



# SUSTAINABILITY REPORT 2023



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Inducore AB (556546-6835) presents its Sustainability Report for 2023. It covers all entities included in the consolidated financial statements and reflects our performance during the period 1 January – 31 December 2023. This, our first sustainability report, has been prepared in accordance with GRI Foundation 2021 and the Annual Accounts Act. The Sustainability Report has been approved by the Board of Directors and reviewed by the company's auditor Öhrlings PricewaterhouseCoopers AB. For questions about the Sustainability Report, please contact Monica Sundell, [monica.sundell@gehab.com](mailto:monica.sundell@gehab.com)

# Inducores

## Focus areas

**12** **Diversity & Inclusion**  
Engaged and motivated employees

**16** **Safe and secure workplace**  
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**21** **Sustainable transport**  
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### UN Sustainable Development Goals



Our goal is to contribute to the goals of Agenda 2030 in all our activities, but with a focus on the highlighted goals above. These goals are linked to our focus areas, and it is in these goals that we have the greatest opportunity to make the biggest difference.

# This is Inducore

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## Family business

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Inducore is a privately owned industrial group founded in 1997. Today, the group consists of a total of 17 companies with operations spread over three different business areas: Components, Truck Bodies and System Solutions. We operate in four countries (Sweden, Poland, China and Norway) with dealers all over the world. The family spirit and strong focus on our employees are evident throughout the Group.



## Businessidea'

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As an industrial group, we contribute to strengthening the competitiveness of Swedish industry globally through reliable deliveries and high quality. We create customer value through strong entrepreneurship, a long-term approach and efficient processes.

## Values



### Entrepreneurship

We encourage an entrepreneurial approach – it's basically about taking your own initiatives and seeing opportunities for improvement and development. Through genuine entrepreneurship, new ideas and constant development are created that ensure that our customer always gets the best solution.



### Long term

We encourage a long-term approach where our customers and other stakeholders feel confident that we have the strength to act in the market for a long time. It is about taking advantage of our employees' knowledge and commitment, which in the long term stimulates organizational learning that develops and strengthens our overall competitiveness in the market.



### Efficiency

We encourage efficient work processes – it's about challenging ourselves, always doing our best and asking ourselves every day what we can do even better. By having the right person do the right things at the right time, we ensure that the customer receives the highest perceived customer value every day.

# This is Inducore ---

## Business areas ---

The industrial group Inducore is organised into three business areas with operations in different industries and markets. Through a high degree of collaboration, functional collaborations are created, a broader base for expansion and greater opportunities to realize internal synergies and at the same time create good risk diversification. This interaction reduces sensitivity to cyclical fluctuations.

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## Components ---

The Components business area offers services in metal cutting and sheet metal processing. This includes, among other things, machining, welding, system assembly and contract manufacturing, as well as logistics solutions. Manufacturing takes place in Sweden and the customers are mainly in the manufacturing and automotive industries in Sweden. In addition, the company also offers its own product lines, such as self-centering steady rests, and services, such as powder coating and industrial coating



## TruckBodies ---

Truck Bodies includes our leading Nordic vehicle bodybuilders. They develop and manufacture bodies for distribution and long-haul vehicles, dump trucks for construction vehicles, and fixed or tipper bodies. The business area consists of Sörling, GEHAB, PLS Truck Bodies, Norfrig and NTB-service. The business area has manufacturing facilities in Sweden and Poland and a sales office in Norway

## System Solution ---

The companies within Inducore that develop system solutions work mainly with developing noise-reducing systems with tailor-made solutions for virtually all industrial application areas. In addition, machines and complete production lines for packaging, fish processing and match production are offered. Manufacturing in Sweden and China.



# Our Facilities

## Sweden



## Other countries



# Materiality analysis

To identify the sustainability topics that are most relevant to Inducore, we conducted our first materiality analysis in 2021. It consisted of two main parts: an analysis of our value chain to identify areas where we have our greatest impact, and a structured dialogue with our key stakeholders. Since then, we have strived to include sustainability issues in existing channels to gain a more continuous understanding of which issues are most important to our stakeholders. During the year, the CEOs have validated the materiality analysis and in 2024 we will conduct a double materiality analysis where we will once again review the value chain, engage in a dialogue with a selection of stakeholders and analyse the financial impact on the company.

## Materiality context

Analysis in internal, cross-functional group, based on internal and external trends, customer needs, risks, technical and economic factors, uncertainties and political climate.

## Impact and importance

Review of actual and potential, positive and negative impacts from our activities and the assessment of the impact.

## Prioritize

The cross-functional team weighs the identified issues against the strategy, prioritizing the most significant issues, as well as determining the threshold for data collection and reporting.

## Validate

Inducore's CEOs and Board of Directors validate materiality analysis.

## Report

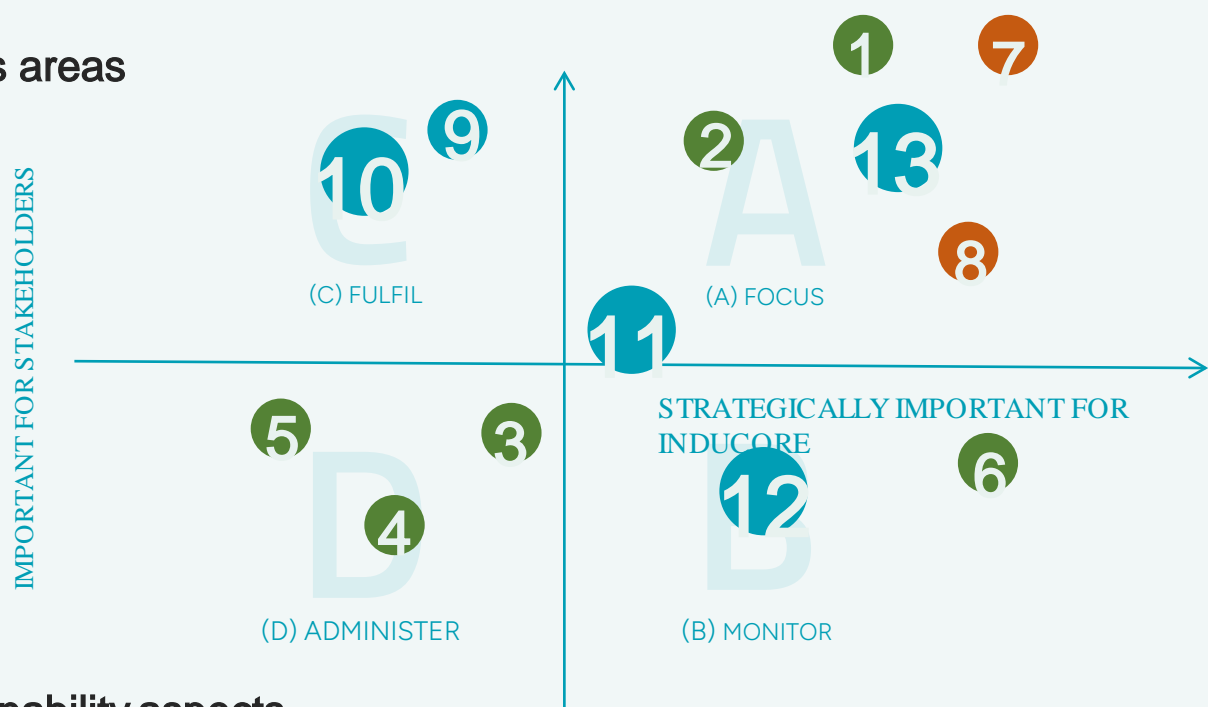
The materiality analysis is at the heart of the sustainability report and should clearly reflect both impacts and effects.

# Our materiality analysis

Our sustainability work is guided by an overarching goal – to continuously improve our operations from environmental, social and economic aspects. The basis for our prioritized focus areas is a dialogue with our customers, suppliers, employees, owners, the Board of Directors and other stakeholders. Our long-term ambition and objective is to realize the opportunities and reduce risks while reducing our costs and meeting the expectations of our stakeholders.

We have identified the Sustainable Development Goals (SDGs) where we have our greatest impact and can influence the most. We have focused on these in our goals and action plans. The Group works in a decentralised way, so each local site manager/CEO is responsible for developing their own products in order to harmonize with the goals we have decided together. A description of the process can be found on pages 35-36 Corporate Governance

## Focus areas



## Sustainability aspects

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A: Focus: The issues in this area are the ones identified as the most important. These are the ones we set goals for and follow up on an ongoing basis.  
 B: Monitor: We are keeping a close eye on these areas as they have the potential to become essential.  
 C: Fulfill: We have good control over the issues in this area. This is about communicating clearly what we do.  
 D: Administering: These issues have been ranked lower in materiality. This does not mean that they are unimportant, but that we only handle them in accordance with legal requirements.

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# Social aspects



## The workplace of the future

Attracting the right staff is a challenge for many companies and industries today. For the manufacturing industry, the issue of diversity is particularly clear, as the industry is generally male-dominated. In general, it is therefore difficult to attract staff, when a large part of the population tends to opt out of industrial work. We want to change this by making workplaces more attractive to women. Working with diversity and inclusion is a prerequisite for a workplace of the future, where creativity and differences among employees can contribute to making us a better and smarter industrial group.

# Diversity & Inclusion

## - Engaging and motivated employees



### Pregnancy and parental leave

To promote equality and our efforts to become a more attractive employer, the Group has decided to introduce a pregnancy benefit policy. PLS was the first to introduce the policy as of October 2023. Other companies will introduce it from 1 January 2024. It establishes an extra compensation when an employee is granted pregnancy benefit from the Swedish Social Insurance Agency when they need to completely or partially refrain from work during their pregnancy due to physically strenuous work or when there are risks in the work environment. The Swedish Social Insurance Agency pays 80% of the salary until childbirth, and the company contributes an additional 10%. We do this so that women in the industry do not suffer financially during their pregnancy.

The possibility of parental leave during the first period of newborn babies provides good conditions for balance for our employees. The Swedish Parental Leave Act gives employees the opportunity to take care of their child full-time until the child is 18 months old. In Poland, 61 weeks (1 year and 2 months) of parental leave are offered. After that, Polish parents are entitled to unpaid parental leave for up to 36 months (3 years). Chinese women are entitled to parental leave for 158 days + 15 days if you have more than one child. Depending on the length of employment, the employee may receive up to three months of additional paid leave from the company.

### Collective agreement

All employees within the Group have the right to engage in available trade unions and to bargain collectively in accordance with local laws and regulations. Local rules and regulations also protect the right to fair conditions, including contractual working hours, rest periods, overtime, and holidays. Employees, whether covered by collective bargaining agreements or not, are compensated fairly and competitively for their work. 100% of our employees have a collective agreement or equivalent

### Code of conduct

Clarity on ethical issues is also important for the well-being of employees. The Group has a Code of Conduct that applies to all companies within the Group. The Code is available in Swedish and English on the Group's website: <https://www.inducore.se/koncernen/code-of-conduct> and applies to employees, partners and suppliers. All employees are informed of the Code at the start of employment and during performance appraisals. They shall confirm in writing that they understand and undertake to comply with it.

## The whistleblower function

The whistleblower function helps us to directly identify and address suspicions of violations of ethics, morals or legal laws, codes, policies and rules. It is important that our employees, customers, suppliers and partners feel safe in raising perceived grievances.

All employees are informed of the Code at the start of employment and during performance appraisals. The whistleblower policy is available on our <https://www.inducore.se/koncernen/visselblasarpolicy>  
In 2023, no whistleblower cases were reported.



## Competence development

In order to continue to deliver a high level of service and quality to our customers, continuous competence development of our staff is required. It is also about developing our employees so that they grow as people and employees. Technical skills and professionalism are the most common training courses offered, both internally and externally. This is also part of getting engaged and motivated employees



## Activities 2023:

**GEHAB, Bollnäs Verkstad and PLS** have upgraded their ERP system to Monitor G5 and thus have access to Monitor Academy for their project groups for training in the new system.

**Bollnäs Verkstad** has had external training in payroll management. Forklift and overhead crane license training has been carried out

**Atling** has completed cardiopulmonary resuscitation (CPR) training, including cardiac training and training in hot work, fire protection, forklifts, overhead cranes. As of 1 January, Atling's employees will have access to Monitor Academy prior to upgrades.

**Arencos** has conducted training in automation, both internally and externally, as well as having an ongoing training project in service and installation on a repurchased match line from Mauritania. They have also hired a trainee at the workshop.

**BMA** has held introductory training for new employees as well as internal and external machine training.

**GEHAB** has trained employees in hot work, fire protection training, forklifts and overhead cranes.

**Lemont** has trained all of them in Corporate Governance, Lean and Better Work Environment. Everyone in the production has been trained in drawing reading and about 20 have also taken CPR. In addition, measurement technology and programming, as well as ongoing training in Monitor G4, have been carried out for those who have needed it.

**Svanström** has trained all of them in Corporate Governance, Lean and Better Work Environment. All of the people in the production have undergone isocyanate training.

**PLS and Norfrig** have had a solid management development program for production management for one year.

**HIAK** has trained employees in fire protection and first aid.

## Planned activities 2024:

Continuous training in forklifts, overhead cranes, lifts, CPR and fire will be carried out during the year. Introductory training for new employees with machine training, both internal and external, is carried out continuously. **Arencos** will certify its China operations according to ISO 14001. The companies that will upgrade the ERP system to Monitor G5 will have digital training in the form of Monitor Academy. **GEHAB** shall have Liability Training Forklift for its supervisors. External courses for Truck Bodies at chassis and crane manufacturers, mainly in the field of the electrification of vehicles. System solution will carry out advanced courses in CAD for those concerned.

## Number of employees

We have increased the number of full-time employees from 841 to 884 (5%) from 2021 to 2023.

## Proportion of women

The proportion of women has decreased from 13% to 8% of the total workforce.

Area	Ref. year 2021	Outcomes 2022	Outcomes 2023
Number of employees	841	867	884
Of which women in %	13	7	8
Number of people in management team	*	*	101
Of which women in % in management teams	*	*	19,8

\* Not reported these years

## Activities 2023

PLS has adopted pregnancy benefit policy and expanded with additional changing rooms for women. Gehab and PLS have collaborated with external training providers and held training meetings for women who want to become electricians, as well as offered internships for those who have started the training.

### Planned activities 2024:

Adoption of pregnancy benefit policy in all companies in the Group. GEHAB continues its collaboration with external training providers with training sessions for women who want to become electricians, including internships for those who have started the training. Gehab has hired two women who have completed this training in 2023.

## Responsibility and governance of material issues

Each company's CEO is ultimately responsible for driving and implementing improvement activities to achieve the goal of this important issue. Follow-up takes place monthly in Inducore's management team and at each company's board meeting, which is held 4 times a year. Communication of the outcome and forecast for the current year is carried out by Inducore's sustainability coordinator to the companies' CEOs and management teams.

### Objective[KPI]

Increase the proportion of women to 20% by 2025 and create the conditions for more women in management positions.  
Increase the number of training hours/employees

Every year, we will improve our ESI in motivational factors where our employees experience a balance between work and leisure, feel personal development, participation, recognition, personal consideration, inspiration and motivation, openness and honesty with a leadership that creates participation and commitment

# Safe and secure workplace

## The right prioritization

Prioritizing safety and health in our workplaces is fundamental to creating a positive and productive environment. It is about creating a culture where respect and dignity permeate all aspects of working life, where no forms of harassment and discrimination occur. It also means ensuring that the workplace is free of alcohol and drugs. By offering benefits such as wellness allowances and access to the gym, we not only strengthen physical health but also mental well-being. Respecting human rights and supporting freedom of association are also key elements that contribute to an inclusive workplace where every individual feels valued and respected. We have safety procedures that are strictly followed and offer protective equipment that should always be used. All employees receive training and the resources needed to perform their duties safely. By integrating safety measures with a strong commitment to health and well-being, we create a work environment where all employees can thrive and work efficiently without the risk of injury.

### Activities 2023:

Sörling We have moved to new premises in Uppsala that are more comfortable and have a better working environment.

Axipto has evaluated ways to reduce coolant mist in production, as well as implemented meters and better extraction.

Better follow-up of people on long-term sick leave and clearer rules for termination of employment where there is no possibility of return.

PLS has introduced the Green Cross which is a visual method for employees to identify risks in real time and installed an air purification plant.

BMA employees have been asked to complete a voluntary health profile. Recreational activities such as barbecues, summer parties, fishing and miniature golf competitions, Christmas buffets, joint breakfasts and bowling have also been carried out during the year.

All companies in Sweden have wellness allowances for their employees.

### Planned activities in 2024:

Bollnäs will carry out wellness profiles to follow up on its work environment.

Sörling will conduct health talks with its employees with a focus on short-term absence

# Safe and secure workplace

Area	Ref. year 2021	Outcomes 2022	Outcomes 2023
Healthy attendance in%	94,4	94,3	95,6
Target	94,4	97,0	97,0
Accidents LTIFR	0	N/A*	30
Target	0,05	0,05	0,05
Satisfied with the physical work environment	3,5	3,5	3,6
Target		3,6	3,7
Satisfied with the mental work environment.	3,8	3,9	3,9
Target		3,9	4

\* In 2022, different companies reported numbers differently, which we have fixed in 2023. In the past, some accidents were only reported if they led to sick leave, while others reported all types of accidents. Twelve companies have participated in a survey and reported their results. We encountered problems with the reporting and the process has not been sufficiently structured, especially in terms of satisfaction, which will improve in 2024.

## Responsibility and governance of material issues

Each company's CEO is ultimately responsible for driving and implementing improvement activities to achieve the goal of this important issue. Follow-up takes place monthly in Inducore's management team and at each company's board meeting, which is held 4 times a year. Communication of the outcome and forecast for the current year is carried out by Inducore's sustainability coordinator to the companies' CEOs and management teams.

### Objective[KPI]

Our goal is to achieve an operating profit of between 6–8 percent by 2025

We will strive for an average attendance > 97% in each business

We have zero (0) vision regarding serious accidents and accidents while moving with load.

We will reduce the number of accidents to < 0.05 that lead to sick leave

Every year, we will improve our ESI in well-being factors where our employees experience a safe and secure workplace. structure, orderliness, a physical and psychosocial work environment, a sense of belonging, respect and trust for each other, Friendship, Diversity and Equal Opportunities

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# Environment-related aspects

## Greenhouse gas emissions

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Our climate impact and the importance of reducing greenhouse gas emissions cannot be underestimated. A review of our emissions shows that our own transport and energy use constitute a major source of emissions. We have therefore chosen to start by measuring our scope 1 and 2 emissions. The largest source of emissions is the material in our products, and we therefore want to be transparent about the products' total climate impact. In 2022, we therefore conducted an initial review of our largest material suppliers to investigate the possibility of collecting data. It turned out to be a big challenge. In collaboration with the sister groups ANVA and PVI, a project has been initiated in Vannesjö Academy's leadership program that aims to develop a plan for how we can use our business system to map the climate impact of our products. The purpose is partly to be transparent about our climate footprint, and partly to create a greater understanding internally in order to be able to choose materials with a lower climate impact and reduce our climate footprint.

# Greenhouse gas emissions

## Choice of calculation method

We use the GHG Protocol to calculate our carbon footprint. The GHG Protocol is based on five principles:

**Relevance:** the reporting shall reflect in a relevant way the company's emissions so that it serves as a basis for decision-making for users both internally and externally.

**Completeness:** reporting shall cover all emissions within the specified system boundary and any exceptions shall be described and explained.

**Comparability:** the methodology for calculations shall be consistent so that comparisons can be made over time. Changes in data, system boundaries, methods, etc. must be documented and communicated.

**Transparency:** all background data, methods, sources and assumptions shall be documented and communicated.

**Accuracy:** the calculated emissions shall be as close to the actual emissions as possible.

## The three scopes of the GHG Protocol

In climate reporting according to the GHG Protocol, greenhouse gas emissions are divided into different areas, also known as scopes, which are grouped according to the context in which the emissions occur.

Scope 1: Direct emissions from own operations, such as emissions from facilities, production, owned and leased vehicles

Scope 2: Indirect emissions from purchased electricity, heating and cooling

Scope 3: Indirect emissions upstream and downstream in our value chain.

## Base year

Inducore started calculating greenhouse gas emissions according to the GHG Protocol for the 2021 fiscal year. It was a normal year, which is why 2021 was chosen as the base year.

## System Limits

The calculation of the business's climate impact includes vehicles owned or rented, other assets owned or rented, and the business's energy consumption – which consists of electricity, oil, LPG and district heating. We have used operational control as a consolidation method and calculated emissions consist of carbon dioxide, which means that GWP=1..

## Sustainable Transport– Reduced Carbon Footprint

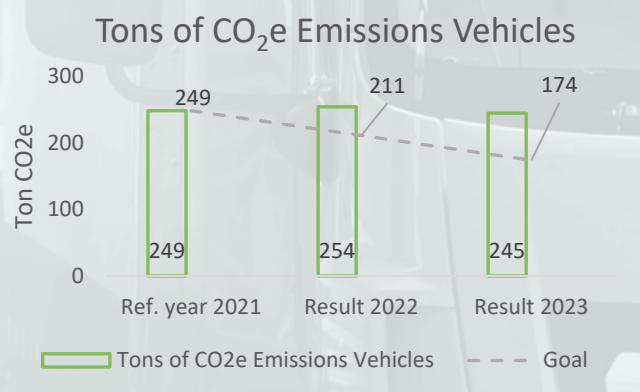
The number of own or leased vehicles is shown in the table below, as well as the type of vehicle. The item Other vehicles consists of diesel-powered forklifts, trucks, tractors, loaders and caddies.

Year/Type	2021	2022*	2023**
Diesel and gasoline powered	63	52	18
Electric Cars	4	7	10
Plug-in hybrids	3	11	28
Other	9	9	43
Summa	79	79	99

\* The figures given for 2022 are estimated due to the lack of exact data

\*\* The figures given for others have been reported in previous years as a total sum/company, in 2023 each type of vehicle has been reported.

Other vehicles account for the largest share of emissions from vehicles, and when these are used in the business, we find it difficult to reduce the number of kilometers driven while at the same time growing. That is a big reason why we are not reaching our goals. PLS's switch to HVO and the replacement of a diesel truck with electric will have a positive impact on the figures in 2024.



### Aktiviteter 2023

Continued transition from petrol and diesel-powered vehicles to plug-in hybrids and electricity. Discussions have been held regarding the transition to HVO (renewable diesel fuel) for heavy trucks, as electric trucks are currently associated with very high purchasing costs. Switching to HVO can reduce our emissions by 80% but at the same time increase fuel costs by 25%. **The transition has therefore not been considered economically justifiable.** However, PLS decided in December to start using HVO in their truck.

PLS has also replaced two of its diesel forklifts with electricity.

### Activities 2024

Continued transition from petrol and diesel-powered vehicles to plug-in hybrids and electricity. PLS has ordered another electric forklift truck that will be put into service from February and will replace a diesel forklift.

Lemont will review their refuelling routines and evaluate whether they can use diesel with a greater blend of renewable fuel as their vehicles cannot run on HVO.

Bollnäs Verkstad is planning to change the wheel loader to one with a Euro engine for less emissions of harmful substances.

Gehab will evaluate the possibilities of replacing the truck fleet of smaller vehicles with electricity or biogas.

### Objective [KPI]

We will reduce our CO<sub>2</sub> footprint by 60% (SCOPE 1) from 2021 until 2025 by switching to fossil-free vehicles and modes of transport with lower greenhouse gas emissions within our own vehicle fleet, while at the same time converting our company cars from fossil fuels to electricity or renewable fuels

## Renewable energy sources – sustainable energy supply

Inducore is a significant energy user in terms of heating and electricity. The purpose of measuring and reporting the carbon footprint of our energy consumption is partly to be transparent about our climate footprint, and partly to create a greater understanding internally in order to be able to choose energy sources with a lower climate impact.

Despite energy efficiency improvements, we have not been able to break the trend and have increased our energy consumption per m<sup>2</sup>. This is primarily due to the fact that we have increased sales by almost 18% in the Group. Arenco Sweden rents premises from an external landlord, which is why it is a bit difficult to influence its energy consumption. But with the purchase of renewable energy in Poland and China and Sörling's relocation, we have reduced our CO<sub>2</sub> emissions. In 2023, we have used 23.6 million kWh and 22.2 million in 2022. which is an increase of 6.3%

### Activities 2023:

Sörling Moved to newly built premises during the year, with electricity from our own solar cells and renewable energy sources instead of heating oil used in the old premises.

Övriga bolag have continued to replace their lighting with LEDs.

Bollnäs Verkstad Has reduced a shift and invested in more efficient extraction with modern control.

PLS Have checked all compressors and fixed air leaks.

Atling has improved the control of its compressors.

Björkö Mekaniska plans its production so that the most energy-efficient machines are used in the first place.

Gehab Have set up time control of the extraction in the detail shop so that the fan does not start as soon as it is alarmed.

Norfrig Have changed doors to reduce heat leakage and installed a cool roof system that allows you to get a roof that lasts longer, reduced energy costs, improved working environment. This will be evaluated and whether it delivers what it promises will be installed on more roofs in the group.

### Planned activities in 2024:

Atling will evaluate the possibilities of switching to 100% renewable electricity

Bollnäs Plans to phase out older machines with high electricity consumption.

Gehab plans to replace their last fluorescent tubes with LED lighting.

Lemont Have prepared for solar cells.

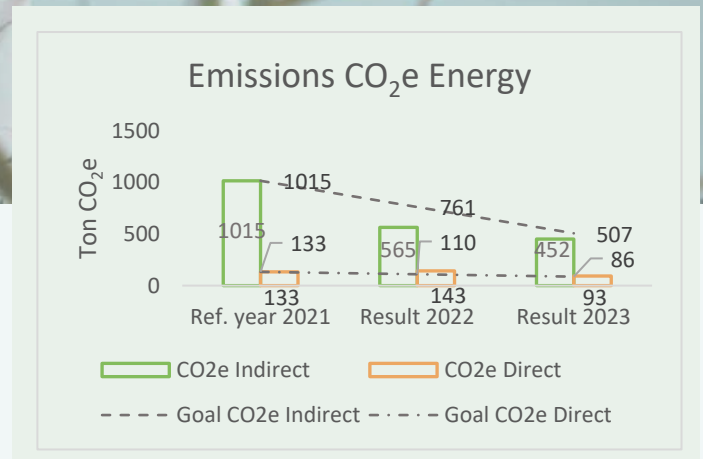
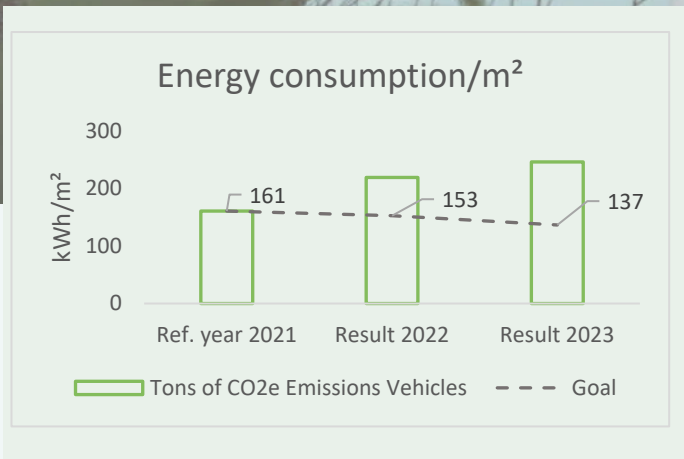
Axipto i Nybro och PLS are in the starting blocks to build new, more energy-efficient premises.

Axipto i Mönsterås Is going to change the remaining lighting to LED.

BMA will have a dialogue with the district heating company about buying renewable energy. Today, mostly garbage with a mixture of wood chips is burned in the district heating plant.

Bollnäs will evaluate the possibility of phasing out older energy-intensive machines to more energy-efficient ones.

## Renewable energy sources – sustainable energy supply



## Responsibility and governance of material issues

Each company's CEO is ultimately responsible for driving and implementing improvement activities to achieve the goal of this important issue. Follow-up takes place monthly in Inducore's management team and at each company's board meeting, which is held four times a year. Communication of the outcome and forecast for the current year is carried out by Inducore's sustainability coordinator to the companies' CEOs and management teams.

### Objective[KPI]

Through energy efficiency improvements, we will reduce our energy consumption per m<sup>2</sup> by 20% by 2025

We will invest in facilities for our own production of electricity so that we produce 10% of our own consumption by 2025

We will reduce our CO<sub>2</sub> footprint through 100% renewable energy (SCOPE 2) by 2025

We will reduce our CO<sub>2</sub> footprint by 70% (SCOPE 1) by 2025

# Governance aspects



## The value chain is our responsibility

A sustainable industry with functioning and stable infrastructure is a must to meet the challenges of the future. The global economy is largely dependent on new materials, which are often discarded, incinerated or lost in other ways. Inducore identified circular business models and innovation for the future as material topics in the materiality analysis 2021. Success requires collaboration throughout the value chain, new ways of thinking and investments in better resource efficiency and machine utilization.

# Circular Business Models- \_\_\_\_\_

## Sustainable use of resources

The global economy is largely dependent on new materials, which are often discarded, incinerated or lost in other ways. The Circularity Gap Report 2023 (annual report published by the Circle Economy Foundation) shows that only 7.2% of the materials used globally are recycled. The rest is virgin material. Companies, and not least manufacturing companies, have a major role to play in the transition to a more circular economy.

Inducore identified circularity as a material area in our materiality analysis in 2021. We are only at the beginning of our journey, but have an ambition to both reduce our dependence on virgin materials and to create value by reducing the amount of waste by reusing and recycling materials in our products and processes. This transition requires collaboration throughout the value chain and, not least, a new way of thinking. We are also convinced that the industry as such needs to work together to learn from each other.

## Activities 2023

### Reduced coolant consumption

A concrete step is the installation of a process for handling metal chips from our machining operations. By compressing the chips into briquettes, we can extract and purify the coolant used in the machining. In BMA Eksjöfactory they use a system for cutting fluid called "Dualcys", where you reuse water that they have in the tunnel washers to mix new cutting fluid, their washing fluid and cutting fluid are compatible with each other and that is why it is called "Dualcys". By constantly checking and changing the water in their washes, they ensure that they can carry out this "re-cycling" of the washing liquid.

They have also worked hard to find the right replacement intervals so that they do not have to send the washing liquid for destruction (if it is used for too long as a clean washing liquid in their tunnel washers, it is not possible to reuse it when mixing cutting fluid, the status of it will be too poor and then it will have to be sent for destruction). Through these measures (finding the right interval and replacing at the right time), they have been able to both reduce hazardous waste and also reduce our water consumption (fresh water).

**Atling** has chosen a different route and installed a central coolant system during the year, which contributed to a 42% reduction in the amount of hazardous waste compared to 2022.

### Circulate packaging materials

During the year, the Group has worked to set up structures to reclaim the packaging material for deliveries to our customers. The aim is to create a closed loop that enables the reuse of packaging materials and thereby reduces the need for virgin material. We see this as a way to both reduce resource consumption and at the same time strengthen relationships with our customers by working together on this issue.

### Reuse plastic in insulation materials

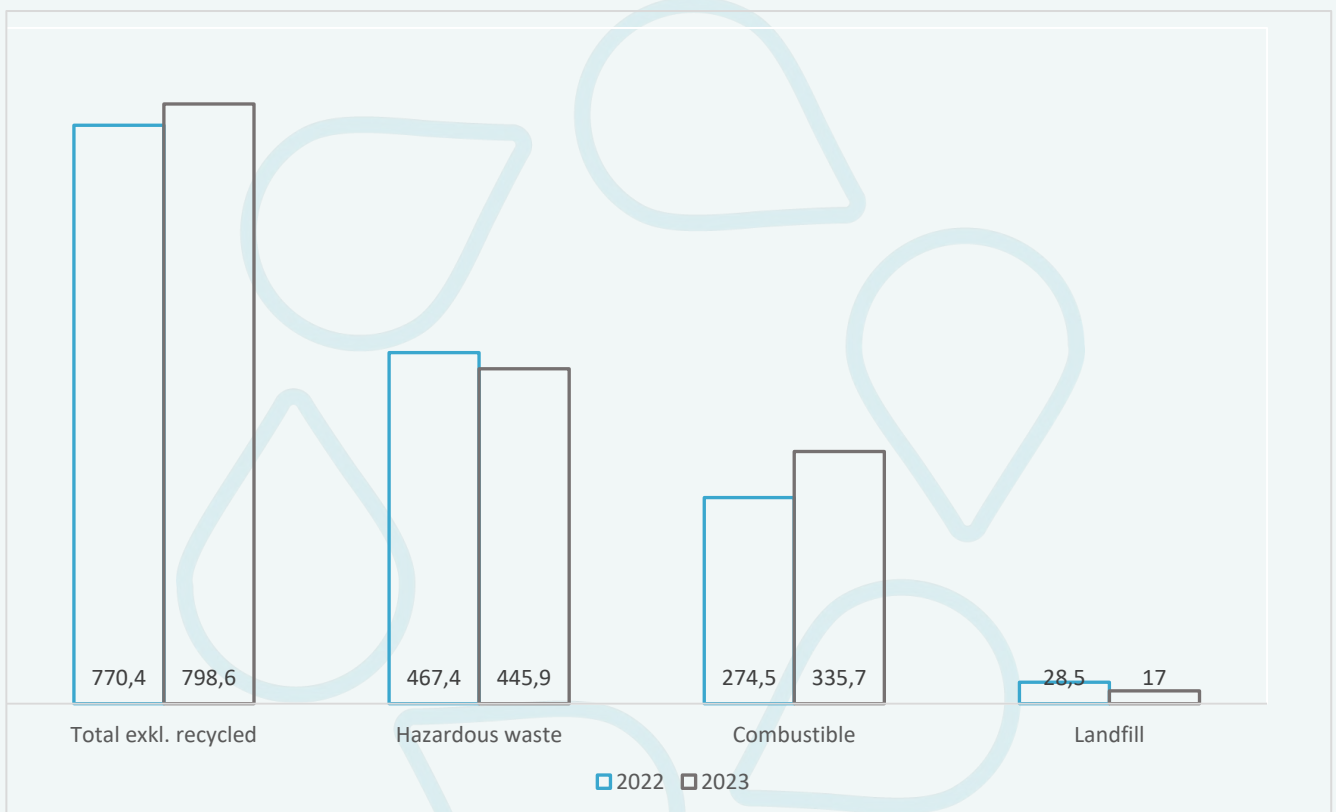
One of our companies, **Norfrig**, During the year, the company implemented a new insulation material based on recycled PET bottles. By using an energy-efficient composite with sandwich structures, we can reduce the weight of the vehicles and thus reduce fuel consumption and thus greenhouse gas emissions. In 2023, 19,058 recycled PET bottles were used, which, according to producer Armacell, contributed to one tonne of reduced greenhouse gas emissions per truck produced.

# Circular business models

**Reduce waste** The starting point for all Inducore companies is to reduce the amount of waste generated in production and reuse materials as much as possible to reduce our negative impact on the environment. The challenge is to reduce the amount of waste even as turnover increases, which we have not fully succeeded in doing in 2023. While turnover has increased by 17.9%, the amount of waste has increased by 3.7%. It is mainly the amount of combustible material that has increased.

## Increase the amount of recycled material in our products

To further reduce our negative impact on the environment and climate, we have a long-term ambition to use as much recycled material as possible in our products. A survey of suppliers' ability to share information on the share of recycled materials carried out in 2022 showed that many suppliers did not have that possibility. Starting in 2024, it will be highlighted in supplier evaluations to clarify which suppliers can deliver the desired information.



**Figure 1** Total amount of waste (tonnes) excluding recycled material for the whole of Inducore, as well as divided into hazardous waste, combustible and landfill.

# Circular Business Models- \_\_\_\_\_

	Hazardous waste		Combustible		Depose		Total excl. Recycled	
	2022	2023	2022	2023	2022	2023	2022	2023
PLS Truck Bodies	1,5	0	62,3	90,8	2,5	0	66,3	90,8
Sörling sv	5,7	0,7	11,8	5,5	13,2	0	30,7	6,2
Sörling pl	5,7	9,4	8,6	0	0	10,4	14,3	19,8
Norfrig Truck Bodies	0,2	0,7	85,8	99	0	0	86	99,7
NTB Service	18,5	1,8	11	25,3	0	0	29,5	27,1
Gehab Kvalitetspåbygaren AB	21,3	16	10,7	12,6	0,3	0,3	32,3	28,9
HIAK Group	0	0,3	1,4	0,3	0	0	1,4	0,6
Arenco SV	0	0	6,3	3,4	0	0	6,3	3,4
Arenco China	5,8	1,5	0	0	0	0	5,8	1,5
Atlings Group	17,3	10	7,3	5	0	3	24,6	18
Bollnäs Verkstad Production AB	4,9	0	7,3	8,8	3,1	1,9	15,3	10,7
Axipto AB	160,4	175,8	21,9	19,8	0	0,1	182,3	195,7
Björkö Mekaniska Verkstad AB	91,9	96,2	14,8	11,9	0	0,1	106,7	108,2
Lemont Holding Group	110,7	109,5	19,1	39	1,2	1,2	131	149,7
Svanströms Lackeringar AB	23,5	24	6,2	14,3	8,2	0	37,9	38,3
<b>Inducore</b>	<b>467,4</b>	<b>445,9</b>	<b>274,5</b>	<b>335,7</b>	<b>28,5</b>	<b>17</b>	<b>770,4</b>	<b>798,6</b>

The table shows that PLS Truck Bodies, Lemont Holding, Norfrig and NTB Service account for the largest increase in combustible waste. It is also, with one exception, this company's that accounts for the largest increases in turnover.

The exception is Arenco China, which accounts for the largest increase in sales. However, according to the table, they have managed to reduce their waste from 5.8 to 1.5 tonnes. The explanation lies in the fact that the painting process has been outsourced to an external supplier, which means that no actual reduction has been made.

## Recycled materials

From 2023, we have started to report quantities for recycled materials.

In total, we have left 3632 tonnes of metal, 112 tonnes of wood and 8 tonnes of plastic for recycling in 2023.

## Responsibility and governance of material issues

Each company's CEO is ultimately responsible for driving and implementing improvement activities to achieve the goal of this important issue. Follow-up takes place monthly in Inducore's management team and at each company's board meeting, which is held four times a year. Communication of the outcome and forecast for the current year is carried out by Inducore's sustainability coordinator to the companies' CEOs and management teams.

### Objective [KPI]

We will reduce our hazardous waste, as well as waste going to incineration and landfill, by 20% by 2025 compared to the base year 2021.

# Innovating for the future

## Technology shift for a sustainable society

Sustainable industry with functioning and stable infrastructure is a must to meet future challenges. Our ambition in the Group is therefore to create an awareness in the organization of how investments should be made to contribute to sustainable development.

The Component businesses that work with the automotive industry are working to increase their sales towards alternative fossil-free energy systems. The CEO Council has not come up with any objectives.



### Activities under 2023:

In total, Inducore invested SEK 6 million in its operations in 2023, including:

Replacement of LED lighting at a number of companies.

Svanström has invested in a rebuild/optimization of a pellet heating system.

Lemont have replaced their welds with more efficient ones, as well as invested in a CNC machine and a forklift with high efficiency.

BMA have automated their production flow with a robot.

BMA has contributed to a sustainable transition through projects towards the electric car side, where a pre-series for battery boxes for passenger cars has now been made.

### Planned activities 2024

Atling going to buy a cutting machine

Lemont will invest in several lathes, replace a band saw and a new gas and plasma cutter to meet the higher demand for its products.

Arenco och Lemont will upgrade its ERP system to Monitor Generation 5, where they have the ability to measure the climate footprint of their products and take strategic measures to reduce emissions and resource consumption

Principles of investment: Ethical investments 'Sustainable Responsible Investments' (SRI) in new technologies for sustainable development and circular material flows. Investments for higher resource efficiency and machine utilization contribute to a sustainable transition by increasing sales towards fossil-free energy systems

## Responsibility and governance of material issues

Each company's CEO is ultimately responsible for driving and implementing improvement activities to achieve the goal of this important issue. Follow-up takes place monthly in Inducore's management team and at each company's board meeting, which is held four times a year. Communication of the outcome and forecast for the current year is carried out by Inducore's sustainability coordinator to the companies' CEOs and management teams.

# The value chain our responsibility

## Focus

The Inducore Group wants to be a responsible company that takes its responsibility seriously throughout its value chain. We therefore work actively to ensure that all parts of our business comply with high standards in terms of human rights and environmental considerations. By monitoring and collaborating with suppliers and partners, we not only want our products and services to contribute to economic success, but also promote a positive social and environmental impact. This means a commitment to act ethically and sustainably at all stages, from raw materials to end consumers. It is not an easy job, and it demands a lot from our organizations. We are a long way from the goal, but we has embarked on a journey together with both customers and suppliers.

1



**Material** - It is usually our suppliers' suppliers who are responsible for the sourcing of the raw material for our inputs, which means that this part of the value chain is more challenging to ensure from an environmental and social perspective. Here, we try to create open dialogues with our direct suppliers from a risk perspective.

2



**Supplier** - In our Code of Conduct, we emphasize the importance of dialogue and cooperation with our suppliers on ethics, human rights and the environment. We strive to create positive change together and encourage open conversations to ensure that our shared values are reflected throughout the value chain

3



**Logistics** - To have a dialogue with our suppliers and customers to find the best transport solution. Coordinate purchases and deliveries to reduce our impact through shorter and fewer transports, as well as transports with lower greenhouse gas emissions.

4



**Own operations**- Through the choice of materials, production processes and working conditions, we can reduce our environmental impact while contributing to society and giving our employees the opportunity to grow. To be an attractive employer today and tomorrow, we need to work actively with all these parameters.

5



**Customers**- Our customers' increased demands for sustainability are both encouraging and crucial to driving the industry in the right direction. We are also seeing an increase in collaborations and joint projects where our knowledge and experience are valued. However, continued price pressure combined with increased costs are major challenges, which requires us to constantly balance our growth with economic, environmental and social sustainability.

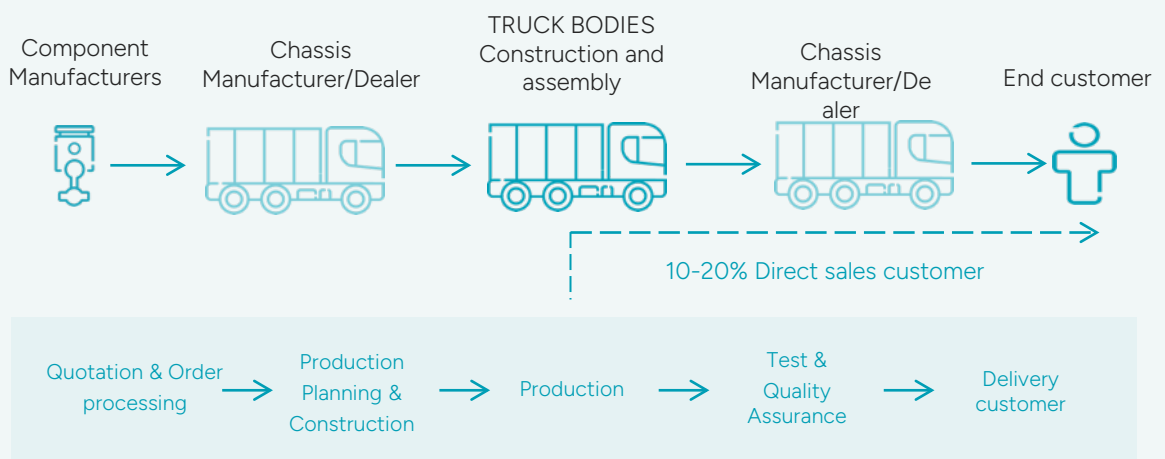
6



**Use of End Product**- Since our products are usually part of larger concepts, close collaboration with our customers is crucial. In this way, we can guarantee that end users have access to the most optimal and sustainable product possible for their business.

7

**Handling of expired products** - Reducing our environmental impact at the end of the product requires a life cycle perspective where we focus on material selection, design and manufacturing processes to extend the life of the products and enable repair, reuse and finally recycling



# Our History

## 1997-2007

The Group is founded in connection with Per Vannesjö, through [Aymone Industri Ab](#) Acquires [Hedemora Industeriakustik AB\(Hiak\)](#) with operations in Hedemora. In the coming years, the company will acquire [Ilsbo Industrier AB](#) Knivsta including the subsidiary [J.Sörling AB](#) i and Enånger. Which is merged into J.Sörling-Ilsbo. Acquisition of [Atlings Maskinfabrik AB](#) in Ockelbo, [Arenco AB](#) in Halmstad and Kalmar and with subsidiaries in Shanghai, China, [Shanghai Arenco Machinery, Co Ltd](#)



## 2008-2010

Acquisition of [PLS](#) in Rydaholm, [HIAK Air AB](#) 50.1 per cent of the company's ownership.

## 2011-2013

The Group is now appointing its first external CEO, Petter Arvidsson. Acquisition of [Bollnäs Verkstad Production AB](#) in Alfta and [Sala Kaross AB](#) in Sala. Acquisition of [Lemont AB](#) in Ludvika, Grangärde and Morgårdshammar



## 2015 – 2016

[Aymone Industri AB](#) I changes its name to [Inducore AB](#). Company [Nordic Truck Bodies Sp Z.o.o](#) starts in Wroclaw, Poland. [Lemont AB](#) Acquires [Svanströms Lackeringar AB](#) in Smedjebacken and [Logweld AB](#) in Nyhammar and Borlänge. Acquisition of [Axipto AB](#) i Nybro, Målilla and Mönsterås. [PLS Truck Bodies AB](#) Acquires [Norfrig Sverige AB](#) with activities in Tomelilla, Malmö and Örebro. Joint sales company [Pls/Norfrig AS](#) Started in Norway. [Sörling AB](#) acquires 10 percent of the shares [Rich Steen AS](#) in Norway. [Arenco AB](#) Acquires [Kalmar Verstadskompetens AB](#)



## 2017-2022

Magnus Biesse takes over as the new President and CEO of the [Inducore AB](#). The activities of [Sala Kaross AB](#) liquidate. [Logweld AB](#) merged into [Lemont AB](#). Acquisition of [Björkö Mekaniska AB](#) in Björköby, [BN-Teknik AB](#) in Eksjö and [Gehab Kvalitetspåbyggaren AB](#) in Alvesta, Ulricehamn och Stockholm.



# Trends that affect us

Trends	Challenges	Possibilities
Electrifications	Truck Bodies: low possibility of influencing what the end customer chooses for powertrain. The vehicles will be heavier vehicles with batteries. Increased energy consumption due to maintenance charging of customers' electric vehicles	Since the weight is higher on a truck with an electric powertrain, we can by reducing the weight of the superstructure for more trucks more attractive to the customer. The electric cars need to be maintenance charged while they are with us so that the battery is not destroyed. This becomes a business opportunity to sell this service
	Components: The automotive industry is a large customer group; Internal combustion engines are still the largest application.	Increase sales towards cars with electric powertrains. Be able to adapt and be flexible where others close down their production due to too small a number, thereby being able to expand with more items, as the forecast indicates that 50% of the combustion engine production will remain until 2030. Björkö has many inquiries from the electric car side and a couple of projects underway. Otherwise, try to process contacts together in the group.
Political decisions	Truck Bodies: Legislative changes that negatively affect the manufacturing and transportation industries. Such as adaptations to the EU that do not fit our Swedish road network with weights and dimensions.	Staying at the forefront of complying with laws and regulations and helping the end customer in the tangled terrain of regulations
	Components: Legislative changes that negatively affect the automotive industry, the energy sector, construction, mining, construction and forestry. Short-term thinking from politics such as that for a while you would switch to ethanol, then diesel cars were the best you could have and now it's electricity.	Stay ahead of the curve when it comes to complying with laws and regulations
	System solution: Changes in fishing quotas - if they are reduced, the need for Arencos machines will be affected. Arencos leases land in China where they have their factory. The contract expires in 2025 and negotiations for an extension are ongoing. In the event of a transfer, a number of challenges arise, not least personnel issues	Keeping up to date with developments in the fish industry.

# Trends that affect us

Trends	Challenges	Possibilities
War and unrest in the world	Truck Bodies: Component shortages, We have mainly been affected by chassis manufacturers not being able to deliver vehicles on time, as well as very long waiting times.	Flexible organizations that can quickly replan and change the flow of production
	Components: Sanctions against shipping to certain countries. Atling lost 10% of the market when Russia invaded Ukraine.	New markets.
	System solution: Sanctions against shipping to certain countries. Machines that have been sold to countries with internal unrest and thus cannot be delivered.	New markets.
Skills shortages	Truck Bodies: Finding staff with the right skills	Contribute to young adults having a meaningful life through collaboration with schools and the municipality. In-service training
	Components: Finding staff with the right skills	Contribute to young adults having a meaningful life through collaboration with schools and the municipality. In-house training and trainees.
	System solution: Finding staff with the right skills.	Collaboration with colleges and universities.

# We develop sustainable companies with good profitable growth



Per Vannesjö

## A word from the Chairman of the Board

We are pleased to present Inducore's first sustainability report as an integrated part of our financial reporting. We have prepared well and integrated sustainability data into our financial monitoring systems. Thus, it becomes part of everyday life to constantly work with and follow up on sustainability in all three main aspects, people, environment and profitability - "People, Planet, Profit". We have a high ambition to contribute to the sustainable transition, but realize that we have a long way to go. By announcing our goals and how far we have come, that work now takes on the same dignity as economic development and becomes part of it.

Our subsidiaries have all conducted materiality analyses, stakeholder dialogues and risk analyses led by the companies' CEOs and management teams. With this as a base, we have chosen focus areas, analysed the current situation and set goals and KPIs for the entire Group.

It is a business strategy for us as it also includes opportunities to improve existing business and to create new ones. It now forms the basis for our way of working in the future to create better conditions for our employees, contribute to the climate transition and a better environment, and create profitability to be able to continue to invest for a sustainable future.

" Sustainability in all three main aspects, people, environment and profitability"



Magnus Biesse

## A word from the CEO

2023 has been an exciting year, filled with both challenges and successes. Many companies within the Group have handled record volumes, which is pleasant, but it has sometimes put our

Delivery capability on a trial basis. In the Truck Bodies business area, we have experienced a record-high order backlog, coupled with an initially low gross margin. Towards the end of the year, however, we managed to increase margins for virtually the entire company.

The Components business area has performed strongly during the year, with sales exceeding the budget and by a good margin. However, we are beginning to notice a slowdown in demand in some segments. System Solutions has also exceeded expectations, thanks to large deliveries of projects and successful business closing.

As a Group, we have thus achieved record levels in both sales and operating income, and we are well equipped for 2024. Nevertheless, we are entering the new year with some caution, aware that we must be ready to adapt to changes in volume developments. The challenges of the

The global economy is growing, with a weak economy and geopolitical risks threatening to disrupt our supply chains. Inflation and high interest rates are affecting us, and we have seen a decline in new orders in the manufacturing industry. There is a great deal of security in being a stable group with several legs, which makes it easier when some markets decline and others see stronger demand. There we can support each other in good times and bad.

For me personally, it is more important than ever that we as a group are involved in driving sustainable development. By integrating ESG perspectives into everything we do, we will continue to be successful and profitable, while contributing to fairness at all stages of the supply chain, using the earth's resources responsibly and ensuring that we reduce our negative footprint as much as possible. As a significant subcontractor to several large customers, we have the strength to support each other in this work and make a real difference.

I would like to thank all employees and other stakeholders for your great commitment and hard work in 2023. Let's look forward to a successful and developing 2024 together.

# Corporate governance

## Inducore

Inducore is part of the Amymone Group, which consists of 37 companies. Corporate governance is regulated by the Swedish Companies Act. Its highest governing body is thus the company's Board of Directors, which is elected by the Annual General Meeting. Inducore's Board of Directors consists of seven members, of whom five are men and two are women. They are responsible for the management of the company's operations and organisation, as well as for its long-term development. The Chairman of the Board leads the Board's work in regular dialogue with the CEO and ensures effective Board work. The work of the Board of Directors is evaluated by the Board of Directors of the parent company Amymone, which includes the sustainability work and evaluation of any conflicts of interest. No such conflicts were reported in 2023. In addition, the Board of Directors is responsible for reviewing and approving the reported information, including the organization's material sustainability issues.

### Responsibilities of the Board

The remuneration policy is determined by Inducore's Board of Directors. It decides on goals and evaluates the goals four times a year, as well as conducting a major analysis annually. The Board of Directors decides on the CEO's remuneration annually and delegates to the CEO the task of setting targets and remuneration for senior positions within the Group.

The Board of Directors has the ultimate responsibility for developing and producing strategies and instructions for the division of work between the Board and the CEO. In this way, they ensure that strategies, policies and sustainable development are implemented according to plan, as well as that conflicts of interest are avoided. Every month, the CEO reports on the follow-up of key performance indicators. Evaluation and action plans are presented four times a year. Ongoing competence development in sustainability takes place through external analysis and reports from the sustainability manager in the owner group.

Operational activities are governed by each company's management teams. The roles included in these management teams are decided by each company. In 2023, a total of 101 people were part of the Group's management teams, of which 20% were women.

Per Vannesjö was Chairman of the Board during the 2023 financial year. The Board of Directors is ultimately responsible for sustainability reporting.

The Board of Directors has assigned responsibility for sustainability issues to the CEO and the company's management team. Delegation in the organization has been carried out through the responsibility of the respective operational manager who ensures information meetings for all employees.

Any critical issues are reported to the Board on a monthly basis. There is a whistleblower policy and function (read more on page 15). In 2023, no whistleblower cases were reported.

The Group's CEOs are members of a so-called CEO's Council. They are responsible for the companies' focus, goals and initiatives in the area of sustainability. The Council meets quarterly to share experiences, follow up on goals and discuss current issues. There is also a sustainability council. This includes Sustainability Director for the sister group ANVA Industries Binella Vannesjö, as well as one employee from the same group, two employees from the sister group PVI, as well as Inducore's sustainability coordinator and two employees from Inducore. The Sustainability Council has an advisory role and helps with documentation and information that will facilitate sustainability work in the organizations.

## Evaluation of the work of the Board of Directors

The work of the Board of Directors, as well as that of the CEO and the Chairman, is evaluated annually through a systematic and structured process based on external expertise and interviews. The purpose is to provide a basis for the Board's own development work. Among other things, the evaluation covers the Board's working methods, efficiency, competence and the year's work. Feedback is provided annually to the Board when the results have been compiled.

## Objectives of the sustainability strategy

The goals of the sustainability strategy are to succeed in being competitive while contributing to the transition to a more sustainable world. Our customers' sustainability work is world-leading and we strive to develop together with them. We see ourselves as part of society in the countries where we operate and we want to show the way towards better sustainability by growing and developing our industrial companies with this focus.

## Sustainability strategy

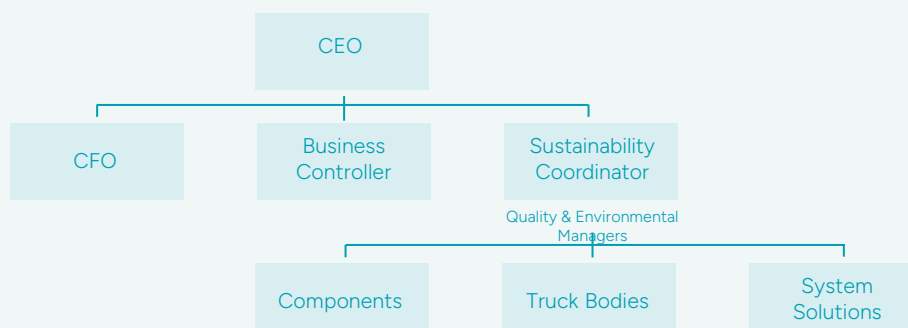
In 2020, the CEO Council conducted a review of the UN's Sustainable Development Goals, Agenda 2030, and identified eight of the 17 goals as particularly relevant to the Inducore companies. We have continued to systematically develop our sustainability work with training initiatives for all our employees, from Group management, CEOs and management teams, to all our employees. We conducted materiality analyses in all our companies in 2021 and set targets and KPIs for identified material areas. From there, we develop sustainability strategies with defined overall goals and sub-goals as well as key performance indicators that we update at least annually in all our companies.

## How do we work with sustainability?

Our way of working is based on a decentralised organisation and takes place mainly through the subsidiaries' boards, a common code of conduct, policies and guidelines, as well as training and follow-up of data. The CEO and management of each subsidiary have operational responsibility for their sustainability work and for integrating sustainability aspects into their business models and strategies. Each board of directors is also ultimately responsible for ensuring that the company adheres to its own and the Group's guidelines and policies.

## Governance and organisation

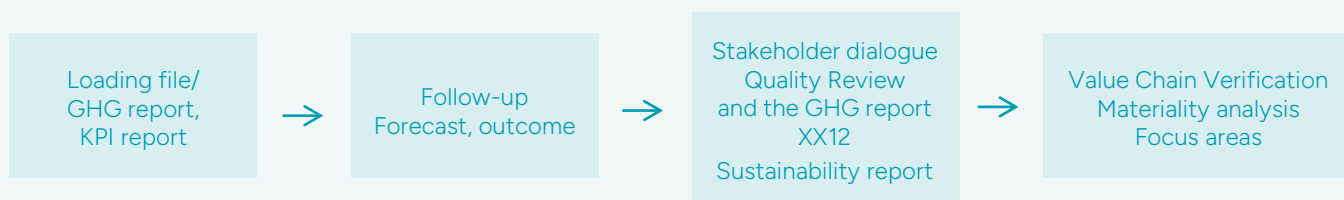
Inducore's Executive Management annually establishes a strategic plan for the coming three-year period, which includes strategies, action plans and targets for sustainability work. Group management approves and continuously follows up activities and objectives during the year, where the Group's sustainability coordinator monitors and, together with the CEOs, drives sustainability work forward and reports back to the CEO. Decisions related to overall strategies and direction are made by Group Management.



## Interval



## Aktivitet



## Sustainability Coordinator

A Sustainability Coordinator has been appointed for the Group. Each company's CEO or site manager is responsible for ensuring that their sustainability data is collected and entered into the produced scanning file, which also contains the calculation of GHG, which is then exported into the common database Cognos. Cognos collects all financial and sustainability data from all the companies in the group. This data is then used for KPI reports for report-review meetings and board meetings, which take place six and four times a year, respectively. The CEO and CEOs of each company participate in these meetings. A follow-up meeting with the sustainability coordinator takes place twice a year; autumn and spring.

## Stakeholderdialogue

Dialogue with our most important stakeholders is ongoing.

**Suppliers:** Via supplier valuation/form/self-evaluation. Each company has routines for supplier evaluation. The Sustainability Council has developed a proposal for a joint evaluation. From 2024, the companies will have to report how many suppliers have been evaluated and response responses. The Code of Conduct <https://www.inducore.se/koncernen/code-of-conduct> must be included in the valuation. The proposal for the joint evaluation asks questions that are relevant to our sustainability work and whether they comply with our Code of Conduct.

**Customers:** Dialogues, customer focus groups and surveys are conducted by each company. At customer focus groups, customers are invited to evaluate or develop a product.

**Coworker:** Annual performance appraisals and an annual employee survey that is distributed to all companies. Each company is responsible for distribution to its employees and collection of evaluation results regarding the physical and mental work environment. See results under chapter Diversity and inclusion and a safe and secure workplace.

**Owners, municipalities, banks:** Dialogue takes place at least every three years. A formalised dialogue was carried out in 2021 and is planned for 2024.

## Evaluation

Evaluation of the year's work and plan for future activities is made at the Group's CEO meeting held four times a year.

## Risk management Inducore

Inducore's companies have suppliers and customers in a number of countries, which entails risks in the areas of the environment, human rights and corruption. Our common Code of Conduct for employees and suppliers is our guiding document and supports us in making the right decisions in difficult situations. Our risk management process gives us the tools to raise awareness of our most important risks within the organization and create a common picture of how they should be avoided and managed.

We annually evaluate the suppliers whose impact is significant on our production based on all aspects of sustainability, quality and risk level.

ISO 9001  
ISO 14001

The companies are certified according to several different systems, including ISO 9001 and ISO 14001, which means that risk management is a natural part of our daily routines. Each company has built up its system for identifying and evaluating risks and opportunities in its operations.

# Risk management

Aspects	Risk/Impact	Actions
Climate footprint	The climate footprint of Inducore's operations, mainly related to the processing and processing of input goods, is relatively low. However, we work tirelessly to constantly improve ourselves with high goals and this work permeates the entire business.	Our focus areas: greenhouse gas emissions, technological change and circularity help us reduce this risk and turn it into an opportunity
Health and safety	Most of the companies in the Group have production, which entails risks during machining, such as heavy lifting, cutting, burns and crushing injuries. End-users are also potentially exposed to heavy work and the risk of accidents	We continuously carry out risk assessments and act proactively to find solutions that reduce risks and engage in dialogue with our customers to develop and improve our products.
Air quality and health	The Group conducts surface treatment and the use of cutting fluids, which means that solvents and particles that are hazardous to humans and the environment are used.	We have invested in processes to reduce the consumption of cutting fluids, solvents and paints and ensure that they have as little environmental impact as possible without causing quality defects.
Operational risks	Our business depends on stable and efficient processes in all departments to maintain sustainable production and to deliver high-quality products to our customers. Failure risks increasing the consumption of materials and energy, contributing to unnecessary transport and low-quality products, which leads to higher costs, rework and impact on our brand. Reduced demand for our products and increased prices for raw materials and components.	Continuous improvement and focus-areas within all departments to ensure clear work processes, responsibilities and goals. We work closely with customers, partners and suppliers to understand expectations and needs to ensure efficient and correct development in terms of sustainability, products, sales, purchasing and production. Be an attractive supplier and have as broad an extension program as possible. Flexible units that can switch to other types of production. Find other industries that are in need of sound absorbers, Reduce lead times by becoming more efficient in order not to become so price sensitive. Compete with sustainable products and quality instead of low price. Follow commodity prices and have a close dialogue with customers.

# Riskhantering

Aspects	Risk/Impact	Actions
Financial risks	We live in a changing world where economic fluctuations, pandemics and wars affect our business. Finding new products and innovative solutions for the future is a challenge but a must for us to be a strong partner to our customers. With unclear communication about the value of sustainability benefits, there is a risk of reduced demand for sustainable products.	Since the Group consists of different types of companies, economic fluctuations have different impacts. Our companies operate in a decentralised manner and can quickly adapt to changes, which is advantageous. We believe that our decision to highlight sustainability will be a competitive advantage going forward.
Compliance	We have a code of conduct for employees and business partners, but there is always a risk that someone will break it. Violations of human rights or environmental damage risk being costly and negatively affecting our brand.	We will improve procedures to increase understanding and compliance with the Code of Conduct among our employees and business partners.
Diversity & Inclusion	The manufacturing industry is traditionally male-dominated, both in management and other operations, which is a risk as we are convinced that diversity is required to develop our company successfully. Several different cultures are represented, but the risk remains in terms of gender distribution.	We are working to recruit and retain more women at all levels of the company, but also to ensure that we have an inclusive environment where everyone feels safe to express themselves.

# The UN's Sustainable Development Goals and Our contribution to them

Globalgoals	Goal/ Milestone	What do we do?	Side
-------------	-----------------	----------------	------



Good health and well-being

Good health is a fundamental prerequisite for people's ability to reach their full potential and to contribute to the development of society. As an industrial group, we want to create safe and healthy workplaces where our employees thrive and feel good. No one should have to risk their own safety or health by working with us or with us. As an industrial group, we must work to create well-being in our workplaces where all employees and all those who work with us feel welcome and motivated.

1-10



Quality education and training 4.4  
Increasing the number of people with financial security skills 4.7  
Education for sustainable development and global citizenship

The world's education system must meet people's needs throughout their lives, from pre-school and primary school, to secondary and tertiary education, and provide equal opportunities for all people to lifelong learning that promotes participation in working life and society. Education is the key to prosperity and opens up a world of opportunities that enable each of us to contribute to a sustainable society. As an industrial group, we can safeguard an equal society by ensuring women's full and effective participation and equal opportunities for leadership at different levels of decision-making.

11-20



Equality-5.5 ensure full participation of women in leadership and decision-making

Creating good conditions for innovation and entrepreneurship while ensuring decent working conditions promotes sustainable economic growth. Our employees are the foundation of our long-term success, which is a prerequisite for being able to retain competence and recruit in a market characterized by the highest competition. As an industrial group, we aim to be an attractive employer by offering creative workplaces where our employees are given reasonable influence in the areas that affect their workplace.

21-30







Sustainable Energy for All- 7.2 Increase the share of renewable energy in the world, 7.3 Double the increase in energy efficiency

The impact of human impact on the climate depends to a large extent on how we extract, convert and use energy. Today, renewable energy solutions are becoming cheaper, more reliable and more efficient every day. By changing the way we produce and consume energy, we ensure access to electricity and energy services for all without harming our planet. As an industrial group, we can contribute by becoming more energy efficient in our facilities and at the same time switching to renewable energy sources and by ceasing to use fossil fuels such as coal, oil and natural gas. As an industrial group, we will significantly increase the share of renewable energy in our overall energy mix by 2030. As an industrial group, we will double the rate of improvement in terms of energy efficiency in our facilities by 2030.

31-40

# The UN's Sustainable Development Goals and Our contribution to them

Globalgoals	Goal/Milestone	What do we do?	Side
	<p>Decent working conditions and economic growth</p> <p>8.1 Sustainable economic growth, 8.6 Promoting the employment, education and training of young people</p> <p>8.8 Protecting workers' rights and promoting safe and secure working environments for all</p> <p>8.4 Improving resource efficiency in consumption and production</p>	<p>Good health is a fundamental prerequisite for people's ability to reach their full potential and to contribute to the development of society. As an industrial group, we want to create safe and healthy workplaces where our employees thrive and feel good. No one should have to risk their own safety or health by working with us or with us.</p> <p>As an industrial group, we must work to create well-being in our workplaces where all employees and all those who work with us feel welcome and motivated.</p>	1-10
	<p>Sustainable industry, Innovations and infrastructure</p> <p>9.2 Promoting inclusive and sustainable industrialisation</p> <p>9.4 Upgrading industry and infrastructure for greater sustainability</p>	<p>A functioning and stable infrastructure is the foundation of successful societies. In order to meet the future challenges, we face, our industries and infrastructure must be made inclusive and sustainable. In the transport sector, road transport accounts for as much as 93 per cent of greenhouse gas emissions, of which passenger car traffic accounts for 60 per cent. As an industrial group, we can contribute to the transition by optimizing our internal and external logistics flows and choosing energy-smart modes of transport, environmentally friendly fuels and energy efficiency improvements, while at the same time working to avoid unnecessary transports. As an industrial group, we will contribute to strengthening the infrastructure and adapting the industry towards a sustainable and efficient use of resources</p>	11-20
	<p>Sustainable consumption and production</p> <p>12.4 Responsible Handling of Chemicals and Waste</p> <p>12.5 Significantly reduce the amount of waste</p>	<p>Creating good conditions for innovation and entrepreneurship while ensuring decent working conditions promotes sustainable economic growth. Our employees are the foundation of our long-term success, which is a prerequisite for being able to retain competence and recruit in a market characterized by the highest competition. As an industrial group, we aim to be an attractive employer by offering creative workplaces where our employees are given reasonable influence in the areas that affect their workplace.</p>	21-30
	<p>Fight climate change</p>	<p>Today, transport accounts for about a third of Sweden's greenhouse gas emissions, most of which is attributed to road transport. Our external freight is certainly controlled by our customers and suppliers downstream and upstream, but in cooperation we can choose modes of transport with a low environmental impact. Within our own operations, we can reduce transport and choose fossil-free vehicles, while at the same time safeguarding more climate-smart travel by, for example, train, bicycle or public transport</p>	31-40

# GRI Index

GRI-standard	Enlightenment	Side	Omission		
			Requirement Omitted	Reason	Explanation
Generella upplysning					
GRI 2: General Information 2021	2-1 Information about the organization	4-10, 24-28			
	2-2 Companies included in the organisation's sustainability reporting	8			
	2-3 Reporting period, frequency and point of contact	3			
	2-4 Revised information	3			
	2-5 External review	3			
	2-6 Activities, value chain and other business relationships	14,16,21-22, 25,29			
	2-7 Employees	15			
	2-8 Workers who are not employees	N/A		Missing data	
	2-9 Structure and composition of the Board of Directors	34-36			
	2-10 Nomination and election of the highest governing body	34			
	2-11 Chairman of the Board	33			
	2-12 The role of the highest board of directors in overseeing impact management	34-36			
	2-13 Delegation of responsibility for managing our impact	35			
	2-14 The Board's role in sustainability reporting	35			
	2-15 Conflicts of interest	35			
	2-16 Communication of critical issues	35			
	2-17 Collective Knowledge of the Supreme Governing Body	35			
	2-18 Evaluation of the performance of the highest governing body	35			
	2-19 Remuneration Policy	35			
	2-20 Process for determining compensation		Sekr. begr.	Level of compensation.	With reference to the size of the company and non-listed status
	2-21 Annual Total Replacement Rate				
	2-22 Statement on the Sustainable Development Strategy	34			
	2-23 Policies	34			
	2-24 Policy commitments	34			
	2-25 Processes to address adverse effects	34			
	2-26 Mechanisms to seek advice and raise concerns	12			
	2-27 Compliance with Laws and regulations	12			
	2-28 Member associations	N/A			Missing data
	2-29 Approach to Stakeholder engagement	36			
	2-30 Collective agreement	12			

# GRI Index

GRI-standard	Enlightenment	Side	Omission		
			Requirement Omitted	Reason	Explanation

## General information

GRI 3:  
Essential  
questions  
2021

### Material issues

3-1 Process for determining material issues	9-10
3-2 List of material issues	10
3-3 Dealing with material issues	10-28

GRI 3:  
Essential  
questions  
2021  
GRI 302:  
Energy 2016

### Environmental sustainability

3-3 Dealing with material issues	23	
302-1 Energy consumption within the organization	20	
302-2 Energy consumption outside the organization	N/A	Not calculated
302-3 Energy intensity	21	
302-4 Reduction of Energy consumption	20	

GRI 3:  
Essential  
questions  
2021  
GRI 305:  
Emission 2016

3-3 Dealing with material issues	23	
305-1 Direct (Scope 1) greenhouse gas emissions	20-23	
305-2 Energiindirect (Scope 2) greenhouse gas emissions	23	
305-3 Other indirect (Scope 3) greenhouse gas emissions	N/A	Not calculated
305-4 GHG Emission intensity	N/A	Not calculated
305-5 Reduction of greenhouse gas emissions	20-23	
305-6 Emissions of ozone-depleting substances (ODS))	N/A	No emissions of ozone-depleting substances
305-7 Nitrogen oxides (NOx); oxides of sulphur (SOx) and other significant air emissions	N/A	No NOx and SOx emissions

GRI 3:  
Essential  
questions  
2021  
GRI 305:  
Waste 2020

3-3 Dealing with material issues	27	
306-1 Waste generation and significant waste-related impacts	N/A	Ej beräknat
306-2 Handling of significant Waste-related impacts	25-27	
306-3 Waste generated	25-27	
306-4 Waste diverted from the disposal	N/A	Ej beräknat
306-5 Waste destined for disposal	25-27	

# GRI Index

GRI-standard	Enlightenment	Side	Omission		
			Requirement Omitted	Reason	Explanation
General information					

## Wiking Environment and security

GRI 3:  
Essential  
questions  
2021  
GRI 403  
Work  
environment  
and security

3-3 Dealing with material issues	15		
403-1 Management system for Working environment and security		Internal management systems for occupational health and safety are in place	
403-2 Identification of hazards, Risk assessment and incident investigation	14		
403-3 Working environment		13 Occupational health care in Sweden, data not available for other countries	
403-4 Worker participation, Consultation and communication on health and safety in the Workplace	36		
403-5 Worker training on Working environment and security	12		
403-6 Promotion of workers' health	14		
403-7 Prevention and mitigation of occupational safety and health	14		
Directly linked to business relationships			
403-8 Workers covered by an occupational health and safety management system		Internal management systems for occupational health and safety are in place	
403-9 Work-related injuries	15		
403-10 Work-related illness	15		

GRI 3:  
2Essential  
questions  
2021  
GRI 404  
Training and  
education  
2016

3-3 Dealing with material issues	17		
404-1 Average number Training hours per year per employee	13		
404-2 Upgrade Program of employees' skills and Transitional support	13		
404-3 Percentage of employees who receive regular performances and Career Development Reviews	N/A		Not calculated

GRI 3:  
Essential  
questions  
2021  
GRI 405  
Diversity and  
Equal  
opportunities  
2016

3-3 Dealing with material issues	15		
405-1 Diversity in Governing Bodies and employees	15		
405-2 Relationship between basic pay and remuneration for men and women		15 Salary survey conducted in Sweden, data missing for other countries.	

Inducore AB (556546-6835) presents its Sustainability Report for 2023. It covers all entities included in the consolidated financial statements and reflects our performance during the period 1 January – 31 December 2023. This, our first sustainability report, has been prepared in accordance with GRI Foundation 2021 and the Annual Accounts Act. The Sustainability Report has been approved by the Board of Directors and reviewed by the company's auditor Öhrlings PricewaterhouseCoopers AB. For questions about the Sustainability Report, please contact Monica Sundell, [monica.sundell@gehab.com](mailto:monica.sundell@gehab.com)



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