



CEJN AB Sustainability Report 2025

We connect responsibility to our future

CEJN is a family-owned company in its third generation. What we do today lays the foundation for future generations – not just for CEJN, but for the well-being of our planet. To work sustainably, we assume responsibility for the way we use raw materials, develop and manufacture quality products that are designed for a long service life, and work constantly to optimise our products, our production and our entire business.





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A few words from our CEO

2025 marked CEJN's 70th anniversary. 70 years of innovation. Innovation, part of our heritage and DNA, which sees us working continuously on the basis of our customers' needs to develop new product solutions that create added value for customers in their applications, while at the same time going hand in hand with increased sustainability.

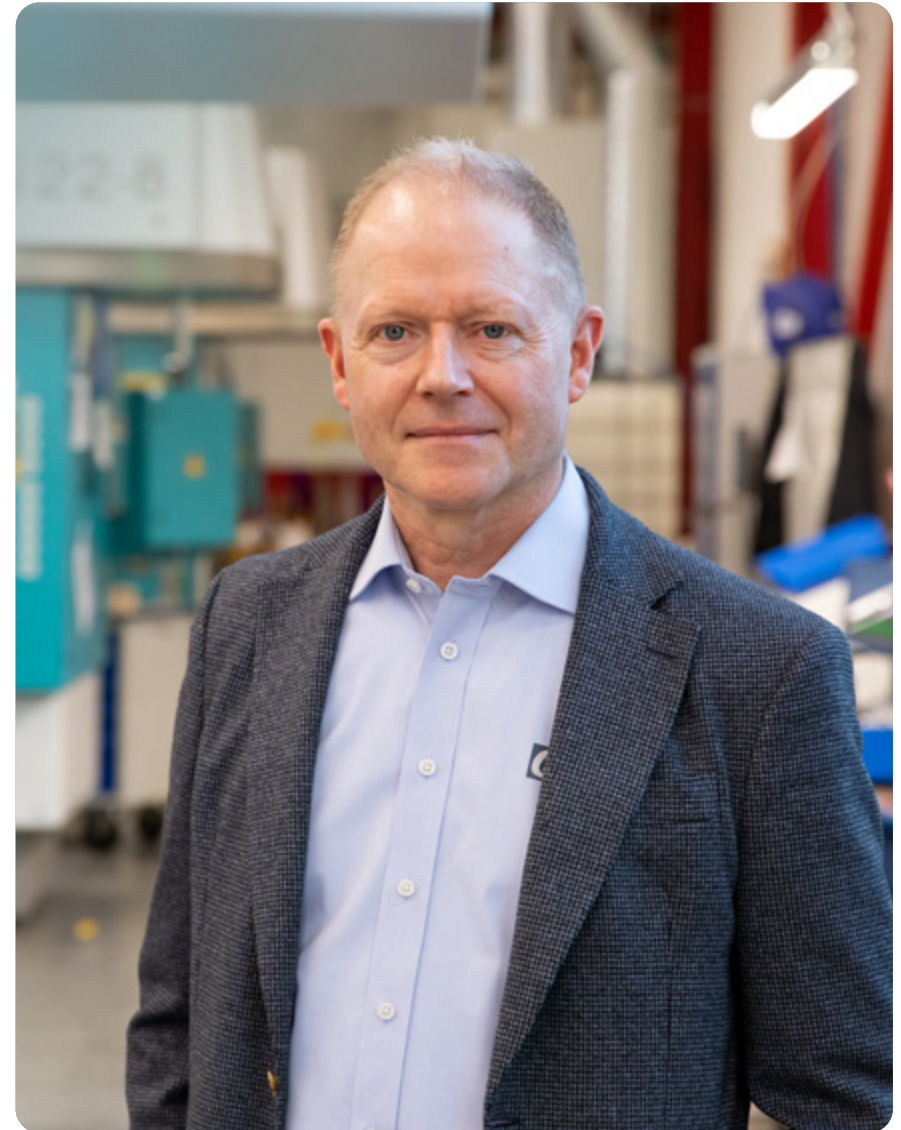
2025 soon turned out to be the most challenging year in CEJN's history. On 6 March, our entire facility in Lönsboda burned down to the ground. Almost 50% of our component volume came to a standstill overnight. The previously owned surface treatment plant, now operated by our tenant and former subsidiary Trio Perfekta, also fell victim to the flames. Fortunately, no one was injured; however, the material damage was extensive.

When the alarm sounded, our crisis team swung into action with full force. Everyone knew their roles and we were able to take action and prioritise the work in the best way possible. The primary objective initially was to provide support for all our employees. Many strategic decisions had to be made at short notice, with a high degree of empathy and a strong customer focus. Nevertheless, everything was characterised by a strong belief

“2025 soon turned out to be the most challenging year in CEJN's history”

in the future, and three months after the fire, we were cutting our first component on our own newly purchased lathe in rented premises in Osby. Before the end of the year, we have twelve completely new lathes in place.

All our initial plans for 2025 had to be set aside, replaced by continuous communication with our customers and intensive work to restore our delivery capacity. The component flow had to be largely redirected to existing and new suppliers, resulting in higher costs and a partly increased environmental impact in the form of more and longer transport operations.



“During the year, we chose to use our thorough work on the CSRD to submit an initial application to EcoVadis, achieving bronze level on our first attempt.”

A conscious strategy that will hopefully ensure that we keep all our customers, but some of our KPIs may have seen a blip in the trend for 2025.

During the year, we chose to use our thorough work on the CSRD to submit an initial application to EcoVadis, achieving bronze level on our first attempt. We continued with a number of sustainability-related activities, examples including the calculation of our Scope 3 emissions, phasing out lead in our components, increasing the volume of green transportation, enhancing the recycling of freight packaging, reusing critical metals in our turning tools and continued full-scale operation of our solar panels.

In parallel with this, CEJN experienced strong growth in the data center industry during the year. We therefore launched a project to expand our assembly capacity in our unit in China and build another new unit in Southeast Asia to produce closer to the customer, resulting

in shorter lead times and less environmental impact. Two units where we will recruit new personnel, but also pass on our CEJN culture, on which our ground rules and transparent leadership are based.

We bid farewell to 2025 and look forward to 2026 with increased growth and continued good progress in our sustainability work.



Marcus Allerbjørn
CEO CEJN Group



Sustainability highlights 2025



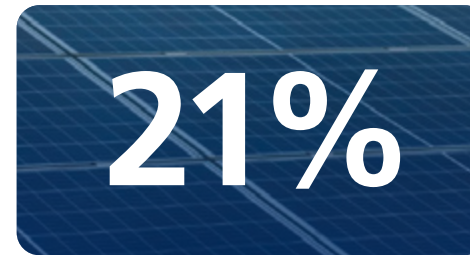
EcoVadis bronze

The first assessment of our sustainability work in EcoVadis' global platform resulted in a bronze medal!



Scope 3 calculations

We carried out the first calculations of climate emissions in our value chain, and now we know where to focus for the greatest climate benefit.



Solar cells in operation

The solar panels on the roof of the assembly plant in Skövde accounted for 21% of the electricity demand in assembly and the warehouse in 2025.



Local initiatives

In collaboration with Skövde HF, we inspire young people to pursue careers in technology and industry, and contribute to more of them choosing to remain in the region.



E-learning for our customers

We already offer internal e-learning for our sales teams covering product knowledge and safety. In 2025, we launched the CEJN Academy for our customers too - to help them choose the right product, handle it safely, extend its service life and create a closer business relationship.



Supplier Code of Conduct

A new Supplier Code of Conduct was adopted in 2025 and is now being communicated to our significant suppliers.



Moving towards a lead-free product range

We have reduced the lead content in our raw materials delivered from 0.56% to 0.20% since the initiative started in 2022.

About CEJN

Your global specialist in premium quick coupling solutions.

We are a third-generation, family-owned company that has been developing and manufacturing high-performance quick coupling solutions for over 70 years. We have our head office, product development and a large part of our production in Sweden. Through our 18 sales companies, we offer local presence and support worldwide.

With a clear focus on safety, innovation and sustainability, we offer products with high performance and a long service life.



CEJN in numbers

Family-owned since 1955

In 1955, CEJN revolutionised the quick coupling industry with a groundbreaking patent. Since then, we have grown into a global leader in quick coupling solutions. Over the past 70 years, we have delivered high-quality, innovative products that empower industries around the world.



Our core values

At CEJN, we work with five core values: Safety, Environment, Quality, Innovation and Performance. These core values are our cornerstones and define who we are, how we work, what we believe in and what we stand for.



800+

employees

9,000+

active products

18

sales offices

4

production facilities

270+

patents

70

years of expertise and development

Business model

CEJN AB/CEJN Group

Key partners

- CEJN's sales companies
- Distributors/retailers of industrial components
- Suppliers of raw materials
- Suppliers of components and industrial equipment
- Service providers
- Consultants

Key activities

Development, production, distribution, customer support, marketing and sales of CEJN's product range.

Key resources

- Competent personnel
- Input materials for production
- Production capacity
- Capital

Value proposition

CEJN is a leading global niche company with local presence, which provides innovative quick connect coupling solutions that add value to and increase productivity in our customers' applications and processes.

CEJN offers high-quality quick connect couplings, focusing on performance, safety and environmental responsibility. This is ensured through in-house product development and manufacturing, with continuous improvements to processes, technology and products.

CEJN is an independent, family-owned company with Swedish roots dating back to its founding in 1955. CEJN is firmly committed to maintaining our high standards in work with our customers, employees and the environment.

Customer relationships

The sales organisation's relationships with:

- Industrial distribution providers/retailers
- Manufacturing companies
- Consultants with influence, e.g. in factory construction
- End users

Channels

- Industrial distribution/retailers
- Retailer websites
- Industry portals
- CEJN's website
- Social media
- Search engine optimisation
- Advertising

Customers

- CEJN's sales companies
- Distributors/retailers of industrial components
- Manufacturing industries
- Construction machinery
- Agricultural industry
- Data centers
- Wind power
- Food and beverage industry
- Electric vehicles
- Semiconductor manufacturing
- Railway industry
- Aviation Industry
- Marine industry
- Rescue services
- Power electronics
- Oil and gas
- Mining industry

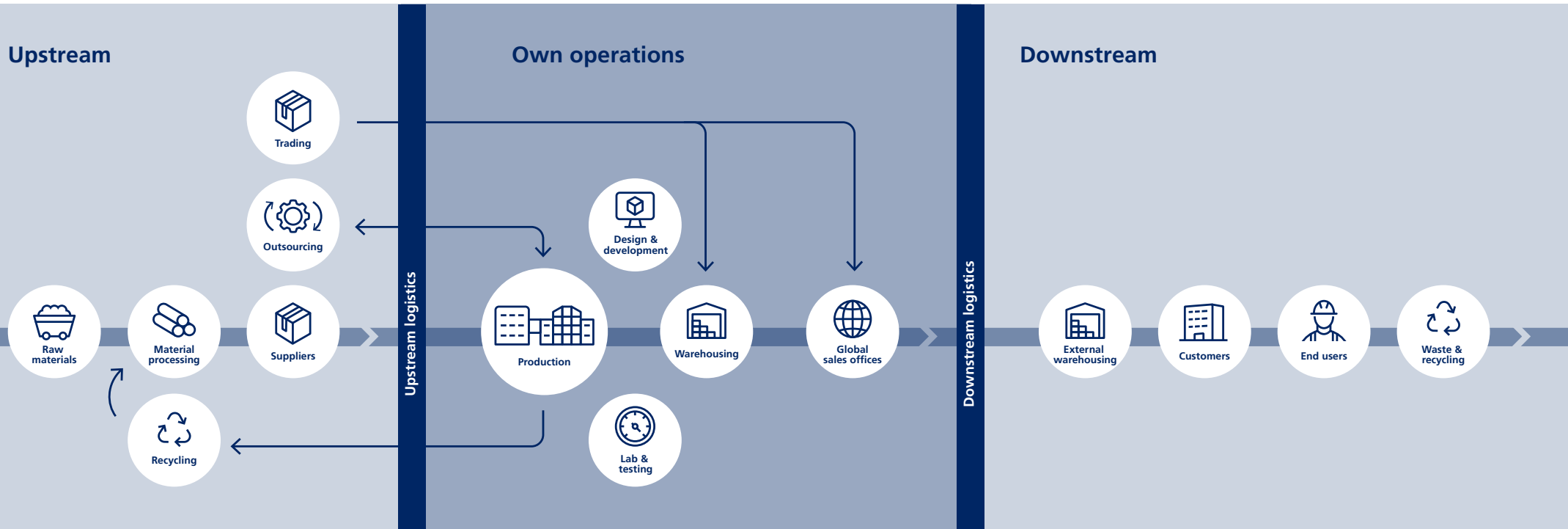
Costs

- Acquisition costs for raw materials and input components
- Production costs
- Property costs
- Personnel costs
- Consultancy costs
- IT costs
- Marketing and sales costs

Revenue

- Sales of CEJN products
- Allocated Group costs

Our value chain



Upstream

Upstream in the value chain, activities include the sourcing of raw materials and components, in close collaboration with external partners. CEJN AB specifies requirements for suppliers regarding environmental responsibility, working conditions, business ethics and compliance with legislation. This work focuses on increased resource efficiency, reduced climate impact and traceability in the supply chain. One of our most significant collaborations in this area involves returning metal shavings from our machining activities to the value chain for recycling, ensuring that valuable materials are reintroduced into the material cycle.

Own operations

Operations include product development, production and internal support functions. CEJN AB works systematically with energy efficiency improvement, emission reduction, waste management and a safe work environment. Continuous improvements in operations and production methods are key to reducing environmental and climate impact. The design and development department finalises the product design, which determines performance and is crucial for the impact on other levels. Our global sales companies provide extensive reach and proximity to the markets where the products are used.

Downstream

Downstream in the value chain, activities include storage, distribution, product use, as well as service and aftermarket support. CEJN AB strives to achieve efficient transportation, a long service life for products and the opportunity for service, repair and recycling. Through dialogue and collaboration with customers and users, the company contributes to the sustainable use and further development of products.



Sustainability: part of our DNA

"We must always have good stuff", said Carl Erik Josef Nyberg, founder of CEJN. Consideration, safety and careful selection of equipment define our products and our business. CEJN shall be a safe, stimulating and rewarding workplace where health, environment and safety are clear watchwords.

Sustainability strategy

Our sustainability strategy is based on three perspectives – *People*, *Planet* and *Profit* – which reflect our responsibility as a company and our long-term direction.

People: Leader in safety

“People” is about safety and consideration – both for our customers and employees. A safe workplace is always our top priority, at both our customers’ premises and our own facilities. Safety is at the heart of our business and all our products, and is something we never compromise on.

Planet: Technical innovations for a better world

“Planet” focuses on technological development that reduces environmental impact. Through innovation, more efficient flows and customised solutions, we contribute to lower energy consumption, reduced material consumption and longer product life cycles. We work with new technology, smarter material choices and more sustainable energy solutions to support customers and society in making the transition.

Profit: Responsible corporate culture

“Profit” is about long-term, responsible business conduct. We run our operations with high standards of business ethics and respect for human rights throughout the value chain. Through strong relationships with employees, customers and suppliers, skills development and engagement in society, we create stability, trust and long-term value.



Your choice for sustainable quick connect solutions



People

Leader in safety



Planet

Technical innovations
for a better world



Profit

Responsible
corporate culture

Safe to
manufacture
and use
our products

Our products
are built to last
in their intended
application

Leading
the way
in technical
innovation

Our corporate
culture
throughout
the value chain

Long-term
business
approach

Sustainability governance

Having an understanding of our own impact, both negative and positive, from a sustainability perspective is essential for us to be able to run our operations effectively. It enables us to manage, prevent and minimise our negative impacts, as well as to mitigate risks that may arise in our operations.

Our systematic sustainability work rests on a broad foundation, which includes:

- Double materiality assessment
- Systematic work in accordance with the environmental management system (ISO 14001:2015)
- Calculations of greenhouse gas emissions in accordance with the Greenhouse Gas Protocol
- Improvement work and benchmarking against EcoVadis
- Stakeholder dialogues
- Environmental and sustainability aspects
- Codes of Conduct
- Specific policies

By focusing on our most significant environmental and sustainability aspects, we work to reduce our negative impact, prevent risks and seize opportunities that lead to a more sustainable business.

Materiality assessment

We have conducted a double materiality assessment (DMA) to understand which sustainability issues are most important to our operations and our stakeholders. The work was carried out together with external experts and consisted of gathering knowledge, mapping impacts and risks, and assessing which issues are of greatest importance for both the company and our society.

As a continuation of our double materiality assessment, we complement this with an environmental aspect assessment of our operational impact to understand which parts of our operations have the greatest environmental impact. Here, we consider everything from energy use and emissions to waste and how our products are used. By weighing up the impact, scope and how much we can influence ourselves, we can determine which environmental issues are the most important to prioritise.

Together, the DMA and the environmental aspect assessment provide a clear overall picture of our most significant sustainability challenges

and opportunities – for people, the environment and our own operations. The results form the basis of our targets and priorities.

Our stakeholders

Active, structured work with our stakeholders is an important part of our sustainability work. By understanding their needs, requirements and expectations, we can develop operations in a way that is sustainable in the long term. We therefore engage in regular dialogue with our most important stakeholder groups: customers and users, employees, suppliers, the local community, government agencies and insurance companies, future workforce, as well as owners and the Board of Directors.

Their views provide us with valuable guidance in our improvement work and help us identify issues that we need to prioritise going forward. An open dialogue enables us to better understand how our operations affect the environment and how we can continue to develop responsibly.

Systematic work on sustainability





Our impact and sustainability priorities

At CEJN AB, we are aware that we cause and contribute to negative impacts, primarily through:

- greenhouse gas emissions resulting from the use of materials and energy, as well as transportation;
- air pollution;
- the use of hazardous substances;
- the use of virgin material and finite resources.

Negative impacts on environmental, social and governance aspects occur upstream and downstream in the value chain and are largely due to material sourcing, manufacturing processes and transportation.

At the same time, CEJN AB contributes to a positive impact. We create jobs and develop products that support our customers' energy efficiency improvements, reduce energy usage in their systems and improve safety for consumers and end users.

Sustainability Policy

The purpose of our Sustainability Policy is to ensure that the CEJN Group integrates sustainability issues into business decisions and operational management, in line with overall sustainability targets. The policy applies to the CEJN Group and describes how sustainability work is governed. Each company within the Group must adapt its sustainability work based on its operations.

Our commitment regarding the way we run our operations is aligned with international laws and frameworks.

CEJN supports and follows:

- *UN Universal Declaration of Human Rights*
- *UN Guiding Principles on Business and Human Rights*
- *Core Conventions of the ILO*
- *OECD Guidelines for Multinational Enterprises*
- *The Ten Principles of the UN Global Compact*
- *UNICEF Children's Rights and Business Principles*
- *The 1.5°C ambition expressed in the Paris Agreement*
- *OECD Due Diligence Guidance for Responsible Supply Chain of Minerals from Conflict-Affected and High-Risk Areas*

By basing our work on these frameworks and laws, we ensure that our operations are run responsibly and transparently, and that we work continuously to minimise negative impact and maximise positive impact throughout the value chain.

Our *Environmental and Sustainability Policy* is available at www.cejn.com.



Environment and climate impact

We systematically assess the environmental impact of our operations and identify measures that we can take to minimise and prevent negative impacts. By making conscious choices, we assume responsibility and drive development towards more sustainable operations.

Our work to reduce our impact on the environment and climate

Solar panels

To reduce our reliance on fossil energy, we have installed solar panels on the roofs of several of our sites. In 2025, the solar power installation in Skövde generated 286 MWh, most of which was consumed on site. Approximately 14% of the electricity generated was fed back into the grid. Solar panels are also installed on the rooftops of our sites in the UK, Switzerland, Germany and China.

Reduced environmental impact together with our suppliers

We work with our suppliers in various environmental projects. These include reducing the proportion of lead in purchased raw materials by switching to alternative materials, where a significant part of the transition work has been undertaken in close collaboration with raw material suppliers.

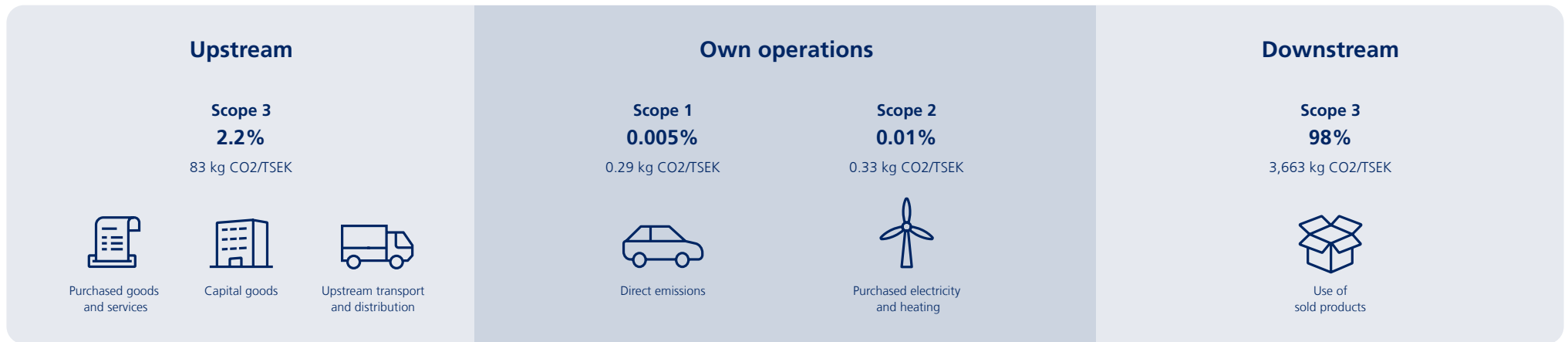
Lead-free

Lead has long played an important role in the metal industry thanks to its properties that make steel and brass easier to process and more durable. But at the same time, the risks of lead exposure are well known. This is why both research and legislation, such as the EU's REACH and RoHS requirements, are now driving a global transition towards safer and more sustainable materials. At CEJN we have acted on this, and since 2020, have been working proactively to reduce the lead content in our products. The objective is clear: a future in which our materials are as lead-free as possible, without compromising on quality, performance or safety.

This work has already yielded results. We reduced the lead content in our raw materials from an average of 0.36% in 2023 to an average of 0.21% in 2025. By working in close collaboration with our suppliers and adapting drawings, designs and material choices, a large part of our range has already made the transition. The simplest replacements have been completed – now the more technically demanding steps remain, where advanced tests and development initiatives are required to find solutions that meet our high requirements.



The most significant greenhouse gas emissions in CEJN's value chain in 2025



* Location-based

Our climate emissions

Scope 1 includes direct emissions from combustion in vehicles owned and leased by CEJN AB, as well as fugitive emissions (refilling of refrigerants).

Scope 2 includes indirect emissions from the use of purchased energy, namely electricity and district heating. Heating and electricity for CEJN France, CEJN Switzerland (heating and cooling only), CEJN Nordic and CEJN Denmark are included in the office rent and are therefore not reported in Scope 2, but are included in Category 8 Scope 3. The primary method for reporting Scope 2 is to use the location-based method, which does not reflect whether the choice has been made to purchase renewable energy certificates.

Scope 3 includes emissions from the value chain, from sources not controlled by CEJN AB. There are a total of 15 categories divided into activities that occur upstream (categories 1-8) and downstream (categories 9-15)

in the value chain. In CEJN AB's value chain, the most extensive emissions are upstream from purchased goods and services, capital goods, and fuel and energy-related activities. Downstream, the use of sold products is the single largest category.

How we reduce our climate emissions

For 2026, we have set a target of reducing our Scope 2 emissions by 5%. We plan to achieve this by introducing heat recovery, where we let the heat generated in our processing machines heat our premises. This measure reduces the need for purchased energy and contributes to more resource-efficient operations.

Scope 3 was calculated in 2025 for the first time. As Scope 3 covers emissions from our entire value chain, we need additional data and experience before we can set a target. We already see that the majority of our climate emissions (>98%) fall within Scope 3, which makes it a prioritised area in our ongoing work.

Scope 1 is a very small part of our emissions and consists primarily of emissions from the combustion of fuel in our company vehicles. A continuous process is under way in which the proportion of electric and hybrid vehicles in the vehicle fleet is increasing. Unfortunately, current climate emission calculations mean that a large fleet of electric vehicles causes a significant increase in Scope 2 emissions. This is because we lack more detailed data on where electric vehicles are charged, so the calculations are based on the European or Nordic residual mix for the electricity consumption of electric vehicles.

CEJN takes responsibility for transportation

We reduce the climate impact of transportation by choosing a logistics partner with clear zero-emission targets. The choice of partner is based on their target of net zero carbon emissions by 2050 and investments in electric trucks, biofuels and sustainable aviation fuels. Through our partners' selection of more sustainable modes of transport, we reduce our emissions,

achieve traceability at consignment level and improve reporting without compromising on delivery precision to our customers. CEJN has also, wherever possible, chosen to use the same partner for inbound deliveries in order to further reduce emissions.

Reduced environmental impact in the daily operations of our production units in Skövde and Osby

Wind power

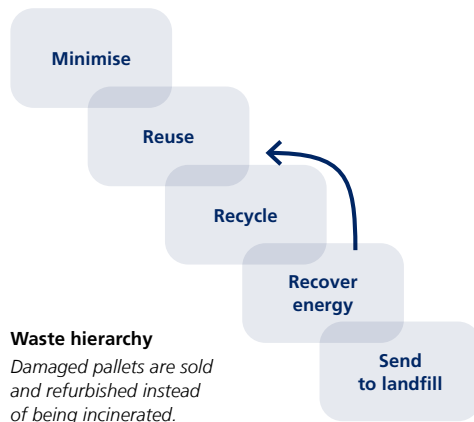
We buy green certificates for wind power electricity for our production facilities in Skövde and Osby. In this way, we contribute to the expansion of renewable energy.

Waste

We sort waste in our production facilities and staff areas. In production, we have continued to focus on sorting plastic and increasing material recycling. In 2025, this work resulted in a 35% reduction in combustible waste.

From energy recovery to reuse – two steps up the waste hierarchy

In 2025, we started a new partnership with a supplier who refurbishes damaged pallets. Single-use pallets and damaged EUR pallets are repaired if necessary and reused instead of being sent for incineration. Over three months, our wood waste sent for incineration decreased by 86%. Of the more than 300 broken pallets we sold, 93% could be reused after varying degrees of repair, the remainder being recycled for energy.



Recycling of turning tools

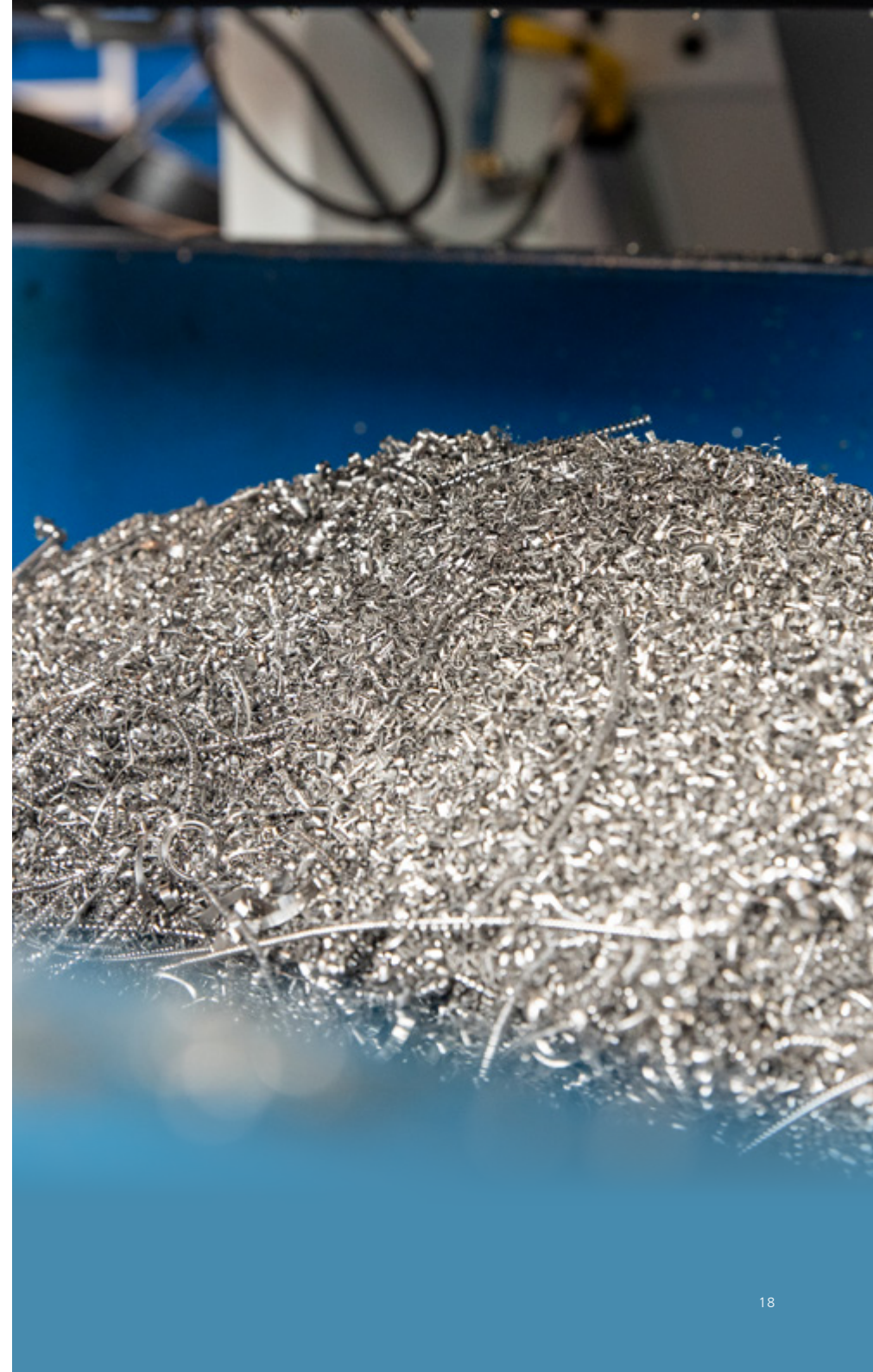
Our supplier of cutting inserts buys back used inserts and recycles them into new ones. This reduces the need for virgin raw materials in the manufacturing process. One of the components in the inserts is the rare metallic element tungsten. Recycling tungsten from the inserts reduces the need to use virgin tungsten. Our supplier certifies that their tungsten is not sourced from conflict zones, ensuring traceability and responsible raw material sourcing.

Centrifugation of metal shavings – reduced chemical consumption

To minimise chemical consumption in production, we centrifuge our metal shavings to separate them from cutting oil. Through this process, the shavings gain a higher recycling value for our supplier. The recycled oil can be reused in our machines, which means that we have reduced the consumption of cutting oil by 60%.

Training in quality and environment for all employees

All employees at CEJN in Skövde and Osby are undergoing basic environmental and quality training during 2025 and 2026. This training covers quality management, occupational health and safety, handling chemicals, environmental impact and waste management. The aim is to give all employees an equivalent understanding of our challenges and the ability to help reduce waste, sort waste and minimise the negative impact of our use of chemicals.





Sustainable business development

We create long-term value through responsible purchasing, products with a long service life and solutions that make our customers' work more efficient and safer. With quality, transparency and sustainability as our foundation, we work to ensure that every decision contributes to higher productivity and lower environmental impact.

Sustainable purchases

We carry out our purchasing work with a focus on professionalism, profitability, competitiveness, long-term viability and sustainability. The work is governed by a number of core principles that ensure that all purchases are made in a responsible and professional manner.

We choose to work with suppliers who share our core principles and who assume full responsibility both in their delivery commitment and in the business relationship. Suppliers who demonstrate high plan adherence, good target fulfilment and active work on improvements are given priority in our collaboration. Our long-term ambition is to build a stable, sustainable network of suppliers that can meet the challenges of the future and want to develop together with CEJN over time. To ensure this, we conduct regular risk assessments and audits at our suppliers' premises. The results form the basis of preventive actions that minimise risks and strengthen the robustness of our supply chain.

We create success by monitoring developments in the external environment and the market, including changes in the trading environment and regulations. We work with clear operational targets and KPIs, and ensure that our suppliers have the best possible conditions to achieve high plan adherence. At the same time, we focus on minimising deviations and risks, as well as pursuing corrective actions that address the root causes.

Together with our suppliers, we follow our Code of Conduct and ensure compliance with all the rules and requirements in our manuals and terms of business.

Our core principles for sustainable purchases

- 1 Quality first:** All goods and services we purchase must meet – or exceed – CEJN's quality requirements.
- 2 Total cost:** Purchasing decisions are based on the total cost over time, not just the purchase price.
- 3 Sustainability:** Whenever possible, we choose solutions that deliver long-term sustainability and the lowest possible environmental impact.
- 4 Transparency:** All purchasing decisions must be objective, fair, traceable and well documented.
- 5 Ethical conduct:** Employees in purchasing roles must follow our Code of Conduct and avoid conflicts of interest and situations that could affect objectivity.
- 6 Plan adherence:** Purchasing activities must always comply with applicable laws, regulations, agreements, standards and internal processes.

CEJN at our customers' premises

We manufacture safer products

Being able to trust your equipment is essential. That is why safety is at the core of our operations and all our products. With 70 years of experience and in-house product development and labs, we work continuously to minimise risks and improve performance.

Our products last a long time

CEJN as a brand is defined by high quality. Products with a long service life are essential for sustainable development. Using products that last a long time is a sustainable choice for both companies and the planet. Whatever the product in our range, we are proud to ensure a long life cycle with many operating hours. When the product's service life comes to an end, we have a well-developed range of spare parts that makes it possible to repair the product and give it more operating hours.

Improved flows

CEJN's products serve an important function by enabling different parts of customers' systems to be connected and disconnected quickly, easily and without spillage. But this comes at a cost. When a coupling is used in a flow system, energy is always required to overcome the resistance that arises.

Our products' performance, in the form of high flows and low pressure drops, results in reduced losses. We have conducted a simplified life cycle assessment, taking into account the environmental impact of the products' entire life cycle, from material consumption and manufacturing to use and recycling. The results of the life cycle assessment indicate that the performance of the products during use is the most significant environmental aspect for CEJN. Performance is always a focus area in product development in order to minimise these energy losses during operation in customer systems.

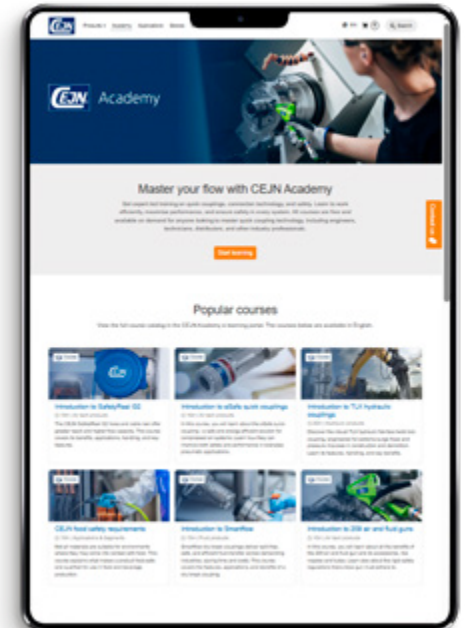
Less spillage and leakage

We have over 9,000 products in our range. Each coupling is built to last and has an important function to fulfil: to safeguard and protect the surrounding environment by enabling the safe, simple, and efficient connection and disconnection of systems – with no or minimal spillage. Our environmental impact is reduced when our customers choose hydraulic couplings that ensure that no oil spills occur, compressed air couplings that minimise energy losses, and thermal control couplings with dry-break coupling and decoupling.

We train our users

During the year, we launched an external e-learning service on our website for our distributors, partners and end users. The aim is to enhance knowledge of our products and ensure the safe use of pressurised systems and quick connect couplings. The courses have been created by our experienced engineers and is free for the user to access. We target the courses at a range of different user groups.

- **Engineers:** How flow performance and quick connect coupling technology affect efficiency, system design and safety.
- **Technicians:** Practical knowledge for the installation, maintenance and safe operation of pressurised systems.
- **Distributors:** Knowledge of products, features and technologies to effectively advise customers and recommend the most appropriate solutions.
- **Health, safety and environment officers:** Safe working methods and risk management for a variety of applications.
- **Other professionals and users:** Students, end users and anyone interested in improving their skills in pressurised systems and quick connect couplings.



CUSTOMER CASE

Göteborgs Hammarservice integrates CEJN TLX for high-performance hydraulic tools

Göteborgs Hammarservice, the general agent for Rammer in Sweden, integrates CEJN TLX couplings into their hydraulic hammers and demolition tools to ensure a reliable product with maximum uptime on the field. These couplings, recognised for their high flow capacity and resistance to hydraulic pulses, meet the increasing customer demands for a high-quality and sustainable solution.

The CEJN TLX is designed to meet the most challenging demands within the hydraulic demolition industry. Using CEJN TLX, Göteborgs Hammarservice enhances the performance and reliability of its equipment and supports its clients' sustainability goals. "Our customers, and the demolition sector overall, are working towards a more sustainable environment and thereby have an increasing demand for more green solutions from suppliers," Robin Andersson, part owner Göteborgs Hammarservice, says and continues. "With CEJN TLX, we minimise the risk of oil spillage, addressing the growing customer demand for environmentally friendly solutions."

High productivity and reliability in focus

One of the most essential things for Göteborgs Hammarservice's customers is uptime on the field. "Our customers need to be able to trust their equipment and that it is up for the task," says Andersson. "The high flow of the CEJN TLX and the outstanding resistance to hydraulic pulses ensure that the equipment operates efficiently, even under the most challenging conditions," he continues.

Andersson also pointed out that one of the most important benefits of CEJN TLX is its swivel capacity. This feature extends the lifespan of hoses and other hydraulic connections, reduces maintenance needs, and ensures smoother, more reliable operations.

Close collaboration

Göteborgs Hammarservice values its relationships with suppliers highly, recognising that support quality is as crucial as the products themselves. "Personal connection and dependable service with suppliers are vital to us, as they ensure we can provide customers with rapid delivery times and exceptional service quality," he says. "With CEJN, we have that," he concludes.



"With CEJN TLX, we minimise the risk of oil spillage, addressing the growing customer demand for environmentally friendly solutions."

Robin Andersson, part owner Göteborgs Hammarservice

A young man with short brown hair and blue eyes is wearing clear safety glasses and a black t-shirt with the CEJN logo. He is holding a black VR headset in front of him. The background is a blurred industrial setting with metal structures and machinery.

Sustainable employee engagement

Sustainable employee engagement is a fundamental prerequisite for CEJN's long-term development. We strive to be a workplace where people thrive, develop and feel secure over time, while the business grows responsibly.

Sustainable employee engagement

Work with sustainable employee engagement includes occupational health and safety, working conditions, inclusion, leadership development and skills development. Through structured and preventive initiatives, we create the conditions for engagement, accountability and a stable supply of skills.

CEJN's corporate culture is the foundation of the way we collaborate, make decisions and assume responsibility. Our common ground rules clarify expectations and behaviours in everyday life and serve as a practical support at work.

Our policies and procedures guide how we collaborate and assume responsibility. All new employees undergo a structured introduction, which includes our policies on health and safety, alcohol and drugs, discrimination and harassment, quality, and the environment. The new employee also signs our Code of Conduct and ground rules, which ensures a common understanding of responsibilities, expectations and CEJN's values.

Our ground rules

We nurture the CEJN brand

We show each other respect

We work as a team

*Today we do our best; tomorrow
we'll be even better*

Right and complete from me

We do what we say

We keep things in order





Working conditions, freedom of association and rights

Safe and fair working conditions are a natural element of sustainable employee engagement. CEJN complies with applicable legislation and collective bargaining agreements regarding forms of employment, working hours, compensation, holidays, sick leave and parental leave. Wages are paid regularly and comply with applicable legislation. In connection with the company's annual wage review, a market analysis is conducted of the wage levels in relevant industries and roles.

Freedom of association and the right to collective bargaining are respected across all operations. No employee will risk harassment or retaliation for exercising their trade union rights.

Health, well-being and a safe work environment

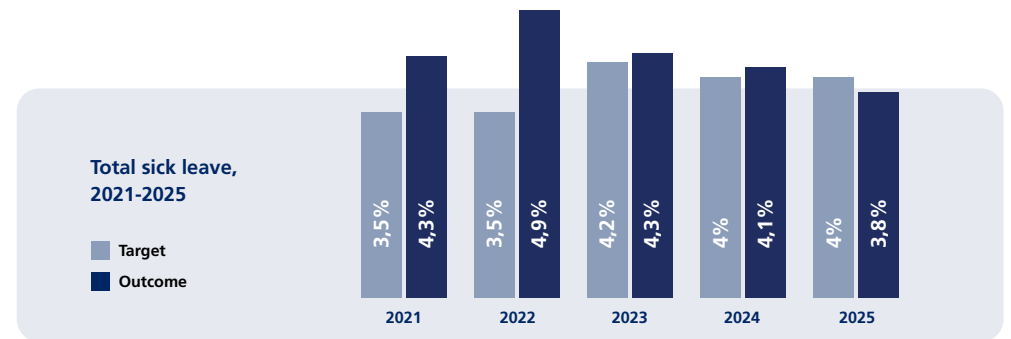
CEJN performs systematic and preventive health and safety work that encompasses both the physical and psychosocial work environment.

In 2025, total sick leave amounted to 3.78%, which is below our target of 4.0%. The long-term trend is positive and reflects our focus on preventive and health promotion initiatives. The target for 2026 is 3.5%.

To identify early signals and areas for improvement, we carry out regular employee surveys. In the 2025 survey, our eNPS was 19. The target for 2026 is to achieve an eNPS of 20.

CEJN encourages physical activity and a sense of community through voluntary well-being activities and shared challenges. During the year, employees participated in activities including various runs, the Staffetvasan cross-country skiing race and CEJN's annual golf competition. Recurring voluntary well-being challenges within the company contribute to both improved health and a stronger sense of community across departments.

As CEJN grows, the demands on the organisation increase. An employee survey on stress was conducted in 2025 and showed the need for continued work on workload, recovery and



prioritisation. From 2026, stress will be a distinctive feature of the employee appraisal, to enable individualised dialogue and early action.

Development, skills and leadership

Annual employee appraisals are a key tool for target formulation, follow-up, and development planning. CEJN has a target that 100% of employee appraisals shall be conducted each year. In 2025, the implementation rate was 99%.

Internal recruitment is encouraged in order to boost engagement and the long-term skills supply. All vacancies are advertised internally. During the year, internal training for CNC operators was offered, contributing to increased skills, internal mobility and opportunities for our employees to develop in new roles.

During 2025, CEJN appointed 21 internal temporary positions and permanent roles, four of which were leadership roles. In addition to these, eight shift supervisors were also recruited internally.

Gender equality, diversity and inclusion

CEJN does not accept any form of discrimination, harassment or victimisation. Everyone shall be treated equally regardless of gender, gender identity or gender expression, ethnic origin, religion, disability, sexual orientation or age.

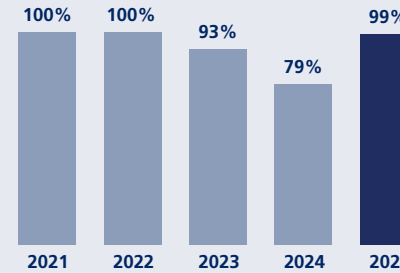
Objective and transparent processes are applied in recruitment, setting wages, promotion and skills development, and are ensured through the company's policies and procedures for discrimination and victimisation. Workplace diversity is encouraged at all levels.

The proportion of women in the organisation, including in managerial positions, shows a positive trend.

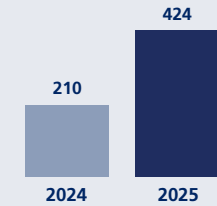
Discrimination and victimisation

Training in discrimination and victimisation is mandatory for all employees and is carried out both during the onboarding process and as regular refresher training. The focus is on interaction, responsibility, boundaries and how we perceive each other, as well as what kind of behaviour is acceptable. The training establishes a shared basic understanding and a common approach to how we interact with one another at CEJN. Our IA system enables employees to anonymously report any instances of discrimination or victimisation.

Completed employee appraisals

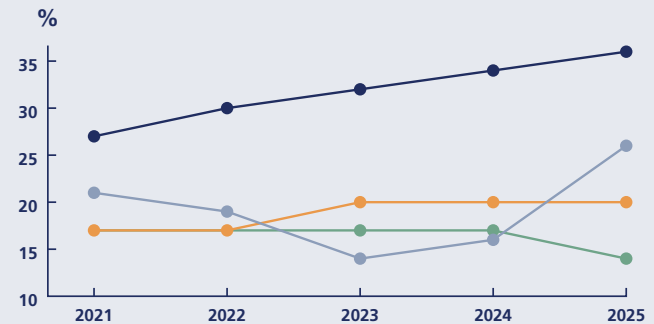


Number of reported risk observations



Women in the organisation

Share of women (%)	2021	2022	2023	2024	2025
● In the organisation	27	30	32	34	36
● Managers	21	19	14	16	26
● Management team	17	17	20	20	20
● On the Board	17	17	17	17	14



Notes

About the Sustainability Report

This sustainability report constitutes the Group's and the company's statutory sustainability report and is part of the management report for CEJN AB, organisation number 556062-4123. This year's sustainability report relates to the financial year 2025. The year 2024 serves as the baseline year for the Group's climate calculations according to the GHG Protocol. In addition to climate figures according to the GHG protocol, KPIs linked to CEJN's own targets and KPIs for sustainable development are also reported.

Throughout the report, information is presented that applies to the production sites in Sweden, CEJN AB and the Group respectively. The Group includes the parent company CEJN AB and the subsidiaries CEJN Norden AB (including subsidiary CEJN Danmark ApS), CEJN Iberica S.L, Spain, SAS C.E.J.N. France, CEJN AG, Switzerland and CEJN UK Limited, United Kingdom (including subsidiary Smartflow) and Eurotools.

Production mainly consists of metal machining and the assembly of components. Machining takes place on automatic lathes, followed by washing in an enclosed washing facility. Finishing takes place either internally, such as wet tumbling, or externally, such as hardening, surface treatment and passivation. Finished components are stored and used in the assembly of finished products, which are then distributed to customers worldwide.

CEJN AB has its main production, consisting of turning and assembly, in Sweden. There is a smaller assembly facility at the subsidiary Smartflow. Production in Sweden takes place in Skövde (turning, assembly) and in Osby (turning). Until 2025, we had a turning facility in Lönsboda. It was completely destroyed in a fire in February 2025 and was replaced in May 2025 by a production facility in Osby.

Sustainability governance

Description of materiality assessment

In 2025, a double materiality assessment (DMA) was conducted in collaboration with external expertise to identify and prioritise the sustainability issues that are most significant for our operations and our stakeholders. The purpose was to create a structured basis for decision-making on the company's future sustainability work, strategies and risk management.

The work was performed in several steps:

1. **Preparation and scoping:** The project framework was defined, relevant internal people were engaged and existing documentation, processes and data were analysed.
2. **Mapping:** We identified the actual and potential impacts of our operations, as well as risks and opportunities associated with various sustainability areas.

This was done through interviews, workshops and analyses of operational data.

3. **Stakeholder dialogue:** Conducted dialogues with our key stakeholders such as customers, employees, suppliers and representatives from the local community. By listening to their views, we gained a better understanding of which sustainability issues are most important to them and how our operations affect them.
4. **Assessment of materiality:** Each issue was assessed based on how important it is for our operations (financially, operationally, strategically) and on the impact of the operations on people and the environment.
5. **Validation:** The results were discussed and approved together with internal experts to ensure quality and acceptance.

As an important in-depth step following the double materiality assessment, we conduct our annual environmental aspect analysis in accordance with the company's established methodology. The purpose is to identify and assess the environmental aspects linked to our operations in Skövde and Osby that can give rise to significant environmental impacts – directly or indirectly, during normal operations, abnormal operations or emergencies.

Environmental aspects are identified, relevant data is collected and the operations' activities are analysed from a life cycle perspective.

Each aspect is assessed on the basis of three criteria:

- **Severity:** the severity of the impact in relation to relevant environmental targets,
- **Scope:** how widespread the impact actually is,
- **Impact level:** to what extent we can control and improve the impact.

Aspects of high weighted significance are classified as significant and prioritised in our ongoing environmental work. The results are discussed in the management team, form the basis of our environmental targets and are monitored through KPIs linked to each significant aspect.

By integrating the environmental aspect analysis into the DMA process, we obtain a coherent assessment of which sustainability issues are most critical from both an operational and environmental perspective. This makes our priorities clear and data-driven, and our efforts are directed to where the impact and opportunities for improvement are greatest.



Our key stakeholders

Our key stakeholders are customers and users, suppliers, employees, owners and the board, the local community and government agencies, and the future workforce.

- Customers and users are key to our business and expect high quality, safety, delivery precision, innovation and reduced climate and environmental impact. Relationships are strengthened through ongoing dialogue, customer surveys and technical support.
- Suppliers are crucial to the quality and sustainability of our products. They expect clear requirements, a long-term approach and good communication. In return, we specify requirements for quality, traceability, business ethics, environmental work and compliance with standards. Follow-up takes place through agreements, audits and dialogue.

- Employees are a key resource for the company's development. They expect a safe work environment, clear communication, development opportunities and an inclusive workplace. We engage in dialogue through employee appraisals, surveys, internal forums and trade union collaboration.
- Owners and the board expect operations that are sustainable and profitable in the long term, clear risk management and ethical business conduct. CEJN ensures this through continuous reporting, strategic discussions and regular follow-ups.
- Local communities and government agencies expect us to contribute to sustainable development through accountability, low local environmental impact and secure jobs. Forms of contact include supervision, networks, reporting and local activities.

- The future workforce is important for our long-term skills supply. They expect development opportunities, an attractive and safe work environment and a sustainable company. The dialogue takes place through schools, internships, study visits and recruitment activities.

Results of the materiality assessment

Overall, 9 out of 10 ESG topics have been assessed as material for CEJN.

Three topics were assessed as being material from both a consequential and a financial perspective:

- Climate change
- Consumers and end-users
- Business conduct

Topics assessed as material from an impact perspective are:

- Pollution
- Biodiversity and ecosystems
- Circular economy
- Own workforce
- Workers in the value chain
- Affected communities

Total greenhouse gas emissions, CEJN AB

CEJN AB's total climate emissions tonnes CO2e	2025	Base year: 2024
Scope 1		
Climate emissions	252	161
Scope 2		
Location-based climate emissions	535	589
Market-based climate emissions	407	360
Scope 3		
1: Purchased goods and services	30762	18970
2: Capital goods	69197	34669
3: Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	78	74
4: Upstream transportation and distribution	2743	1703
5: Waste generated in operations	18	15
6: Business travel	286	259
7: Employee commuting	713	587
9: Downstream transportation and distribution	77	66
11: Use of sold products	4511856	4493987
<i>Per year of use *</i>	266235	266686
12: End-of-life treatment of sold products	50	46
13: Downstream leased assets	0	12

	2025		2024		Comment
	% Total emissions	kg CO2eq/TSEK	% Total emissions	kg CO2eq/TSEK	
Scope 1	0.005	0.20	0.004	0.15	Our direct emissions from fuel and operations. The increase in 2025 is mainly due to a refrigerant emission resulting from leakage from a cooling system at our production facility in Skövde.
Scope 2	0.01	0.33	0.01	0.34	Purchased electricity and heating.
Scope 3 upstream	2.2	83	1.2	53	Purchased goods and services, capital goods, and transportation and distribution are the three largest categories. During 2025, we made major investments in a brand new set of machinery in Osby due to the fire in March 2025.
Scope 3 downstream	98	3663	99	4203	Use of sold products is the single largest category.

* It is important to be aware that the user scenarios are generalised estimates and the figure used for the calculations is an average of a limited number of products with a low-intensity and a high-intensity user scenario.

It should also be noted that products with a long service life result in higher emissions in this category. The products used in these scenarios have a service life of 10-20 years.

For this reason, we have also chosen to include the products' CO2 emissions per year of use.

Method for GHG calculations

This section describes methods, calculations and results obtained to determine CEJN AB's greenhouse gas emissions (GHG emissions): Scope 1, Scope 2 and Scope 3 for 2025. This inventory is part of CEJN AB's commitment to measure and manage GHG emissions. Scope 1 and Scope 2 were first calculated in 2024 for GHG emissions during the reporting year 2023. Scope 3 was first calculated in 2025 for the reporting year 2024.

2024 is used as the base year for Scopes 1-3.

Methodology and organisational boundaries

Climate impact is reported as direct (Scope 1) and indirect (Scope 2, Scope 3) GHG emissions in carbon dioxide equivalents (CO₂e) in accordance with the guidelines in the GHG Protocol Corporate Standard. CEJN AB has chosen to use operational control as a consolidation method. This means that the company reports 100% of emissions from those parts of the operations where CEJN AB has operational control. This inventory reports GHG emissions from Scope 1, Scope 2 and 11 categories within Scope 3 that have been identified as significant. The emission factors used in the calculations come primarily from public sources. Where actual data have not been available, estimates have been used.

Organisational boundaries

The CEJN AB Group includes CEJN AB, with its head office in Skövde and a production site in Lönsboda until March 2025 and, from May 2025, in Osby, as well as the subsidiaries CEJN Norden AB (including the subsidiary

CEJN Danmark ApS), CEJN Iberica S.L, Spain, SAS C.E.J.N. France, CEJN AG., Switzerland and CEJN UK Limited, United Kingdom (including subsidiary Smartflow), as well as Eurotools.

In this year's sustainability report, CEJN's companies in China, India and Australia are also mentioned. These companies are part of the CEJN Group, but are not part of CEJN AB.

GHG emissions for scope 1 and scope 2 is for CEJN AB. For Scope 3, the subsidiaries have not been included in full in these calculations. Some of the subsidiaries' emissions are included in the emissions as they are impossible to distinguish from the parent company's emissions, which is due to the way the operations are structured. Subsidiaries' emissions are deemed to have a marginal impact on the overall result, which is why they are not included in full. CEJN AB plans to include the subsidiaries' full scope of Scope 3 emissions in future calculations.

Fire in our production facility in 2025

In 2025, our production facility in Lönsboda was completely destroyed in a fire. This happened in March 2025, and in May 2025 we were able to start up our new production facility in Osby. In our ongoing GHG calculations, we have chosen to treat our change of production facility as a divestment of Lönsboda and replaced it with our new facility in Osby. We have done this to make it possible to compare our climate emissions over the years. The fire will not be relevant in our ongoing work to reduce our climate emissions. In our GHG report for 2025, we will report calculations for emissions from the fire in a separate section.

Operational boundaries

Defining operational boundaries means classifying emissions based on identified activities within the business and allocating them between Scope 1, Scope 2 and relevant Scope 3 categories.

Within Scope 1, direct emissions are reported from combustion from vehicles owned and leased by CEJN AB, as well as fugitive emissions (refilling of refrigerants).

Within Scope 2, indirect emissions are reported resulting from the use of purchased energy, namely electricity and district heating. Heating and electricity for CEJN France, CEJN Switzerland (heating and cooling only), CEJN Nordic and CEJN Denmark are included in the office rent and are therefore not reported in Scope 2, but are included in Category 8 Scope 3. The primary method for reporting Scope 2 is to use the location-based method, which does not reflect whether the choice has been made to purchase renewable energy certificates.

Within Scope 3, emissions are reported from the value chain, from sources not controlled by CEJN AB. There are 15 categories in all, divided according to activities that occur upstream (categories 1-8) and downstream (categories 9-15) in the value chain. In CEJN AB's value chain, the most significant upstream emissions come from purchased goods and services, capital goods, and fuel- and energy-related activities. Downstream, the use of sold products is the single largest category.

For CEJN AB's operations, 11 of the 15 categories were identified as relevant for calculating greenhouse gas emissions through the materiality assessment. The categories identified for inclusion in Scope 3 are shown in the table *Scope 3 categories*.

Biogenic GHG emissions

In accordance with the GHG Protocol Corporate Standard, direct biogenic carbon dioxide emissions are not included in Scopes 1-3, but are reported separately and referred to as "out of scope" (see Appendix II). These emissions arise from the combustion of biomass or biofuels.

Scope 3 categories

Category	Description
1: Purchased goods and services	This category includes emissions from direct and indirect materials and services. Data has been collected according to predefined material, service and product categories to cover relevant GHG emissions. Primary data has been obtained from the company's ERP system. Indirect materials and direct and indirect services are based on spend data. Emissions factors are mainly from public sources.
2: Capital goods	Includes capital goods divided into 4 groups: machinery, electrical and electronic equipment, IT equipment and office equipment. This is a rough cost breakdown that can be refined over time. Data is spend-based. Emission factors from public sources.
3: Emissions related to energy	Includes all upstream greenhouse gas emissions from purchased fuels and energy (development, production and transportation) in addition to those reported in Scopes 1 and 2.
4: Upstream transportation and distribution	Includes transportation and distribution of products purchased by CEJN AB between CEJN AB's tier 1 suppliers and CEJN AB via vehicles that are not owned or controlled by CEJN AB, as well as transportation and distribution services purchased by CEJN AB during the reporting year.
5: Waste generated in operations	Includes emissions from third-party disposal of waste generated in CEJN AB's operations during the year. Data is supplier-specific from waste management operators.
6: Business travel	Includes employee activities related to business travel. The majority of these activities, approx. 75%, are booked via a travel agency that reports GHG emissions for these travel activities. Spend-based data is used for business travel booked outside this agency.
7: Employee commuting	Includes employee commuting to and from work. The calculations are based on the number of employees. Public sources have been used to estimate how far employees commute and by which means of transport. General emission factors have been used.
9: Downstream transportation and distribution	Includes emissions from transport to distribution and warehousing. Outgoing transportation and distribution services purchased by CEJN AB are excluded from this category and are included instead in Category 4. Category 9 only covers emissions from transportation and distribution after the product has been sold. As there is no specific data for this category, several assumptions have had to be made.
11: Use of sold products	Includes estimated emissions from the use of the product by CEJN AB's customers over the entire life of the product. CEJN AB's products are typically integrated into systems, machinery or equipment to enable easier connection and disconnection. Adding a coupling to a system creates greater resistance compared to a straight pipe. CEJN AB has used this indirect energy resistance to calculate emissions from its products during the use phase. As the company has a product portfolio of more than 9,000 products that can vary in a wide range of business segments and areas of application, general scenarios have been created to make it possible to calculate emissions. General emission factors have been used.
12: End-of-life treatment of sold products	Includes emissions for waste management of products sold by CEJN AB at the end of their life cycle. Expected waste volumes were estimated based on data on sold quantity from the ERP system. Assumptions about the waste scenarios were based on public data.
13: Downstream leased assets	Includes emissions from operations in premises owned by CEJN AB and leased to other companies.

Environmental disclosures

CEJN AB's various subsidiaries are mainly sales companies with only a limited environmental impact, since they have no large-scale manufacturing operations. This report therefore concerns environmental conditions at CEJN AB's operations in Skövde and Osby, where our main manufacturing takes place.

Materials in our products

CEJN's products consist predominantly of metal, primarily steel and brass, which is processed by turning and then undergoes hardening and surface treatment processes in order to acquire different desired properties.

The largest part of our direct environmental impact is linked to product manufacturing. Metal working is energy-intensive and generates waste material in the form of shavings. These are collected and recycled by our waste management contractor, which enables the metal to be returned to the cycle and reduces the need for virgin raw materials.

Recycled material

Where technically and quality-wise feasible, CEJN uses materials with recycled content, such as aluminium and brass. The use of recycled material contributes to reduced resource consumption and lower environmental impact compared with primary production. For brass, we work in close collaboration with our supplier, with all shavings being returned directly to the manufacturer and transformed into new raw material.

Surface treatment

Surface treatment is used to increase the durability, anti-corrosion protection and functionality of the products. This extends the service life and reduces the need for new production. At the same time, surface treatment processes have negative environmental aspects related to the use of chemicals, energy consumption and waste. CEJN does not perform surface treatment in-house, but uses approved external suppliers. CEJN collaborate with our suppliers and ensure that the surface treatment complies with current legislation and our environmental and quality requirements.

Compliance with material and chemicals legislation

CEJN works systematically with material and chemicals issues through compliance with legislation, efficient resource utilisation and continuous improvements in material selection and production. The focus is on reducing the environmental impact from product manufacturing, ensuring compliance and gradually phasing out substances with undesirable environmental and health properties.

CEJN is subject to current material and chemicals legislation, including the EU REACH and RoHS regulations. These regulations form the basis of CEJN's work on material selection, handling chemicals and the restriction of hazardous substances in products and processes. Compliance with regulations is a basic prerequisite in operations and is integrated into CEJN's environment and quality work.

This work includes regular follow-up on suppliers' material declarations and safety data sheets, as well as requirements for traceability of input materials, components and chemicals. Chemicals used in production are included in the ongoing reporting and risk assessment. Handling is continuously improved through optimised dosing, reduced consumption and substitution where technically and in terms of quality feasible.

CEJN also monitors developments related to specifically regulated and designated substances and materials. This includes lead, PFASs and conflict minerals. This work takes place primarily through supplier requirements, information retrieval and dialogue in the value chain, with the aim of identifying risks and ensuring compliance with current and future regulations.

PFAS

CEJN continuously maps the presence of PFAS in materials, chemicals and processes. This work involves both the identification of potential hazardous chemicals in the value chain and proactive initiatives for substitution when technically and functionally equivalent alternatives are available. Through supplier requirements, material analyses and procedures, CEJN monitors the development of PFAS-related restrictions within the EU.

Conflict minerals

CEJN works to achieve a responsible raw material supply through continuous dialogue and specifying requirements for material and component suppliers in respect of conflict minerals, such as tantalum, tin, tungsten and gold (3TG). The aim is to ensure that these

materials do not contribute to armed conflicts or human rights violations. We also monitor the list of expanded conflict minerals and work continuously to obtain information in the value chain.

Towards lead-free materials: CEJN's ongoing transformation

Lead has historically been used in steel and brass alloys to improve machinability and durability, but the risks posed by the substance to health and the environment mean that EU regulations, such as REACH and RoHS, are now accelerating a clear phase-out.

Since 2020, CEJN has worked purposefully to reduce the lead content in our products and strived to switch to lead-free alternatives as far as possible. Through close dialogue with suppliers and adjustments in product design, we have reduced the lead content in our raw materials from an average of 0.36% in 2023 to an average of 0.20% in 2025. This work has resulted in large parts of our range now being lead-free.

In 2025, we essentially replaced the SS 1914 steel completely with the lead-free SS 1912 alternative. New purchases of lead material have ceased, and the remaining volumes are being used up purely by existing stock. In parallel with this, we are running a project to further phase out lead, in which alternative materials for EN14Pb and 36SMnPb are being evaluated. In addition to this, in 2025 we replaced some brass with aluminium, and going forward we will also replace brass with stainless steel, which also reduces the lead content.

The remaining materials are more technically complex and require advanced testing and development initiatives before satisfactory alternatives can be implemented. In 2026, we will continue to drive the transition through extended material testing, developed processes and technical support for our suppliers.

Energy

CEJN AB purchases wind power electricity, in order to support the expansion of renewable energy. The main electricity consumption in our business is the operation of our CNC machines. The heat is supplied from the district heating network in Skövde and Osby, respectively. This heating is mainly produced by the combustion of biofuels and waste. Energy surveys are carried out on a recurring basis and new measures are evaluated on an ongoing basis. We have implemented a number of measures on an ongoing basis to streamline our energy use. We are renewing our ventilation units, replacing windows and reviewing insulation during renovations, to name a few.

In March 2025, we were affected by a fire that completely destroyed our production facility in Lönsboda. It was replaced in May 2025 by our new production facility in Osby. The decrease in total energy consumption per revenue in 2025 is due to the loss of production capacity in the fire, resulting in a larger share of our turning operations being outsourced to suppliers.

In 2025, our total electricity consumption in Skövde increased compared with 2024, from 4,074 MWh to 4,568 MWh. This increase is mainly due to higher production volumes, as our CNC machines increased their production by 24%. We have also seen a general increase

in our assembly operations, which also increases electricity consumption. For additional figures regarding energy, please refer to the table at the end of the report.

Waste

Waste generated in our operations is sorted into different fractions, such as cardboard, wood and scrap steel, in order to maximise material or energy recovery. The waste is taken care of by authorised contractors. Our largest waste fractions consist of metal filings, detergent/emulsion, corrugated cardboard and combustible waste. These metal filings are collected and separated from any remaining cutting fluid/oil. The filings are then recycled by our waste provider. About 70% of the raw material we purchase is eventually returned into the recycling flow. Cutting fluid/oil that has been separated is reused on site. For volumes of different waste fractions, see table at the end of the report.

Transportation

We have actively selected a logistics and freight forwarding partner with a clear commitment to achieving net-zero carbon emissions by 2050. This partner accounts for approximately 90% of all freight transportation. We work closely with this partner, not only to monitor the development of their environmental work, but also to identify measures that we can implement jointly to reduce the climate impact of our transport operations.

Carbon emissions from the transport of goods can be influenced, among other factors, by the choice of transport mode. In addition to road and air transportation, we also use sea and rail transportation. In order to reduce the amount

of goods that are flown long distances, we have partly switched to rail transportation to China. The global transport market is under a lot of pressure and sensitive to disruptions, so we constantly monitor developments and evaluate new solutions on an ongoing basis.

In 2025, we monitored our carbon dioxide emissions for freight transportation, which amounted to 2.88 tonnes of carbon dioxide per SEK million sold. CEJN's strong growth has resulted in increased transport volumes, including air, to meet the need for shorter lead times. Emissions have also been affected by the fire that occurred during the year, which caused changes in logistics solutions and emergency transport operations. As part of our efforts to reduce the climate impact of air transport, we contribute to increased use of sustainable aviation fuel (SAF) through our freight forwarder.

Emissions to soil, water and air

Soil and water

Our production operations in Skövde and Osby normally generate no emissions to soil or water. There are no process effluents, only sanitary wastewater is released from the production facilities. Process water from the cleaning of machine turned components and floor-cleaning water is handled in enclosed tanks and emptied by an approved waste management contractor.

In our environmental risk analysis, we documented risks of emissions to soil and stormwater from loading/unloading of goods and waste, as well as leaks from transport vehicles. This is managed through work procedures and emergency procedures in our crisis manual.

Air

The company's contribution to air pollution is low, as no major pollutant-generating processes are used. The quality of outgoing air is also measured regularly according to the conditions stipulated in our environmental permit. The most recent measurement in accordance with the conditions of the environmental permit was carried out in 2023, and the levels of dust and oil mist were well below the limits at all measurement points. The company's cooling plants using refrigerants are regularly managed and inspected by authorised external resources. Refrigerant reports are submitted annually to the relevant supervisory authorities.

Noise

Conditions in our environmental permit and environmental declaration regulate how much noise we are allowed to emit from our facilities at different times of the day and year. Noise measurements were carried out in Skövde in 2023 and have since been updated following any changes. Noise levels are kept within the stipulated limits. There is a plan to conduct a noise measurement at our newly opened facility in Osby in due course.

Chemicals management

All chemicals used in our operations are managed in our chemicals system. There is information about how the chemicals are to be used, what personal protective equipment is needed during use and what risks exist for people and the environment. All new chemicals are evaluated with regard to risk and benefit before a decision is made to purchase them. A risk assessment is then conducted before use.

We actively work with substitution to replace existing chemicals with less hazardous alternatives.

Training

All employees at CEJN in Skövde and Osby are undergoing basic environmental and quality training during 2025 and 2026. The training covers quality management, occupational health and safety, chemicals, environmental impact and waste. The aim is to give all employees an equivalent understanding of our challenges and knowledge to help reduce waste, sort waste and minimise the negative impact from our chemicals. In 2025, 31% of our employees received training. The target for 2026 is for 95% to have been trained.

Social disclosures

Detailed procedures within the areas below mainly apply to CEJN AB. However, all CEJN companies work with general guidelines as described below.

Sustainable employee engagement

Sustainable employee engagement is a basic prerequisite for CEJN's long-term development. We strive to be a workplace where people thrive, develop and feel secure over time, while the business grows responsibly.

Work with sustainable employee engagement includes occupational health and safety, working conditions, inclusion, leadership development and skills development. Through structured and preventive initiatives, we create the conditions for engagement, accountability and a stable supply of skills.

CEJN's corporate culture is the foundation of the way we collaborate, make decisions and assume responsibility. Our common ground rules clarify expectations and behaviours in everyday life and serve as a practical support at work:

- We nurture the CEJN brand
- We show each other respect
- We work as a team
- Today we do our best; tomorrow we'll be even better
- Right and complete from me
- We do what we say
- We keep things organised

Each department is responsible for regularly working with the ground rules to ensure that they are complied with in practice. Every month, the management team highlights a selected rule in the monthly report on the intranet, which is then discussed in the various departments of the company.

Our policies and procedures provide guidance in how we collaborate and assume responsibility. All new employees undergo a structured introduction, which includes our policies on health and safety, alcohol and drugs, discrimination and harassment, quality, and the environment. Our Code of Conduct and ground rules are also signed by the new employee to ensure understanding and accountability.

Working conditions, freedom of association and rights

Safe and fair working conditions are a natural element of sustainable employee engagement. CEJN complies with applicable legislation and collective bargaining agreements regarding

forms of employment, working hours, compensation, holidays, sick leave and parental leave. Wages are paid regularly and comply with applicable legislation. In connection with the company's annual wage review, a market analysis is conducted of the wage levels in relevant industries and roles.

CEJN operates within the framework of the Swedish model, in which conditions in the labour market are largely regulated by collective bargaining agreements between employers and trade unions. CEJN is a member of Teknikarbetsgivarna. Membership means that the company is bound by collective agreements with IF Metall and with Unionen, Sveriges Ingenjörer and Ledarna. The company has established collaboration with these two active trade unions, which are also represented on the company's Board of Directors. All major changes in operations are negotiated in accordance with applicable regulations.

Freedom of association and the right to collective bargaining are respected across all operations. No employee will risk harassment or retaliation for exercising their trade union rights. CEJN is a workplace free of political and religious influence, and the company's name or assets may not be used for political or religious purposes.

Health, well-being and a safe work environment

CEJN undertakes systematic and preventive health and safety work that encompasses both the physical and the psychosocial work environment. The work is integrated into the operations and monitored through established KPIs.

In 2025, total sick leave amounted to 3.78%, which is below our target of 4.0%. The long-term trend is positive and reflects our focus on preventive and health promotion initiatives. The target for 2026 is 3.5%.

Sick leave	Target %	Outcome %
2021	3.50	4.29
2022	3.50	4.94
2023	4.20	4.34
2024	4.0	4.13
2025	4.0	3.78
2026	3.5	

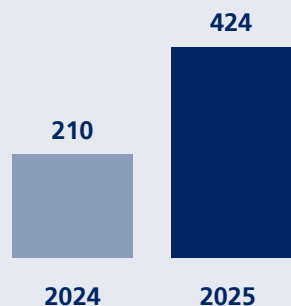
Systematic health and safety work

Responsibility for occupational health and safety is formally delegated within the organisation. This means that responsibilities and authorities are clearly assigned between different managerial levels, with requirements for knowledge, follow-up and action within each person's area of activity. This structure ensures that health and safety work is undertaken close to operations and integrated into day-to-day activities.

Health and safety incidents

Risks, near-accidents and accidents are reported in the IA system by all employees. The IA system is a digital tool that enables systematic management, traceability and analysis of health and safety-related incidents. All cases are followed up and addressed by the relevant manager or other designated function in accordance with the organisation's health and safety structure. All new employees are trained in the system to understand early on how reporting and follow-up take place. To enhance

Number of risk observations reported per year



our preventive health and safety work and systematically reduce risks, management set a target for 2025 of registering a total of 300 risk observations, which was exceeded with a total of 424 registered risk observations. This is very positive and is an area where we will endeavour to continue focusing our efforts.

Safety committee and safety inspections

The safety committee and safety inspections are an integrated part of our formal collaboration between employer and employee representatives. The safety committee meets regularly to address overarching issues related to the work environment, health and safety, follows up on escalated cases and decides on prioritised actions.

Safety inspections are conducted in accordance with the established structure together with the relevant manager and health and safety officer, where both the physical and psychosocial working environment are reviewed. Identified

risks, actions and follow-up are documented and administered in the IA reporting system, which ensures traceability, clear accountability and systematic follow-up over time. CEJN conducts safety inspections four times a year in production and twice a year in offices, together with the health safety officer and the relevant manager.

Health

Statutory medical check-ups are carried out regularly in accordance with the applicable occupational health and safety legislation and associated regulations. For some chemicals, the requirements also include training for employees who are at risk of exposure at work. Voluntary health examinations give employees the opportunity to monitor their state of health over time, increase awareness of their lifestyle and create good conditions for long-term health and well-being. CEJN also offers wellness benefits, access to massage therapy outside working hours and an annual flu vaccination. Work with ergonomics takes place in close and continuous collaboration with the occupational healthcare service and includes regular reviews, advice and adaptations in both production and office environments. We offer our employees access to a nurse from the occupational healthcare service at the workplace once a month. This provides an easy and convenient way to get medical help or advice, whether it concerns work-related or private problems.

Alcohol and drugs

When new employees are hired, a health examination is conducted, which includes alcohol and drug tests. In addition, random tests are

conducted annually on 20% of employees.

An alcohol- and drug-free work environment is a fundamental prerequisite for safety, quality and trust in our operations. The tests are part of our preventive health and safety work and aim to reduce the risk of accidents, near-accidents, and ill health. In an operation where work is performed in production and using technical equipment, keen attention and good judgement are crucial, not only for the individual, but also for the safety and well-being of all employees. This work is based on clear guidelines and undertaken with due respect for personal privacy. If necessary, support and rehabilitation are offered in collaboration with the occupational healthcare service.

Crisis management

Crisis situations are handled in a structured and systematic manner through our crisis team, which is composed of people with different key functions. The group follows clear guidelines that are documented in our crisis manual and are easily accessible to all employees via the company's intranet. The guidelines describe how different crisis situations are to be managed and who is responsible for each action.

The onboarding of new employees includes training in fire safety, with both theoretical and practical elements, to ensure that everyone knows how to respond in the event of fire or emergencies. In addition to this, we have continuous training in CPR and first aid to ensure that the company always has the right skills available in acute situations.

Balance, rehabilitation and preventive work

To capture signals and areas for improvement at an early stage, we conduct regular employee surveys. In the 2025 survey, our eNPS was 19. The target for 2026 is to achieve an eNPS of 20. Every two years, the employee surveys also include workshops in each department, at which the departments choose different focus areas for improvement. On CEJN's intranet, there is also access to relaxation exercises and aids for managing stress at work.

As CEJN grows, the demands on the organisation increase. An employee survey on stress was conducted in 2025 and showed the need for continued work on workload, recovery and prioritisation. The results have been followed up through dialogue at department level and form an important basis for continued health and safety work. From 2026, the dialogue on stress will be a distinctive feature of the employee appraisal to enable an individualised dialogue and early action. CEJN sees this as a prioritised development area and continues to work on preventive measures, clearer structures and enhanced leadership in order to ensure a sustainable workload even in a growing organisation.

Collective bargaining agreements regulate working hours and leave in a way that creates conditions for recovery and a healthy work-life balance. We work actively with a dialogue about workload and priorities. All employees also have the opportunity to rent the company's holiday cottages, which can facilitate the planning of leave and recovery.

Workplace accommodation is a collective term for all measures of a medical, psychological, social and work-related nature that are intended to help the sick and injured recover the best possible functional capacity and conditions for a normal working life. If rehabilitation or workplace accommodation is needed, individual rehabilitation plans are drawn up in collaboration with the employee, manager, HR and occupational healthcare service. The aim is to ensure prompt action, clear planning and a sustainable return to work.

CEJN encourages physical activity and a sense of community through voluntary well-being activities and shared challenges. During the year, employees participated in activities including various runs, the Staffetvasan cross-country skiing race and CEJN's annual golf competition. Recurring voluntary well-being challenges within the company contribute to both improved health and a stronger sense of community across departments. CEJN also offers exercise sessions during breaks, which provide a voluntary pause from work in which employees have the opportunity to move, which promotes mobility, ergonomics and health.

Sponsorship of associations

CEJN contributes to the local community through structured sponsorship of associations in the local area. Within the framework of staff sponsorship, the company supports ten associations every year. Employees can apply for sponsorship of associations where they or their children are active members, which promotes engagement and participation in local associations. In addition to staff sponsorship, CEJN supports additional associations in the local area. As a feature of these collaborations, employees are given the opportunity to borrow tickets to selected events, such as games, which contributes to greater accessibility and a stronger sense of community.

Development, skills and leadership

Continuous learning is crucial for the development of both the individual and the organisation.

Annual employee appraisals are a key tool for setting targets, follow-up and planning development. CEJN has a target that 100% of employees will have their appraisals each year. The implementation rate in 2025 was 99%. Follow-up meetings are also held annually to follow up on the targets set in connection with the employee appraisal.

Completed employee appraisals	%
2021	100
2022	100
2023	93
2024	79
2025	99

Development of our employees

Internal recruitment is encouraged in order to boost engagement and the long-term skills supply. All vacancies are advertised internally. During the year, internal training for CNC operators was offered, contributing to increased skills, internal mobility and opportunities for our employees to develop in new roles. The work is supplemented with succession planning in order to secure key skills for the future. During 2025, CEJN appointed 21 internal temporary positions and permanent roles, of which four were management roles. In addition to these, eight shift supervisors were also recruited internally.

CEJN runs a talent development programme with the aim of boosting the internal skills supply and long-term leadership development. The programme is aimed at selected employees and focuses on developing leadership, self-awareness, personal responsibility, and increased understanding of the operation. CEJN is the programme owner and also invites other companies in the local area to participate, which creates a platform for the sharing of experiences and gives a boost to collaboration within the local business community. The programme includes practical elements and developmental challenges that enhance the ability of participants to manage conflicts, communicate effectively, and seize the initiative. Participants are given the opportunity to apply new skills in their current roles while preparing for future career and leadership roles within the organisation. The third round of the programme was completed during 2025, and a new round started at the end of the year.

Our LMS system (Learning Management System), CEJN Academy, is used for both internal and external training, and was expanded during the year with new courses. The system enables continuous skills development, flexible learning and follow-up on courses completed, which enhances the knowledge and skills of both employees and customers when it comes to our products and work processes. So far, the focus has been on product knowledge courses for our salespeople.

Our leadership

Leadership is crucial for sustainable employee engagement. CEJN offers continuous leadership development by such means as peer mentor training, shift supervisor training, training in difficult conversations and training in HR processes for new managers. In 2025, the managers' café was established as a regular forum for sharing experiences and joint development between managers in the organisation. CEJN organises annual leadership days where the organisation's managers gather to share experiences and engage in networking and skills development. During these days, the managers participate in interactive activities and workshops aimed at strengthening leadership, decision-making and collaborative skills. The leadership days also provide a forum for sharing good examples, reflecting on challenges and discussing strategic issues, all of which contributes to more unified, stronger leadership throughout the organisation.

Onboarding for new employees

All new employees undergo a structured onboarding programme that covers issues including our policies on occupational health and safety, alcohol and drugs, discrimination and harassment, quality and the environment. Our Code of Conduct and ground rules are also signed by the new employee to ensure understanding and accountability.

As part of CEJN's onboarding process, employees in relevant positions participate in targeted information sessions and undergo position-specific training courses, such as Lean and thermoset plastics, based on the needs of the operation and health and safety risks identified. All new employees, regardless of role, also undergo mandatory training in quality and the environment, data protection (GDPR) and the company's guidelines for equal treatment and prevention of discrimination and victimisation. The purpose is to establish a common understanding of the company's values, governance documents and working methods at an early stage, and to provide new employees with good conditions for safe, developmental and responsible employee engagement.

Supported employment

For several years, CEJN has collaborated with the municipal employment service to create opportunities for individuals who are further from the labour market. Through this collaboration, these individuals are given the opportunity to work with our products at the facilities of the municipal employment unit and

develop their skills. In 2025, we completed a successful recruitment through the unit, and the collaboration will continue in 2026 to identify candidates who can contribute to our operations, while we also provide support to individuals who may be further from the labour market. We also have help from employees at Skövde Municipality in our premises at CEJN, where they perform simpler tasks in one of our assembly departments. In addition, we have a partnership with Samhall, through which we hire labour from people who have spent a long time outside the labour market.

Gender equality, diversity and inclusion

CEJN does not accept any form of discrimination, harassment or victimisation. Everyone shall be treated equally regardless of gender, gender identity or gender expression, ethnic origin, religion, disability, sexual orientation or age.

Objective and transparent processes are applied in recruitment, setting wages, promotion and skills development, and are ensured through the company's policies and procedures for discrimination and victimisation. Workplace diversity is encouraged at all levels.

Discrimination and victimisation

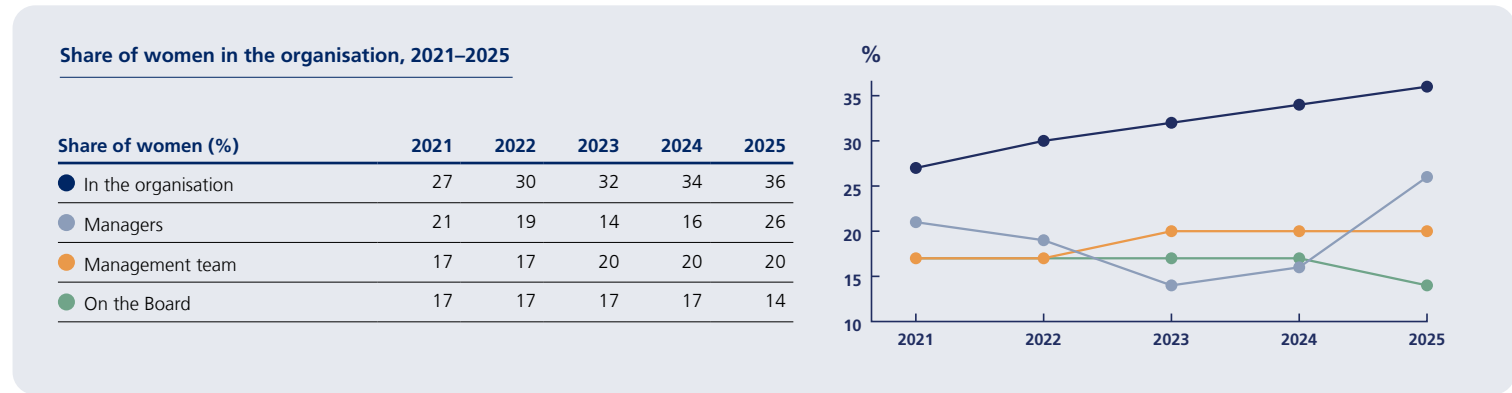
Training on discrimination and victimisation is mandatory for all employees and is carried out both during the onboarding process and as regular refresher training every five years. The course lasts three hours and aims to clarify the Swedish Discrimination Act, the part of the Swedish Work Environment Act that deals with victimisation and the company's guidelines.



The course combines theoretical presentations with discussions and exercises to raise awareness of how these issues can arise in everyday life at the workplace. The focus is on interaction, responsibility, boundaries and how we perceive each other, as well as what kind of behaviour is acceptable. The training programme establishes a common basic understanding and a uniform view of how employees should relate to each other within the organisation.

Both employees and external workers can use our IA system to anonymously report any cases of discrimination or victimisation; the events are only visible to the HR Manager. All incidents reported are investigated and addressed promptly. Employees are informed about this function during their onboarding programme. Through our discrimination procedure, employees are also encouraged to contact their manager, health and safety officer or HR and report if they experience or see any instance of discrimination or victimisation. Persons who report violations do so in good faith and will not be subject to retaliation.

This work is undertaken in a structured manner through clear procedures, training initiatives, regular follow-up and a special anti-discrimination group. The group consists of both employer and employee representatives, and meets during the year for meetings and accessibility inspections. The purpose is to ensure that our operations meet the requirements for active measures in accordance with the Swedish Discrimination Act and to take preventive and proactive measures to combat



discrimination. Operations are mapped and analysed in accordance with legislation. The anti-discrimination group follows up on how the work is proceeding in practice and assesses how well the company meets the requirements of the Act in five areas: working conditions, regulations and practices on wages and other employment conditions, recruitment and promotion, training and other skills development, and the opportunity to combine work and parenting. This work covers all seven grounds for discrimination. The group then discusses the measures that have been implemented since the last meeting, and decides on the measures that are to be introduced.

Accessibility for all to our premises

Accessibility is an integral feature of CEJN’s systematic health and safety work. Each year, specific funds are allocated to accessibility measures with the aim of creating an inclusive and accessible work environment for all employees. In 2025, the anti-discrimination

group conducted accessibility inspections, which resulted in several improvements and identified additional needs, including with regard to physical accessibility, signage, and alarm and security solutions. Where full accessibility cannot yet be ensured, alternative solutions are offered. All toilets are fitted with fully functional alarms, and rest rooms have been furnished and adapted to give employees the opportunity to rest when needed. In connection with renovation works, accessibility aspects are always taken into account in accordance with applicable regulations.

Fire-protected evacuation points (so-called areas of refuge) have been established for people with reduced mobility. These locations allow people such as wheelchair users to wait for help from the emergency services in the event of a fire, when lifts cannot be used. These measures ensure a safe, inclusive and accessible work environment for all employees.

Gender equality

The proportion of women in the organisation, including in managerial positions, shows a positive trend. Work to increase gender equality and diversity continues at all levels.

In accordance with the Swedish Discrimination Act, we conduct an annual wage survey that covers all employees. The purpose is to ensure that there are no unfair pay differences, especially between women and men performing equal or equivalent work. The survey involves a systematic review and analysis of wages, and is conducted in collaboration with trade union representatives. Any differences are identified, addressed and followed up as part of our continuous work on gender equality.

Governance disclosures

Responsible purchasing

CEJN's purchasing is based on transparency, quality, total cost and sustainability for both people and the environment. Employees in the purchasing department must be objective, ethical and comply with laws, agreements and internal processes when deciding on suppliers. CEJN selects suppliers who share our values, take social and environmental responsibility, are transparent, and pursue stable, long-term relationships.

Supplier collaborations are seen as partnerships in which we jointly drive improvements in quality, environment and delivery through structured follow-up and proactive activities. The work is coordinated by standardised processes and the prioritisation of sustainable alternatives. The requirements include that our suppliers have well-developed management systems, transparency, a documented process for quality and environment, and work on continuous improvements. Our target is a flexible, resilient and competitive supplier network that grows together with CEJN around the world.

CEJN's purchasing process is divided into two different functions; strategic purchasing, which manages the commercial part of the business, handles contracts and scouts for new suppliers based on the needs of the operation and market intelligence, and SQA (Supplier Quality Assurance), which performs supplier assessments/audits, pursues supplier development, handles complaints and follows up on suppliers' outcomes based requirements specified by CEJN.

Managing risks in the supply chain

From a supplier perspective, CEJN uses a monthly risk index called QPM (Quality Performance Measure), in which each supplier is assessed on the basis of a weighted value consisting of PPM, number of deviations, cost of complaints and severity of deviation. This index is then used as a basis for prioritising which suppliers there needs to be more focus. The model combines qualitative risk factors and makes the analysis comparable between suppliers and over time.

Risk work with suppliers includes regular assessments and audits of factors including quality outcomes, capacity, geography and process maturity. SQA prioritises working with high-risk and critical suppliers, and uses action plans to prevent any disruption.

In addition to assessing risk and outcome for each supplier, an overall risk assessment is also conducted for each purchasing category in order to assess whether there are internal or external risks that need to be managed and followed up.

To ensure that suppliers are given the right conditions to succeed, there are also contract reviews for components before start-up, where the requirements for the items in question are reviewed, and CEJN provides a supplier manual and a packaging manual.

Development of purchasing during 2025

As CEJN grows and has more imports from Asia, we have reinforced due diligence with country risk indexes, governance assessments and more frequent audits. The requirements are updated in line with new requirements such as CBAM and reporting requirements for climate emissions and substance content. More automated data flows and dashboards enable scalable, risk-based follow-up. We have also increased the number of employees who work on supplier follow-up. There have been reinforcements both in Sweden and in our operations in Asia. This enables us to work proactively with suppliers to reduce risks.

During 2025, CEJN updated its Supplier Code of Conduct (SCoC), which is aligned with international frameworks such as the UN, ILO, OECD and the Paris Agreement and sets requirements for ethics, working conditions, environmental responsibility and business integrity. Non-compliance can result in stricter monitoring or termination of a collaboration. Our SCoC must be signed by all our strategically important suppliers. During 2025, 49% of them signed it, and our work continues to achieve the target of 100%.

A new supplier evaluation template was implemented during the year. This compiles, among other things, each supplier's strategic significance, QPM index, results from audits, risks linked to sustainability and quality, and country risks based on, among other things, the ITUC Global Rights Index, CPI (Corruption Perceptions Index) and WGI (World Governance Index). Measures are decided on the basis of which rating each supplier achieves.

Environmental requirements for suppliers

Strategic suppliers must have or work towards ISO 9001 and ISO 14001 certification or similar. We also strive for our suppliers to have a sustainability rating, such as EcoVadis.

Our suppliers must follow and document their compliance with defined environmental standards in accordance with legislation such as REACH, RoHS, WEEE, TSCA, Prop 65, POP, halogen and PFAS restrictions. Suppliers must have procedures for handling chemicals, emissions, waste and incident preparedness, as well as complete substance transparency. We encourage circular material flows, energy efficiency improvements and CO2 reporting at article level.

Audits

An annual audit plan is established in which strategic suppliers are to be audited according to a defined schedule. The audit plan is then supplemented with suppliers who are deemed to have significant risks. In addition to the planned audits, audits are also conducted as required if a supplier is deemed to be deviating from CEJN's requirements. A risk-based audit plan ensures compliance with requirements in terms of quality, environment, legislation and the Code of Conduct.

In 2025, 22 audits were conducted at our suppliers' premises. Most of the suppliers were approved. In connection with the audit, action lists are drawn up with suggested activities for the suppliers to implement. The activities are divided into three categories: deviation from CEJN requirements, suggested improvement and observation.

New suppliers

New suppliers must complete a self-assessment in the form of a questionnaire, sign the SCoC and also be assessed on site by SQA before they can start delivering to CEJN.

Internal training in purchasing

Internal training courses are held for employees to increase awareness of the impact of purchasing on CEJN. The purpose is to create a common understanding of responsibilities and authorities, and also of the processes and regulations that are to be observed when purchasing both direct and indirect materials and services. CEJN's Supplier Code of Conduct is integrated into the course to enhance knowledge of the requirements when selecting suppliers, risk assessments, the meaning of total cost, anti-corruption and the requirements for correct documentation in order to ensure transparency and traceability.

The course was held once in 2025, with thirteen participants. The course is planned to take place on two occasions in 2026.

Respect for human rights

Within its entire sphere of interest, CEJN supports and respects the protection of international human rights, and ensures that it does not engage in or could be suspected of engaging in any form of violation of these rights. CEJN achieves this by continually communicating, supporting and spreading awareness of the importance of these issues to all employees and stakeholders.

Anti-corruption

CEJN's contacts with business partners shall always be characterised by fairness and good business acumen, where each individual employee is to be regarded as a carrier of the CEJN brand.

CEJN and its representatives shall not offer customers, prospective customers, suppliers, governments, authorities or any of its stakeholders any rewards or benefits that conflict with applicable laws or reasonable and generally accepted business practices or ethical practices.

Employees of CEJN may not accept payments, gifts or other types of remuneration from a third party, which may affect or appear to affect the objectivity of their business decisions. Employees at all levels of CEJN shall conduct their private, other external activities and financial interests in a manner that does not conflict or appear to conflict with CEJN's interests.

Awareness of the issues surrounding corruption and the approach within CEJN is disseminated to each individual employee through training and continuous information.

Each new employee at CEJN whose job involves some form of contact with suppliers undergoes documented basic training in purchasing, and about the attitudes and regulations in force at the company specifically regarding combating corruption, and the avoidance of subjectivity and special interests in various purchasing issues.

If a suspected or obvious conflict of interest arises in these areas, it must be reported immediately by the person concerned to their line manager. If a report is made, an investigation will need to be launched and an action plan drawn up. In cases where the results indicate a clear breach of these rules, this may lead to termination of employment, dismissal and/or a police report.

All employees in Sweden have signed to acknowledge that they have read and understood the Code of Conduct. During the onboarding of new employees, these documents are reviewed and the new employee signs the documents. During 2025, a Code of Conduct for our global sales companies was developed and communicated to all sales companies.

No cases of corruption or bribery were reported to the company during the year.

Whistleblowing

CEJN strives for an open culture in which any issues of misconduct can be raised through dialogue. For serious misconduct, there is a third-party whistleblowing service that enables anonymous and accessible reporting without the risk of retaliation. The whistleblowing service can be accessed via our website www.cejn.com.

Whistleblowing means that someone raises the alarm that misconduct is happening, will happen or has happened in a work-related context within the operation and there is a public interest in bringing this to light.

CEJN's whistleblowing policy specifies how employees or other stakeholders who have reason to complain about misconduct can act safely and securely without breaching the duty of loyalty in their employment contract or being subjected to labour law measures or other negative consequences.

Quality

The quality of our products and services shall be world-class in their respective industries and meet our customers' requirements and expectations. Zero errors and the "Right from Me" principle should apply in all areas. Safe, energy-efficient and fault-free products with a long service life contribute significantly to sustainable development.

We assume great responsibility for our product even after it has left our operation, and if a problem arises with a customer, we conduct a thorough investigation to identify the cause and ensure that correct action is taken. This work is based on close collaboration between our sales companies, the customer, our complaints department and our product development department, and is a prerequisite for continuing to maintain high quality in our products and to meet customer requirements and expectations.

Certifications

CEJN company	Country	Certification
CEJN AB	Sweden	ISO 9001, ISO 14001
CEJN Fluid Systems	China	ISO 9001, ISO 14001
CEJN Australia Pty Ltd	Australia	ISO 9001
CEJN UK Ltd	UK	ISO 9001
CEJN Products India Private Ltd	India	ISO 9001, ISO 14001

Certification in occupational health and safety

Sweden has well-developed occupational health and safety legislation, in which the Swedish Work Environment Act, associated regulations from the Swedish Work Environment Authority, combined with the Swedish model of industrial relations with strong trade unions and collective bargaining agreements, define clear frameworks for systematic health and safety work. Much of what ISO 45001 requires – such as risk assessments, organisational responsibility, employee dialogue and continuous follow-up – is already integrated into Swedish legislation through systematic health and safety work.

In 2025, CEJN AB conducted a gap analysis in respect of ISO 45001. ISO 45001 complements our existing requirements by structuring the work in accordance with an internationally recognised management system model and by clarifying the link to business governance and strategic targets. We plan to achieve ISO 45001 certification during 2027. We believe that the combination

of Swedish legislation, collective bargaining agreements and ISO 45001 creates a robust and transparent basis for ensuring a safe, healthy and inclusive work environment.

Personal data processing – GDPR

CEJN AB prioritises the protection of personal data and the individual's right to privacy. We comply with the EU General Data Protection Regulation.

We work continuously on issues including:

- Documentation of personal data processing, as well as the maintenance and retention review of data.
- Established procedures for incident management.
- Established procedures for register extracts, rectification and erasure of personal data.
- Mandatory GDPR training for all new employees.

Policies

Policy	Adopted by	Applies to
Code of Conduct	CEO	CEJN AB Skövde and Osby
Supplier Code of Conduct	CEO	CEJN AB Skövde and Osby
Environmental and Sustainability policy	Group President	CEJN Group
Quality Policy	CEO	CEJN AB Skövde and Osby
Health and Safety Policy	CEO	CEJN AB Skövde and Osby
Skills Development Policy	CEO	CEJN AB Skövde and Osby
Rehabilitation Policy	CEO	CEJN AB Skövde and Osby
Alcohol and Drug Policy	CEO	CEJN AB Skövde and Osby
Recruitment Policy	CEO	CEJN AB Skövde and Osby
Anti-Discrimination Policy	CEO	CEJN AB Skövde and Osby
Victimisation Policy	CEO	CEJN AB Skövde and Osby
Fire Safety Policy	CEO	CEJN AB Skövde and Osby
IT Security Policy	CEO	CEJN AB Skövde and Osby
Personal Data Policy	CEO	CEJN AB Skövde and Osby
Purchasing Policy	CEO	CEJN AB Skövde and Osby

CEJN sustainability data

The data in this table refers to CEJN's operations in Sweden

	2024	2025	
Use of energy			
Renewable energy (MWh)	Electricity	7423	6323
	District heating	1095	1186
Volume energy generated in-house (MWh)	Electricity from solar panels	n/a	251
Total energy use (MWh)		8518	7760
Energy intensity (MWh/unit of revenue TSEK)		0.009	0.007
Water usage			
Total water consumption (m3)		3580	3861
Waste			
Total non-hazardous waste (tonnes)		985	1249
	Metal filings	826	1107
	Corrugated cardboard	43	53
	Plastic	5.5	5.8
	Wood	46	36
	Combustible waste	57	37
Total hazardous waste		162	198
	Detergent/emulsion	160	191
	Waste oil	0.65	1.72
Employees			
Total employees	Total	482	560
	Men	321	344
	Women	161	216
Number of employees per form of employment	Permanent employment	431	470
	Temporary employees	51	90
	On-call employees	6	14
Number of employees by age	Below 30	125	199
	30–50	194	201
	Over 50	163	160
Number of non-employees (consultants)		14	17
Staff turnover (%)		2.25	1.7
Employees covered by collective bargaining agreements (%)		100	100
Sick leave (%)		4.13	3.83
Employee satisfaction (eNPS)		21	19

	2024	2025	
Gender equality (number)			
Board	Women	1	1
	Men	5	6
Management team	Women	2	2
	Men	8	8
Other managers	Women	6	9
	Men	28	27
Health and safety			
Accident frequency*	LTIR (Lost Time Injury Rate)	1.39	1.55
	LTIFR/LTIF (Lost Time Injury Frequency)	6.94	7.74
	TRIR (Total Recordable Incident Rate)	15.83	18.31
	TRIFR (Total Recordable Injury Frequency)	79.13	91.55
Number of health and safety incidents	Total accidents	65	83
	Accidents resulting in absence	6	6
	Near-accidents	77	131
	Risk observations	210	424
	Occupational illness	1	1
Deaths caused by work-related injuries and work-related ill health (number)		0	0
Governance			
Convictions or fines for the business (number)		0	0
Environmental sanctions imposed (number)		0	0
Number of strategic suppliers		59	74
Average score in supplier evaluation for strategic suppliers	5 best - 1 worst	n/a	3
Number of supplier audits in 2025		20	22
Average score from audits conducted	0-100, 70 = meets CEJN min. requirements	83.2	82.2
Proportion that have signed the Supplier Code of Conduct for strategic suppliers (%)		n/a	49
Proportion of strategic suppliers with ISO 14001 (%)		n/a	68
Proportion of strategic suppliers with ISO 9001 (%)		n/a	80
Proportion of strategic suppliers with ISO 45001 (%)		n/a	11

* The company works systematically to prevent accidents and near-accidents. For example, all forklift truck traffic in the entire assembly area has been removed and we strive to have 0 accidents resulting in sick leave. During 2025, we brought a very large proportion of new employees into the company, which in itself increases the risk of accidents. The onboarding of new employees will be further enhanced during 2026.

The Board of Directors on the sustainability report in accordance with the Swedish Annual Accounts Act

This sustainability report constitutes the Group's and the company's statutory sustainability report and is part of the management report for CEJN AB, organisation number 556062-4123.

The sustainability report contains CEJN AB's information on the key elements necessary for understanding the company's development, position and results, as well as the impacts of its operations, including disclosures on matters relating to occupational health and safety, social conditions, personnel, respect for human rights and anti-corruption.

The Board as a whole confirms, to the best of its knowledge and belief, the following:

- The sustainability report has been prepared in accordance with the Swedish Annual Accounts Act.
- The sustainability report contains no material misstatements, no material omissions and all information is consistent with the content of the annual report and consolidated financial statements.

The sustainability report was signed by the Board in Skövde on 13 May 2026

Arne Cederqvist, Chairman

Marcus Allerbjer, Chief Executive Officer

Inger Landgren, Member

Johan Nyberg, Member

Kenneth Kjellberg, Member

Olle Zachs, Employee representative

Patrik Olsson, Employee representative

Auditor's opinion

The auditor's opinion on the statutory sustainability report.

To the Annual General Meeting of CEJN Aktiebolag, org. no. 556062-4123

Mandate and division of responsibilities

The Board of Directors is responsible for the sustainability report for 2025 and for ensuring that it is prepared in accordance with the Swedish Annual Accounts Act in accordance with the older wording in force before 1 July 2024.

Focus and scope of the review

Our review was conducted in accordance with FAR's recommendation RevR 12 *The auditor's opinion on the statutory sustainability report*.

This means that our review of the sustainability report has a different focus and a significantly smaller scope compared to the focus and scope of an audit in accordance with the International Standards on Auditing and generally accepted auditing practice in Sweden. We believe that this review provides a sufficient basis for our opinion.

Opinion

A sustainability report has been prepared.

Skövde, 13 May 2026

Ernst & Young AB

Damir Matésa

Authorised public accountant



For more information about CEJN's sustainability report, please contact environment@cejn.com.