of the UN Guiding Principles on Business and Human Rights are integrated into the Group's day-to-day operations. Furthermore, our policies for our own workforce have been inspired by the ILO's Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises, although a formal comparison has not yet been carried out. We do not have a Group-wide procedure to ensure that discrimination is prevented, reduced and addressed when detected, or to actively promote diversity and inclusion.

Our Code of Conduct specifies grounds for discrimination, including gender, age, ethnicity, skin colour, sexual orientation, gender identity, disability, pregnancy and others. The Code makes no specific

commitments regarding inclusion or positive action for particularly vulnerable groups within our own workforce.

Karnell's group-wide policies contain no description of measures to remedy, or enable the remediation of, impacts on human rights. At company level, apart from compliance with national laws, no formal processes or measures have been established to manage or address issues related to human rights, as no such incidents have been reported to date.

Procedures for engaging with the company's own workforce and employee representatives regarding impacts

S1-2

Karnell has no general procedures for communicating with its own workforce and employee representatives regarding actual and potential impacts on its own workforce. This is something that our companies manage and work on locally.

In summary, engagement within the Group varies depending on the size and operations of the companies, but the aim is always to ensure open communication and employee involvement. The workforce is engaged either directly or via employee representatives such as trade unions and health and safety committees. In many companies, dialogue takes place on an ongoing basis through daily conversations, morning meetings and operational updates, whilst more formal meetings are held monthly or quarterly and are sometimes supplemented by annual surveys or performance reviews. Smaller companies primarily rely on direct interaction and flat structures, whilst larger operations often have clearer procedures involving daily operational meetings and regular management sessions. In some cases, engagement takes place mainly through employee representatives, which ensures that employees' perspectives are taken into account in a structured manner.

At company level, the responsibility for ensuring employee engagement and incorporating feedback into the company's actions usually lies with

senior management. In most cases, this is the CEO, often supported by line managers, team leaders or designated mentors. Some companies also involve HR or operational managers to maintain communication systems and facilitate engagement.

Companies use various methods to assess whether engagement is effective and whether employees' perspectives are being taken on board. This is done, for example, through annual performance reviews, employee and well-being surveys, sometimes with the support of external parties. Informal feedback through open- e dialogue and face-to-face conversations is also common. In some companies, improvements are also introduced, such as new communication systems or more structured surveys, to strengthen feedback processes.

Procedures for addressing negative impacts and channels through which employees can raise concerns

S1-3

Karnell currently has no Group-level procedures for remedying adverse impacts on its own workforce. Key processes and channels for reporting and investigating issues are in place in the form of the Group's whistleblowing channel, which is available to all employees on Karnell's website. See the chapter on Corporate Governance Information, Disclosure Requirements G1-1 for further information on how those who use the channel are protected from reprisals.

Apart from Karnell's whistleblowing function, certain companies offer supplementary channels tailored to their operations. This includes, for example, anonymous suggestion boxes, dedicated email addresses or informal digital platforms such as messaging apps. Employees may also raise issues directly with managers or via trade union representatives.

Follow-up processes for internal matters vary between companies, but generally involve immediate action and direct dialogue to resolve issues quickly and prevent them from escalating. In some cases, issues are dealt with directly within the relevant work group through internal discussions,

whilst others follow a structured process where matters are escalated to the CEO, who may involve a mentor or well-being support where necessary. Matters raised formally via the whistleblowing function are handled by Karnell at group level.

Employee awareness of reporting channels is primarily addressed during the induction of new staff and through regular communication. Several companies reinforce this by displaying information about the channels on noticeboards in communal areas and by discussing guidelines at weekly or monthly meetings. Karnell's whistleblowing channel is available on Karnell's website, and the majority of Group companies also refer to this channel from their respective websites.

Measures regarding material impacts on the company's own workforce and strategies to mitigate material risks and capitalise on material opportunities, in relation to the company's own workforce, and the effectiveness of these measures

S1-4

Karnell has not drawn up a formal plan with measures to address significant potential adverse impacts on its own workforce, or to mitigate risks at Group level. We therefore have no Group-wide formal processes for identifying necessary or appropriate measures in response to adverse impacts on our own workforce, including which resources should be allocated. As the Group consists of several Group companies with decentralised governance, responsibility for this lies primarily at company level. However, the Group ensures that the entire business operates on the basis of common principles through our Group-wide ESG policy and Code of Conduct, which include positions on these areas.

By 2025, our companies will have, each according to their own circumstances, implemented various measures to prevent or reduce significant adverse impacts on their own workforce. Several companies have carried out various forms of health and safety training, including fire and first aid training, training in the handling of dangerous goods, forklift training and other safety skills. They have continued to work systematically on risk assessments, safety inspections, ensuring access to protective equipment and offering health checks. Some companies have also strengthened their health and safety work through improved planning of working hours and staffing to prevent unhealthy strain, carried out measurements of noise and particle levels which have shown that the working environment is below applicable limit values, and offered activities that support well-being and team spirit. Going forward, the companies plan to continue working in these areas.

As part of Karnell's overall sustainability work, several key performance indicators are monitored annually to measure the results of our companies' work with their own workforce. For example, we measure each company's recordable work-related accidents and how many of these involve serious injuries to identify recurring patterns that may need to be addressed.

No significant operating or capital expenditure for implemented or planned measures has been identified at Group level.

Metrics and targets

Targets for managing significant adverse impacts, enhancing positive impacts and managing material risks and opportunities

S1-5

In our work to reduce potential significant adverse impacts on our own workforce and manage identified risks, we have set several Group-wide targets in line with our ESG policy. The targets aim to protect employees' rights and promote a safe, secure and sustainable working environment for all, and are to be maintained from the base year 2023 or achieved by 2030 at the latest. All our companies are actively working towards the targets, which together address the physical and psychosocial working environment as well as discrimination and gender equality.

Goals	Metrics	2023	2025	Comments on progress
98% attendance at work	Proportion of sick leave	94% (base year)	96%	Progress is in line with the target.
Zero serious injuries and fatalities	Number of fatalities	0 (base year)	0	Two serious injuries occurred during the year: a burn injury and a crush injury to the toes. Our companies continue to work on health and safety to create conditions that prevent injuries in the future.
	Number of serious injuries		2 (base year)	
When recruiting managers, at least 30% of candidates must be women (during the contact phase)	Proportion of female candidates in the recruitment process for managers		50% (base year)	Progress is in line with the target.

The targets have been formulated by Group management in consultation with an external consultant. No consultation has taken place with our own workforce or employee representatives. 2025 is the first year in which we will measure the number of serious injuries and the proportion of female candidates in the recruitment process for managers in relation to the achievement of our targets. Monitoring of target achievement takes place annually in conjunction with data collection prior to the preparation of the Group's sustainability report. At that stage, any lessons learned can be identified and improvements to the Group's efforts to achieve the targets can be determined. The targets have not been verified by an external party.

Information on Karnell's employees and non-employees

S1-6 & S1-7

As in the previous year, Karnell's workforce consists predominantly of men. Three companies were acquired in 2025, which explains the increase in the number of employees. The number of employees is reported in terms of individuals and corresponds to Note 5 in the financial statements.

Number of employees by gender	Unit	2023	2024	2025
Women	#	96	116	131
Men	#	439	549	614
Other	#	0	0	0
Not specified	#	0	0	0
Total average number of employees (persons)	#	535	665	745

Staff turnover	Unit	2023	2024	2025
Staff turnover	%	16%	10%	6%
Number of employees who left the company	#	*	64	42

* Not calculated for the year.

Number of employees by contract	Unit	2025
Permanent employees	#	695
Temporary staff	#	44
On-call staff	#	6

Employees in each country where Karnell has 50 or more employees, representing at least 10% of the Group's total workforce by 2025

Finland	Sweden	United Kingdom
411	205	96

The majority of Karnell's workforce consists of its own employees. Non-employees are mainly brought in for temporary assignments, and the majority are covered by their own companies' health and safety systems. The number of non-employees is reported as the number of individuals.

Number of non-employees	Unit	2025
Self-employed	#	7
Staff provided by recruitment agencies	#	14
Total average number of non-employees (persons)	#	21

Method for data collection and calculation of information on the company's employees and non-employees

Data on the Group's employees has been collected from all Group companies and consolidated at Group level. As the collection of this data is managed on a decentralised basis, there may be variations in data collection between different companies and regions. However, all key figures reported in this chapter and also included in our financial reports have undergone an internal review to ensure accuracy, consistency and comparability between the reports.

In 2023, staff turnover was calculated as the number of employees who joined and left as a percentage of the average number of employees during the reporting period. From 2024 onwards, staff turnover will be calculated as the number of employees who left as a percentage of the average number of employees during the reporting period.

The metrics have not been validated by an external party.

Collective agreement coverage and social dialogue

S1-8

Karnell has more than 50 employees who represent over 10% of the Group's total workforce, both in countries within the European Economic Area (EEA) – Sweden and Finland – and in non-EEA countries – the United Kingdom. The table below provides further information on our collective agreement coverage in relation to these regions. The table also shows the coverage of social dialogue in relation to Sweden and Finland.

Those not covered by collective agreements in Sweden and Finland are employees in senior positions, such as the CEO and CFO. No employees in the UK are covered by collective agreements. In these regions, 83% of all employees are covered by collective agreements. Of our employees in Finland and Sweden, 76% have workplace representation.

Coverage	Collective agreement coverage		Social dialogue
	Employees in the EEA	Employees outside the EEA	Employees in the EEA
0%–19%		United Kingdom	
20%–39%			
40%–59%			Sweden
60%–79%			
80%–100%	Sweden and Finland		Finland

Karnell has no agreements with its employees regarding representation on a European Works Council or a works council in a European company (SE company) or a European Cooperative Society (SCE).

Method for data collection and calculation of collective agreement coverage and social dialogue

Data on the Group's collective agreement coverage and social dialogue has been collected from all Group companies and consolidated at Group level. As the collection of this data is managed on a decentralised basis, there may be variations in data collection between different companies and regions. The metrics have not been validated by an external party.

Diversity indicators

S1-9

Senior management is defined in accordance with the definition in disclosure requirements S1-9, application requirement 71.

Employees at senior management level	Unit	2024	2025
Women	#	5	4
Proportion of women at senior management level	#	9%	11%
Men	#	49	31
Proportion of men at senior management level	#	91%	89%
Total number of employees at management level	#	54	35

Proportion of employees by age	Unit	2025
Under 30	#	130
Proportion under 30	%	17%
30–50	#	364
Proportion aged 30–50	%	49%
Over 50	#	252
Proportion aged over 50	%	34%

Recruitment at management level	Unit	2025
Proportion of female candidates in the recruitment process for managers	%	50%

Method for data collection and calculation of diversity indicators

Data on the Group's diversity indicators has been collected from all Group companies and consolidated at Group level. As the collection of this data is managed on a decentralised basis, there may be variations in data collection between different companies and regions. However, all key figures reported in this chapter and also included in our financial reports have undergone an internal review to ensure accuracy, consistency and comparability between the reports.

During the year, three of our companies recruited managers. One of the companies has not tracked the proportion of female candidates in the recruitment process, which means that the estimated proportion of female candidates is based solely on data from the two companies that have collected this information.

The metrics have not been validated by an external party.

Social protection

S1-11

All employees have, or are eligible for, social protection in the event of loss of income due to illness, occupational injury, parental leave, retirement or unemployment, either through their employer or through public schemes such as unemployment benefit.

Measures for training and skills development

S1-13

Skills development	Unit	2024	2025
Proportion of employees who participated in regular performance and career development reviews	%	50%	46%
Average number of training hours per employee	#	10	11

Karnell does not have a group-wide training programme that all employees are required to complete. Instead, training initiatives are locally organised and managed by the respective group companies based on the needs of their operations. This means that the content and scope of the training vary between companies and that not all employees within the group have completed all the training courses described below.

During the year, employees at certain companies have participated in training in areas such as health and safety, quality and efficiency, and sustainability. In several companies, basic training in health and safety is provided,

whilst role-specific skills development is tailored to responsibilities and job duties. Examples of initiatives implemented include induction and on-the-job training for new employees, vocational and apprenticeship training (including CNC operator), forklift training, welding skills, trade union training and first aid.

Method for data collection and calculation of training and skills development

Data on employees' training and skills development has been collected from all Group companies and consolidated at Group level. As training and development initiatives are managed in a decentralised manner, there may be variations in data collection between different companies and regions. Four of our 18 companies do not yet measure the number of training hours per employee, which means that the calculated average number of training hours per employee is based solely on data from those companies that have collected this information. The metrics have not been validated by an external party.

Work environment metrics

S1-14

Karnell does not have a health and safety system at Group level; instead, this is implemented at the level of individual Group companies. 78% of our Group companies have a health and safety system in place due to legal requirements and/or recognised standards or guidelines.

During the year, 32 work-related accidents were recorded, two of which involved more serious injuries. The injuries included a burn sustained during welding work and a crush injury sustained whilst working on a vehicle. These injuries have been followed up and both employees have made a full recovery.

Employee health and safety	Unit	2023	2024	2025
Number of fatalities	#	0	0	0
Number of recordable work-related accidents	#	22	29	32
Number of serious injuries resulting from recordable work-related accidents	#	*	*	2
The frequency of recordable work-related accidents	#	0.05	27.51	25.96
Number of days lost due to work-related injuries and fatalities	#	*	282	461
Number of cases of recordable work-related ill health, subject to legal restrictions on data collection		*	*	0

* Not calculated for the year.

Method for data collection and calculation of health and safety indicators

Data on the Group's health and safety performance has been collected from all Group companies and consolidated at Group level. As the collection of this data is managed on a decentralised basis, there may be variations in data collection between different companies and regions.

In 2023, the frequency of recordable work-related accidents was calculated per total hours worked. From 2024 onwards, the frequency will be calculated per million hours worked.

The metrics have not been validated by an external party.

Metrics for work-life balance

S1-15

Family-related leave	Unit	2025
Proportion of employees entitled to leave for family reasons	%	100%
Proportion of men entitled to family leave who have taken family leave	%	7%
Proportion of women entitled to family leave who have taken family leave	%	6%

Method for data collection and calculation of work-life balance

Data on work-life balance has been collected from all Group companies and consolidated at Group level. As the collection of this data is managed on a decentralised basis, there may be variations in data collection between different companies and regions. The metrics have not been validated by an external party.

Remuneration indicators (pay gaps and total remuneration)

S1-16

Pay gaps	Unit	2024	2025
Gender pay gap (unadjusted)	%	10%	8%
Total annual remuneration ratio	%	574%	730%

Method for data collection and calculation of work-life balance

Data on remuneration indicators has been collected from all Group companies and consolidated at Group level.

When calculating the gender pay gap, the CEO's salary for each Group company has not been included. When calculating the annual total remuneration ratio, the denominator in the calculation corresponds to the median of all Group companies' reported median values for all employees' total remuneration (excluding the highest-paid individual).

The metrics have not been validated by an external party.

Incidents, reports and serious impacts on human rights**S1-17**

Incidents and reports regarding serious impacts on human rights	Unit	2024	2025
Number of confirmed cases of discrimination	#	0	0
Number of cases of discrimination, including harassment, reported during the reporting period	#	1	0
Number of confirmed serious human rights incidents linked to the company's employees	#	0	0
Number of complaints submitted through channels for members of the company's own workforce to raise concerns	#	*	0

* Not calculated for the year.

Method for data collection and calculation of incidents, reports and serious impacts on human rights

Data on incidents, reports and serious impacts on human rights has been collected from all Group companies and consolidated at Group level. The metrics have not been validated by an external party.

Workers in the value chain**Strategy****Interests and views of stakeholders****SBM-2**

As part of the preparation of Karnell's double materiality assessment, we have analysed how various stakeholders, including workers in the value chain, may be affected by and influence the business. The purpose of this was

to provide a basis for the double materiality assessment and to use the results to inform the identification of material impacts, risks and opportunities, which in turn not only guides reporting in the sustainability report but also provides important input for the development of the Group's and the companies' strategies and business models. Identified material impacts, risks and opportunities related to Karnell's own workforce are presented below under disclosure requirements SMB-3.

The Group's value chain encompasses workers in the value chain involved in the extraction, processing, production and transport of purchased goods (upstream value chain), as well as workers engaged in the transport, distribution, use and final disposal of our sold products (downstream value chain). No direct dialogue with these workers has been conducted in relation to the preparation of our double materiality assessment. Information regarding the interests and views of stakeholders has instead been gathered indirectly through representatives from the own workforce within the Group companies. Through interviews and questionnaires, these representatives have described their respective companies' stakeholders, as well as the stakeholders' sustainability-related expectations and requirements. No specific expectations or requirements regarding workers in the value chain were identified in this process.

The perspectives and views of all stakeholders will be communicated to Group management and the Board of Directors annually as part of the regular update of the materiality assessment.

Material impacts, risks and opportunities and their relationship to strategy and business model**SBM-3**

Apart from our own employees and non-employees who form part of Karnell's workforce (as described in the chapter 'Our own workforce'), the Group's value chain comprises several different types of workers. In some cases, workers who are not part of Karnell's own workforce work at the Group's sites. This includes, for example, people who carry out maintenance, repairs and property-related services, such as service technicians, electricians and plumbers. Karnell has no workers employed in joint ventures or specialised companies in which Karnell is a participant.

Our value chain includes, at earlier stages, workers involved in the extraction of, among other things, iron ore (for steel), bauxite ore (for aluminium), crude oil (for plastics) and wood (for paper). The upstream value chain also includes workers involved in the processing, production and transport of our purchased goods, such as steel and plastic components. Workers further downstream in our downstream value chain include those involved in the transport, distribution, use and final disposal of our sold products. Workers in our value chain are geographically

dispersed, as our value chain comprises numerous suppliers and customers with a global reach. Potential adverse impacts on workers in the upstream and downstream value chains cannot be fully ascertained, as the Group does not have full insight into working conditions, equal treatment and labour rights across all parties. Examples of potential negative impacts include systematically low wages and poor health and safety.

Certain groups within our value chain are assessed as being more vulnerable to adverse impacts due to specific characteristics or contexts. For us, these vulnerabilities are particularly linked to the extraction of crude oil used in our products, which takes place in Qatar, Saudi Arabia and Yemen. Identified vulnerable groups include:

- **Migrant workers:** In Qatar, Saudi Arabia and Yemen, migrant workers often face limited legal protection, poor working conditions and restricted access to support networks. These factors increase the risk of coercive working conditions, such as the confiscation of passports, demands for long working hours and limited ability to resign.
- **Trade union representatives:** In regions with limited labour rights and trade union activity, such as Qatar, Saudi Arabia and Yemen, trade union representatives may face discrimination or reprisals for advocating workers' rights. This can contribute to an environment where forced working conditions are more likely, as workers' rights are not protected.

Consequently, both migrant workers and trade union representatives in these countries are groups at heightened risk of forced labour. Child labour is less directly linked to these groups.

Managing impacts, risks and opportunities

Policies for workers in the value chain

S2-1

Karnell has an ESG policy and code of conduct through which we undertake to respect human rights in all parts of our operations and to take action if

human rights violations are identified in our operations or supply chain, including, for example, systematically low wages, poor health and safety, and other breaches of labour rights. The policy documents also state that national legislation must be complied with. Forced labour and child labour are explicitly addressed in the Code of Conduct. Human trafficking is not mentioned.

In our Code of Conduct, we refer to the UN Convention on the Rights of the Child and the UN Guiding Principles on Business and Human Rights, which we undertake to comply with.

The policies apply to all entities within the Group, and Karnell's CEO is responsible for their overall implementation and compliance.

We are committed to ensuring ethical conditions throughout the value chain and expect our business partners to share these commitments. We therefore also have a Code of Conduct for business partners covering the same areas. Furthermore, we encourage all our group companies to implement a Code of Conduct for suppliers that includes statements on social issues, such as workers' rights, and to regularly monitor suppliers' compliance with the Code.

As the Group consists of several Group companies with decentralised governance, responsibility for day-to-day work with workers in the value chain and compliance with human rights lies primarily at company level. However, the Group ensures that the entire business operates on the basis of common principles through our ESG policy and Code of Conduct. Group companies are expected to take these into account in their strategies and business models to prevent or mitigate the risk of material adverse impacts on workers in the value chain.

Karnell monitors compliance with policy commitments by tracking how Group companies implement the Group's policies at company level. These control mechanisms include, amongst other things, monitoring the number of annual audits carried out and checking compliance with the Supplier Code of Conduct, which is reviewed in connection with the

preparation of the Group's sustainability report. Through this process, we are working to integrate the principles of the UN Guiding Principles on Business and Human Rights into the Group's day-to-day operations. Furthermore, our policies have been inspired by the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises, although a formal comparison has not yet been carried out. However, we are aware that there is still much to be done in terms of ensuring compliance and the protection of workers in our value chain, and that further work is required to fully understand and address these challenges.

Karnell's group-wide policies do not contain any description of measures to remedy, or enable the remediation of, impacts on human rights. At company level, apart from compliance with national laws, no formal processes or measures have been established to manage or address issues related to human rights, as no such incidents have been reported to date. The current approach is to manage issues pragmatically, including by changing suppliers where necessary to mitigate risks.

As in the previous reporting year, no violations have been identified in the value chain with regard to the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises.

Procedures for engaging with workers in the value chain regarding impacts

S2-2

Karnell currently has no general procedures for engaging with workers in the value chain and their representatives regarding actual and potential impacts on them. Our companies generally report that such engagement has not taken place to date. In some cases, informal interaction occurs during site visits or audits at suppliers, which provides limited insight into working conditions.

Procedures for addressing adverse impacts and channels through which workers in the value chain can raise concerns

S2-3

Karnell currently has no Group-level procedures for remedying, or collaborating on the remediation of, adverse impacts on workers in the value chain with which the Group has a connection.

Key channels for reporting and investigating issues are provided in the form of the Group's whistle-blowing channel, which is available to stakeholders, including workers in the value chain, on Karnell's website. See the chapter on Corporate Governance Information, Disclosure Requirements G1-1 for further details. At present, we lack a structured method for assessing how many workers in the value chain are aware of and have confidence in the Group's whistle-blowing channel.

Beyond our whistleblowing function, transparency is limited regarding what other avenues workers in the value chain, both upstream and downstream, have to raise concerns. Some information on such channels can be obtained from major suppliers, for example through their codes of conduct, ISO certifications and existing whistleblowing functions. If suppliers are covered by collective agreements, there are also additional opportunities for employee representation. However, it is difficult to gain insight into how smaller suppliers and other actors further up or down the value chain manage reporting channels.

Karnell currently has no group-level procedures to ensure that workers in the value chain have access to channels for raising issues or needs through their workplace.

Measures regarding material impacts on workers in the value chain and strategies to manage the material risks and capitalise on the material opportunities, in relation to workers in the value chain, and the effectiveness of these measures

S2-4

Karnell has not drawn up a formal action plan to address identified significant potential adverse impacts on workers in the value chain. We therefore have no formal processes in place to identify necessary or appropriate measures in response to potential adverse impacts on workers in the value chain, including what resources should be allocated. This is managed locally by our group companies.

Although no common measures have been established, our companies address issues relating to workers in the value chain in line with our ESG policy and Code of Conduct. However, work in this area is not as advanced as, for example, the companies' work with their own workforce. This is because it is more difficult to gain full insight into working conditions outside the companies' boundaries and to influence conditions that lie outside their own operations. For example, during the year, some of our companies have focused on strengthening their codes of conduct for suppliers by clarifying working conditions and labour law standards in the value chain and actively communicating these to business partners.

We recognise that, at both Group and company level, we need to build a better understanding of how we should work with workers in the value chain in the coming years. Currently, there is no formal follow-up on work in this area.

No significant operating or capital expenditure for implemented or planned measures has been identified at Group level.

In 2025, no serious human rights-related issues or incidents in earlier or later stages of the value chain were reported.

Metrics and targets

Targets for how to address material impacts, enhance positive impacts and manage material risks and opportunities

S2-5

As part of our work to reduce potential adverse impacts on workers in the value chain, in 2024 we set a Group-wide target to be achieved by 2030:

- Develop and implement a process to ensure that suppliers of critical raw materials in high-risk sectors related to raw material extraction provide satisfactory information and measures to manage human rights-related risks.

The objective aims to establish clear procedures and transparency in the supply chain so that we can systematically monitor our high-risk suppliers in relation to human rights and effectively manage human rights risks in the upstream value chain, where we have identified vulnerable groups. See the chapter on Social Information, Disclosure Requirements SBM-3 under the heading 'Workers in the Value Chain' for further information. During the year, the Group has not commenced or carried out work on this objective; instead, the focus has been directed towards climate-related issues and preparations for expanded sustainability reporting in line with the CSRD.

The objective has been formulated by Group management in consultation with an external consultant. No further consultation with workers in the value chain or their representatives has taken place. We do not yet have any specific metrics to assess progress towards the target, but once we do, the target will be reviewed annually in conjunction with the preparation of the Group's sustainability report. At that stage, any lessons learned can be identified and improvements to the Group's efforts to achieve the target can be determined. The target has not been verified by an external party.

Corporate governance information

Business conduct

Governance

Responsibilities of the administrative, management and supervisory bodies

GOV-1

For Karnell, sustainable business means striving for a long-term sustainable business model, which involves, among other things, integrating sustainability matters into the business strategy and corporate governance, as well as taking responsibility for the impact we have on people and the environment.

Karnell's CEO has overall responsibility for ensuring that business conduct permeates strategies, governance and monitoring. The Group CEO, together with Group management, shall establish guidelines, monitor risks and ensure that operations are conducted ethically and lawfully.

Group management has no specific expertise in matters relating to business conduct. However, they possess knowledge and experience in finance, governance and investments, both in Sweden and internationally, which enables them to identify risks, assess the consequences of strategic decisions and ensure that the business is conducted ethically and with responsible business conduct.

Management of impacts, risks and opportunities

Description of the process for identifying and assessing material impacts, risks and opportunities

IRO-1

At Karnell, responsibility for business conduct is shared between the Group CEO, the boards of each Group company and the CEO of each Group company. The Group CEO has overall responsibility for upholding

good business practices and ensures that the Group operates in line with the Group's sustainability and ethical objectives. The board of each Group company is responsible for implementing the Group's ESG policy and ensuring that the companies comply with it. The CEO of each Group company is responsible for integrating ethical guidelines into day-to-day operations and long-term strategy, as well as reporting on progress annually to the Group CEO. This structure ensures a consistent focus on responsible business conduct within the organisation.

Karnell's board members and Group management bring experience that paves the way for good business conduct, including upholding ethical standards, corporate governance and compliance. Their experience covers areas such as private equity, industrial operations and finance, with a particular focus on promoting responsible business practices. This enables the Group to operate with integrity, particularly in areas relating to compliance with relevant laws in both local and international markets.

Policies on business conduct and corporate culture

G1-1

We are committed to promoting good business practices and a culture characterised by integrity. We maintain a zero-tolerance policy towards all forms of corruption and bribery, whether they occur within our operations or amongst our partners.

We maintain, develop and promote our corporate culture through various approaches. Firstly, we operate in a decentralised manner, which enables each company to retain its unique culture and way of working. Despite our decentralised structure, we have three core values that serve as guiding principles across the entire Group:

- **Sustainability:** A clear focus on sustainability, with ESG high on the agenda.
- **Professionalism:** Developing a culture where everyone's voice is heard and ideas, big and small, are valued.
- **Challenge and improve:** Flexibility combined with freedom under responsibility is the key to success.

In addition, our ESG policy sets out key priorities for business conduct that apply to all entities within the Group. These include compliance with applicable laws and regulations, upholding high standards of business ethics and preventing corruption, the development of targeted sustainability plans integrated into governance models, the establishment of clear corporate governance structures with effective control mechanisms (e.g. a whistleblowing function), and the integration of sustainability aspects into business planning and monitoring processes.

In addition to our ESG policy, the entire Group must adhere to our Code of Conduct, which stipulates that we must report suspected irregularities via our whistleblowing function or through other channels, ensure safe working conditions and protect freedom of association, and maintain a zero-tolerance approach to corruption, tax offences, money laundering, insider trading and conflicts of interest. Furthermore, we must comply with sanctions, export control laws and privacy legislation, and ensure responsible and secure IT usage.

Our policies are a key part of maintaining a responsible corporate culture. We monitor compliance with policy commitments by tracking how Group companies implement the policies at company level. These control mechanisms include, among other things, monitoring of key performance indicators linked to our material sustainability areas, which are tracked in relation to the preparation of the Group's sustainability report. These key performance indicators include, for example, energy consumption, greenhouse gas emissions, work-related accidents, and confirmed cases of corruption and bribery.

Karnell has no Group-wide policy to prevent late payments. This is managed locally by our Group companies, which, in accordance with our Code of Conduct, must comply with all applicable laws in the countries where we operate, including regulations on payment practices.

We expect our business partners to share our commitments and therefore have a Code of Conduct for Business Partners, which covers, among other things, compliance, human rights, business integrity, working conditions, safety and environmental responsibility. This Code sets out Karnell's

minimum requirements for its business partners to comply with and implement throughout their operations.

The CEO of each group company is responsible for ensuring that every employee is aware of the Code of Conduct. Karnell's CEO is responsible for implementing and ensuring compliance with the Code of Conduct, which is reviewed annually by the Board and updated as necessary.

Karnell is subject to national legislation transposing Directive (EU) 2019/1937 on the protection of whistle-blowers. In accordance with these requirements, the company has a whistleblowing function managed by an external party, through which both internal and external stakeholders can submit reports of suspected irregularities anonymously and securely. The whistleblowing function is accessible via our website, www.karnell.se, and aims to detect, report and investigate suspected breaches of the law, the Code of Conduct or other internal rules. This information is set out in the Group's Code of Conduct, which all Karnell employees must familiarise themselves with during the onboarding process. The Code of Conduct also states that suspicions of irregularities may be reported in writing directly to Karnell's CEO. All reports of irregularities are reviewed, investigated where appropriate, and treated confidentially to the extent permitted by law. The Group's whistleblowing function, along with the associated description on the Group's website and in the Code of Conduct, clearly states that no reprisals will be taken against employees who report issues in good faith, which, according to our Group companies, strengthens trust.

Our policies have not been specifically designed in relation to the UN Convention against Corruption (UNCAC), but are consistent with the Convention's principles, including the prohibition of corruption and bribery, as well as mechanisms for reporting and the whistleblowing function.

We do not have any Group-wide training on whistleblowing or a policy for training on business conduct.

Departments within the Group where the risk of corruption and bribery is assessed to be highest primarily comprise employees in roles involving direct contact and relationships with customers and suppliers, including purchasing and sales. Of these employees, 12% received training on the subject in 2025.

Our companies' management systems

We strive to ensure that every company within the Group implements a formal management system, such as ISO or a similar standard. This is because such systems ensure consistent quality, which strengthens customer trust and satisfaction, whilst supporting compliance, risk management and continuous improvement. By 2025, 67% of our Group companies were ISO-certified or preparing for certification. The management systems in question include ISO 9001, ISO 14001, ISO 45001, ISO 13485 and ISO 27001.

Management of supplier relationships

G1-2

If the Group's suppliers fail to meet, for example, good working conditions or environmental requirements, there is a risk of negative impacts on people and the environment in the supply chain. These risks are managed locally by our Group companies, as Karnell, with its decentralised governance, does not have an overarching strategy or procedure for supplier relations, including training for employees working with procurement/the supply chain on how to manage contacts. Any measures are therefore taken at company level, often pragmatically, for example by changing suppliers where necessary to reduce risks. Some of our companies take their own social and environmental criteria into account when selecting suppliers and have processes in place to evaluate suppliers annually against these criteria.

We have not set any Group-level targets regarding communication and the management of supplier relationships. However, we expect our suppliers to comply with our Code of Conduct for Business Partners, which contains certain principles regarding, among other things, human rights, business integrity, working conditions and environmental responsibility.

Our supply chain (first tier) consists primarily of local suppliers from the same country in which our companies operate. Many, but not all, of our suppliers are ISO-certified under various management systems such as ISO 14001, ISO 9001 and ISO 45001, as well as other certifications such as FSC.

Preventing and detecting corruption and bribery

G1-3

Karnell has not drawn up a formal plan of action at Group level to combat corruption and bribery. As the Group comprises several companies with decentralised governance, responsibility for this work lies primarily at company level. However, the Group ensures that the entire business operates on the basis of common principles through our Group-wide ESG policy and Code of Conduct, which include positions on corruption and bribery. We also ensure that formal reporting channels are in place, such as our whistleblowing function.

All suspected incidents of bribery, fraud, corruption or other illegal activities must be reported immediately to Karnell, either in writing directly to Karnell's CEO or anonymously via our whistleblowing function, where we conduct a thorough investigation and appropriate measures are taken to address the situation. These instructions are set out in our Code of Conduct, which all Karnell employees have access to and are made aware of during the onboarding process. On our website, where the whistleblowing function is available to both internal and external stakeholders, there is also a description explaining how the function should be used.

Karnell's CEO is responsible for investigating reported suspected cases of corruption. The Group CEO is not considered independent in an investigation into corruption and bribery if the suspected incident involves Group companies or employees. The Group has no formal procedures for how the results are to be reported to management and the Board.

The Group does not provide or require any training on corruption and bribery. Karnell's Board and Group management have not undertaken any specific training focused on corruption and bribery.

Departments within the Group where the risk of corruption and bribery is assessed to be highest primarily comprise employees in roles involving direct contact and relationships with customers and suppliers, including purchasing and sales.

Training on corruption and bribery	Enheter	2025
Proportion of employees in high-risk departments who receive training on corruption and bribery	%	12%

Method for data collection and calculation of training on corruption and bribery

Data on training on corruption and bribery has been collected from all Group companies and consolidated at Group level. The metric has not been validated by an external party.

Metrics and targets

Karnell's objective is to strive for zero cases of corruption and bribery. The objective has not been validated by an external party. The Group currently has no objectives regarding corporate culture, management of supplier relationships or payment practices.

Targets	Metrics	2023	2025	Comments on progress
No cases of corruption or bribery	Number of confirmed cases of corruption and bribery	0 (base year)	0	Progress is in line with the target.

Fall av korruption och mutor

G1-4

At Group level, no specific measures regarding corruption and bribery have been implemented during the year or planned for the future. However, our companies have continued to work on complying with the Group's Code of Conduct, which contains policies on corruption and bribery, for example by distributing it and having it signed by employees, as well as through local updates to internal rules and procedures. No significant operating or capital expenditure for implemented measures has been identified at Group level.

As in the previous year, no confirmed cases of corruption and bribery have been identified, and no measures have therefore needed to be taken.

Corruption and bribery	Enheter	2023	2024	2025
Number of confirmed cases of corruption and bribery	#	0	0	0
Number of confirmed cases where employees have been dismissed or subjected to disciplinary measures for corruption or bribery-related incidents	#	0	0	0
Number of confirmed cases involving contracts with business partners that have been terminated or not renewed due to offences related to corruption and bribery	#	0	0	0
Number of convictions for offences against laws on corruption and bribery	#	0	0	0
Amount of fines for offences against laws against corruption and bribery	SEK	0	0	0

Method for data collection and calculation of cases of corruption and bribery

Data on cases of corruption and bribery has been collected from all Group companies and consolidated at Group level. The metrics have not been validated by an external party.

Payment practices

G1-6

Payment practices	Enheter	2025
The company's average standard payment period, stated in number of days	#	31
The average time, in days, it takes for the company to pay an invoice from the date on which the payment period begins to run under the terms of the contract or by law	#	29
The proportion of the company's payments that comply with its standard payment terms	%	92%
The number of legal proceedings currently pending regarding late payments	#	0

Method for data collection and calculation of payment practices

Data on payment practices has been collected from all Group companies and consolidated at Group level. Karnell does not have a Group-wide standard payment term. Consequently, our standard payment term has been calculated as an average of all companies' standard payment terms. The average time, in days, taken by the Group to pay an invoice from the date on which the payment period begins to run under contract or by law has been calculated according to the same principle.

The proportion of the Group's payments that comply with its standard payment terms has been calculated at company level. For example, if a company has a 30-day standard payment term and makes 100% of these payments within that timeframe, they are counted as having complied with the terms, even if this does not correspond to the Group's average standard payment term.

The metrics have not been validated by an external party.

Auditor's limited assurance report on Karnell Group AB (publ)'s sustainability statement

This is the translation of the auditor's limited assurance report in Swedish. To the General Meeting of the shareholders Karnell Group AB (publ), corporate identity number 559043-3214

CONCLUSION

We have conducted a limited assurance engagement of the sustainability statement prepared by Karnell Group AB (publ) (the company) for the financial year 2025. The sustainability statement is included on pages 14-56 of this document.

Based on our limited assurance engagement as described in the section Auditor's Responsibility, nothing has come to our attention that causes us to believe that the sustainability statement is not, in all material respects, prepared in accordance with the Swedish Annual Accounts Act, which includes:

- Whether the sustainability statement meets the requirements of ESRS
- Whether the process carried out by the company to identify reported sustainability information has been conducted as described in the sustainability statement; and
- Compliance with the reporting requirements in Article 8 of the EU's Green Taxonomy Regulation.

BASIS FOR CONCLUSION

We have conducted the limited assurance engagement in accordance with FAR's recommendation RevR 19 – Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten. Our responsibility under this recommendation is described in more detail in the section Auditor's Responsibility.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

OTHER INFORMATION THAN THE SUSTAINABILITY STATEMENT

This document also contains other information than the sustainability statement, found on pages 1-13. The Board of Directors and the Managing Director are responsible for this other information.

Our conclusion on the sustainability statement does not cover this other information, and we do not express any conclusion with assurance regarding this other information.

In connection with our limited assurance engagement on the sustainability statement, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the sustainability statement. In this procedure we also take into account our knowledge otherwise obtained in the limited assurance engagement and assess whether the information otherwise appears to be materially misstated.

If we based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

OTHER MATTER

The sustainability statement for the previous financial year 2024 has not been subject to a limited assurance engagement according to RevR 19 Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten. Therefore, no limited assurance engagement of comparative figures in the sustainability statement for 2025 has been performed.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND MANAGING DIRECTOR

The Board of Directors, and the Managing Director, are responsible for the preparation of sustainability statement in accordance with Chapter 6, Sections 12–12f of the Swedish Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of the sustainability statement that is free from material misstatements, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express a conclusion whether the sustainability statement is prepared in accordance with Chapter 6, Sections 12–12 f of the Swedish Annual Accounts Act based on our limited assurance engagement.

The limited assurance engagement has been conducted in accordance with FAR's recommendation RevR 19 Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten. This recommendation requires that we plan and perform our procedures to obtain limited assurance that the sustainability statement is prepared in accordance with these requirements.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. This means that it is not possible for us to obtain such assurance that we become aware of all significant matters that could have been identified if a reasonable assurance engagement had been performed.

Our firm applies ISQM 1 (International Standard on Quality Management), which requires the firm to design, implement, and manage a quality management system including guidelines or procedures regarding compliance with ethical requirements, standards of professional practice, and applicable laws and regulations.

We are independent of Karnell Group AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities according to these requirements.

A limited assurance engagement involves performing procedures to obtain evidence to support the sustainability information. The auditor selects the procedures to be performed, including assessing the risks of material misstatements in the sustainability statement, whether due to fraud or error. In this risk assessment, the auditor considers the parts of the internal control that are relevant to how the Board of Directors and the Managing Director prepares the sustainability statement, in order to design procedures that are appropriate under the circumstances, but not for the purpose of providing a conclusion on the effectiveness of the company's internal control. The review consists of making inquiries, primarily of persons responsible for the preparation of the sustainability statement, performing analytical review, and conducting other limited review procedures.

The review procedures primarily include:

Our review procedures regarding the sustainability statement included, but were not limited to the following:

- Through inquiries, obtaining a general understanding of the internal control environment, reporting processes, and information systems relevant to the preparation of the information in the sustainability statement.
- Evaluating whether information identified as material through the process the company has undertaken to identify the content of the sustainability statement is also included.

- Evaluating whether the structure and presentation of the sustainability statements are consistent with the requirements of ESRS;
- Conducting inquiries with relevant personnel and analytical review procedures regarding selected disclosures in the sustainability statements;
- Performing substantive review procedures of selected disclosures in the sustainability statements;
- Obtain, through inquiries and analytical review procedures, support for the methods used for preparing material estimates and forward-looking information and on how these methods were applied;

Our review procedures regarding the process the company have undertaken to identify sustainability information to report included, but were not limited to the following:

- Obtaining an understanding of the process by conducting inquiries to understand the sources of the information used by management (e.g., stakeholder dialogues, business plans, and strategy documents), and
- Reviewing the company's internal documentation of its process; and
- Evaluating whether the information obtained from our procedures regarding the process implemented by the company aligns with the description of the process in page 25 in the sustainability statement.

Our review procedures regarding the taxonomy disclosures included, but were not limited to the following:

- Obtaining an understanding of the process for identifying economic activities that are covered by and are consistent with the EU Green Taxonomy and the corresponding disclosures in the sustainability statement.
- Conducting inquiries to relevant personnel and analytical review procedures on the taxonomy disclosures;
- Conducting inquiries to understand the sources of the information used in the taxonomy disclosures;
- Evaluating whether the presentation of the taxonomy disclosures is consistent with the requirements of the EU Taxonomy Regulation.

INHERENT LIMITATIONS

In reporting forward-looking information in accordance with ESRS, the board and management of Karnell Group AB (publ) must prepare forward-looking information based on specified assumptions about events that may occur in the future and possible future activities of Karnell Group AB (publ). Actual outcomes are likely to differ, as expected events often do not occur as anticipated.

Göteborg, according to date of electronic signature

Ernst & Young AB

Michaela Nilsson

Authorized Public Accountant

Malin Ekman Lorentzon

Authorized Public Accountant

Karnell Group AB (publ)

Riddargatan 13 D
SE-114 51 Stockholm
Sweden

Karnell.

www.karnell.se