



# Sustainability Statement 2025

## INTRODUCTION

AQ Group was founded in Sweden 1994 and has today approximately 8,000 employees, most of whom work in emerging countries outside Sweden. AQ is a global manufacturer of components and systems for demanding industrial customers around the world. AQ is proud to have been a reliable supplier for over 30 years by producing high-quality products that are delivered on time in a sustainable way. AQ has been an active member of the UN Global Compact since 2012 and since then supports the Global Compact's 10 guiding principles relating to human rights, labour rights, the environment and anti-corruption in order to conduct sustainable business.

The ten principles are:

### Human rights principles

- Principle 1: Support and respect the protection of internationally proclaimed human rights
- Principle 2: Make sure that we are not complicit in human rights abuses

### Labour principles

- Principle 3: Uphold the freedom of association and the effective recognition of the right to collective bargaining
- Principle 4: Uphold the elimination of all forms of forced and compulsory labour
- Principle 5: Uphold the effective abolition of child labour
- Principle 6: The elimination of discrimination in respect of employment and occupation

### Environmental principles

- Principle 7: Support a precautionary approach to environmental challenges
- Principle 8: Undertake initiatives to promote greater environmental responsibility
- Principle 9: Encourage the development of environmentally friendly technologies

### Anti-corruption principle

- Principle 10: Work against corruption in all its forms, including extortion and bribery

According to AQ's Core Values, the business shall be conducted with a strong focus on cost-efficiency, which means, among other things, that we constantly try to meet our customers' wishes for the most cost-effective way of manufacturing and implement continuous improvements. By working towards reduced waste (scrap, poor quality, overproduction, poor utilization of space, warehouses, extra transports, etc.), costs and environmental impact are reduced. At AQ, we believe that a reduced spend dollar is also a reduction in emissions. We are also proud to economize on resources, which is part of our DNA.

So, at AQ, sustainability has since long been an integral part of our strategy and operations and is a natural part of our regular business activities – everything from meeting customer requests for energy- and cost-effective components and systems to responsibly manufactured products with a long lifespan that are delivered from a factory in the local area to reduce transport. And AQ's Core Value Cost Efficiency means that AQ focuses on economize resources and eliminating waste, which also contributes to a lower impact on the environment.

AQ has previously conducted annual sustainability reporting (Communication of progress and Letter of Commitment) in accordance with the UN Global Compact's framework and provided sustainability information in the statutory annual report. This Sustainability Statement is the first sustainability statement that AQ prepares according to the CSRD and ESRS, which is why the structure and several disclosures differ from previous reports. However, AQ has not changed its way of working with sustainability-related issues, but its strategy and Core Values remain unchanged. AQ works long-term with demanding industrial customers who have high demands on quality and delivery precision. AQ's entrepreneurial and decentralised governance model helps us to listen to our customers' wishes and be quick to transition.

## WE SUPPORT



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## I ESRS 2 - General Information (ESRS 2)

### BASIS FOR PREPARATION

#### BP-1

#### General basis for preparation of the Sustainability Statement

AQ Group's Sustainability Statement has been prepared in accordance with the requirements of the Swedish Annual Accounts Act, European Sustainability Reporting Standards ("ESRS"), and the EU Taxonomy. It has been prepared on a consolidated basis, and the scope of the consolidation is the same as for the financial statements, i.e. the Sustainability Statement covers both the parent company AQ Group AB and all subsidiaries. Following the outcome of the due diligence process and materiality assessment, AQ Group's Sustainability Statement contains information on material effects, risks and opportunities associated with AQ Group's own operations and its direct and indirect business relationships both upstream and downstream in the value chain. As AQ Group is a contract manufacturing supplier and operates in the middle of the value chain in the contract manufacturing industry, there is little visibility into the upstream and especially downstream of the value chain.

This statement describes the sustainability topics that are most relevant for the group and its valuechain and the disclosures may lack some information. No exemptions have been made for the disclosure of certain information on intellectual property rights, know-how or innovations (ESRS1, section 7.7), or the disclosure requirement 19a.3 and 29a.3 of 2013/34/EU. Reported climate emissions are based on estimates and constitute an approximation of actual emissions. As this is the first year that AQ compiles a sustainability statement in accordance with ESRS, we have chosen not to include comparative data for 2024 but only data for 2025 that has quality-assured data in accordance with the regulations in ESRS.

#### BP-2

#### Disclosures in relation to specific circumstances

Applied time horizons are in accordance with ESRS 1, section 6.4, for the assessment of impacts, risks and opportunities and were short-term (less than 1 year), medium-term (1-5 years) and long-term (more than 5 years). AQ Group has collected data from its subsidiaries and there are controls in place to ensure that the information is complete and accurate. However, the preparation of the Sustainability Statement also requires the use of assumptions, estimates and management's assessments. AQ reports on uncertainties and specific circumstances in addition to relevant disclosures. AQ is considering additional IT solutions to obtain better quality data, mainly on emissions (Scope 1-3) that can improve data collection and make information more accurate. Information previously presented in AQ Group's statements has not been reviewed, therefore AQ does not report comparative information in this report. In this Sustainability Statement, AQ does not disclose any other information derived from generally accepted standards and frameworks for sustainability reporting.

The Sustainability Statement has been certified by EY and has not been validated by any other external party. For the first reporting year, AQ applies phasing-in provisions in accordance

with Annex C to ESRS 1 and, among other things, does not report the expected monetary effects of climate change and resource use-related risks and opportunities for the financial year 2025.

Metric	Reason for uncertainty	Reference to topical chapter
Scope 3	Limitations due to a spend-based approach, and energy standards as the basis for energy use.	E1

### GOVERNANCE

#### GOV-1

#### The role of the administrative, management and supervisory bodies

The administrative, management and supervisory bodies responsible for the supervision of impacts, risks and opportunities (later in this Sustainability Report: IRO) are the Board of Directors. The Board of Directors is the highest management body in sustainability matters and oversees sustainability reporting and risk management, and approves AQ Group's Sustainability Statement, including targets, group-wide policies and processes, as well as the Double Materiality Assessment (later in this report: DMA). The Board is responsible for monitoring progress towards the targets. The CEO, with the support of Group Management, implements the sustainability measures based on the instructions of the Board of Directors. The members of Group Management represent all of AQ Group's subsidiaries and have expertise relevant to AQ's operations and industry. The MDs of the subsidiaries are responsible in their countries for all sustainability-related matters, and it is their task to manage the risks, determine and reserve the resources and expertise required for processes and actions towards defined targets. AQ's in-house experts support Group Management with regard to material impacts, risks and opportunities.

#### Group Management and operational management of sustainability

The Board of Directors of AQ Group is ultimately responsible for the company's organization and management.

The Audit Committee assists the Board of Directors in, among other things, monitoring the sustainability reporting processes to ensure the quality of such processes and reporting. The Board of Directors appoints and provides instructions and guidelines to the CEO, who are then responsible for the ongoing management of the group. The Board of Directors and its committees shall thus be regarded as the group's administrative, management and supervisory body for sustainability topics. However, the operational administration and management of sustainability topics has been delegated by the Board to the CEO with the support of Group Management.



### Governance of sustainability efforts

Board of directors and Group Management	Number of members	Female, %	Male, %	Proportion of women in relation to men, %
Board of Directors <sup>1)</sup>	6	33	67	50
Management	9	33	67	50

<sup>1)</sup> Since the Annual General Meeting 2025

Disclosures in accordance with ESRS in other parts of the Annual Report		Section of the Annual Report, page
<b>GOV 1</b>		
§21 b	Information about employee representatives	N/A
§21 c	Experience and expertise of the Board	Corporate governance report, page 24
§21 e	Percentage of independent Board members	Corporate governance report, page 24
§22 a	Members of the Board and executive management	Corporate governance report, pages 24-25
§22 b	Nomination committee selection criteria, Board procedures and CEO instructions	Corporate governance report, pages 21-22

### Group policies and steering documents related to sustainability

AQ's Core Values form an important foundation for our decentralized operations and bring together AQ's companies and employees around the world. Read more about our Core Values on page 8.

Through our Core Values and our commitment to total quality, we are constantly improving to meet our customers' requirements and expectations. All the work we do is a testament to our competence and a recommendation for future business. All employees are responsible for quality.

The activities must also be conducted in such a way that natural resources are preserved and the environment is protected. We will comply with rules and legislation, constantly work on improvements to reduce or prevent our environmental impact - from design to delivery. All employees are responsible for the environment.

In addition to AQ's written Core Values, we have a Code of Conduct that provides the framework for how all employees in the group should behave. We also have a Supplier Code of Conduct with our expectations of them in key areas such as working conditions, human rights, health and safety, and environmental management. The same standards apply to suppliers as to AQ Group's own operations. The Board of Directors approves the Code of Conduct and the Code of Conduct for Suppliers, while Group Management approves other group-wide policies. For each Group policy, a member of Group Management is appointed as the policy owner, responsible for monitoring the implementation and providing guidance and related governing documents. Additional and relevant ESG-related Group policies are listed in the following table.

### Overview of Group policies and steering documents

Sustainability area	Important steering documents	Accountable
Governance	Vision, Business concept, Goals	CEO
Governance	AQ Core Values	CEO
Governance	Code of Conduct	HR
Governance	Supplier Code of Conduct	Purchase
Governance	Quality policy	CEO
Governance	IT policy	IT
Social	Remuneration policy for senior executives	HR
Social	Policy against abusive discrimination	HR
Social	Gender policy	HR
Social	Whistleblower policy	HR
Environmental	Environmental policy	HR
Environmental	ISO 14001 certification	Local MD
Financial	Finance policy	CFO
Financial	Internal control policy	CFO
Financial	Information- and Insider Policy	CEO
Financial	Dividend policy	CFO

### GOV-2

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

#### Sustainability expertise and material issues 2025

Some of the sustainability issues that AQ Group's management and Board of Directors specifically addressed in 2025 were customers' wishes for climate-adapted components and systems, customers' wishes for specific climate-related reporting, work environment risks, business ethics, AQ Group's prerequisites for climate-neutral operations, the adaptation to CSRD's requirements for sustainability reporting, and the work and results of a Double Materiality Assessment. Work and education within the company contribute to skills development in all issues. From the 2025 financial year, sustainability will be a clarified focus area in the Board's work. In the company, the CFO was given increased responsibility corresponding to a group's "Head of Sustainability" and received additional resources to the previous central functions for statutory reporting, accounting and analysis to also include the expanded statutory sustainability reporting for the parent company and group in the future. No separate sustainability function has been established but is part of the existing organizational structure with responsibilities and authority. AQ engaged external expertise to provide Group management, the Board of Directors and certain functional managers with basic training in the CSRD and ESRS as well as the statutory reporting and disclosure requirements that have arisen. External expertise was also consulted in connection with the preparation of the documentation for the Double Materiality Assessment and the GAP analysis that has been carried out during the year.

In 2025, the Audit Committee held six (6) meetings and the meetings addressed, among



other things, the progress in the implementation of the CSRD in general, the DMA and related due diligence process, the material impacts, risks and opportunities identified in the DMA (see the table of material IROs under ESRS2, SBM-3), updating of AQ Group’s sustainability documentation and reporting, setting targets and metrics, and updating existing and new policies to support sustainability issues. Based on the ESG work of the Audit Committee and Group Management, the Board of Directors approved the DMA and updated policies in 2025.

**GOV-3**

**Integration of sustainability-related performance in incentive schemes**

The starting point for salary and other remuneration to senior executives in AQ Group is that they should be in line with market conditions and adapted to the company’s costs and give the company the opportunity to recruit and retain the senior executives needed to achieve long-term and short-term goals, support the business strategy and contribute to sustainability. According to AQ’s remuneration guidelines for senior executives, variable remuneration (incentive program/bonus) shall have a fixed maximum amount and be linked to predetermined and clearly established measurable target criterias with the aim of promoting the company’s business strategy, sustainability and long-term value creation. Through the warrant-based incentive programs, the reward is linked to the company’s future earnings and value development.

AQ Group’s variable remuneration system for the Group’s senior executives and Managing Directors of the subsidiaries for 2025 has been related to earnings development and tied-up working capital (EBT and ITO metrics) and no specifically expressed sustainability metric/non-financial performance criterion, as the requirement to live up to the company’s values and to contribute to increased sustainability in the operations conducted is an inherent expectation of all employees within AQ. (GOV-3 §29a, see Board of Directors’ Report page 29).

**GOV-4**

**Statement on due diligence**

AQ Group’s due diligence process for Double Materiality Assessment relied on that described in the European Sustainability Reporting Standards (ESRS), which involves a comprehensive approach to identifying, preventing, mitigating and accounting for actual and potential adverse impacts on both the environment and people linked to a company’s operations. AQ Group’s subsidiaries have long followed established industry standards, such as ISO-certified management systems. ISO certification of quality, work environment and safety and environmental management systems requires companies to systematically assess risks, implement measures to address identified issues, and transparently report on their efforts and results. In addition, a stakeholder analysis was used to identify and assess impacts, risks and opportunities in the DMA. Stakeholder dialogues and analyses are carried out on an ongoing basis, primarily with customers, suppliers, employees and investors, and are an important part of the ongoing due diligence process.

Core elements of due diligence	Paragraph in the Sustainability Statement
a) Embedding due diligence in governance, strategy and business model	GOV-1 The role of the administrative, management and supervisory bodies
	GOV-2 Information provided to and sustainability matters, addressed by the undertaking’s administrative, management and supervisory bodies
	GOV-3 Integration of sustainability-related performance in incentive schemes
	SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model
b) Engaging with affected stakeholders in all key steps of the due diligence	SBM-2 Interests and views of stakeholders and opportunities
	GOV-2 Information provided to and sustainability matters, addressed by the undertaking’s administrative, management and supervisory bodies
c) Identifying and assessing adverse impacts	IRO-1 Description of the process to identify and assess material impacts, risks
	SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model
d) Taking actions to address adverse impacts	IRO-1 Description of the process to identify and assess material impacts, risks and opportunities
	E1-3 Actions and resources in relation to climate change policies
	S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions
	e) Tracking the effectiveness of efforts and communicating

**GOV-5**

**Risk management and internal controls over sustainability reporting**

AQ Group has since many years established processes for risk management and internal control of reporting. During the year, these processes have evolved to also include the new data points required by the CSRD and ESRS. Follow-up takes place at company level for all companies in the group. Results/data points regarding the environment, social and governance are followed up annually. Financial results are monitored monthly. Results/data points are compiled by the CFO (using the group accounting function) and reported to Group Management and the Board of Directors. Deviations from targets and previous years are considered and reconciled. Prior to the decision on the Sustainability Statement, an overall reconciliation takes place with the auditors. The governance of the Sustainability Statement is similar to that of financial reporting. The Audit Committee prepares the Sustainability Statement before it is taken up for decision by the Board of Directors. The Audit Committee’s work includes a focus on quality and accuracy in the group’s reporting. In their annual audit report presented to the Board of Directors, the auditors present their observations from the review as well as their assessment of the company’s internal control processes.

**SBM-1**

**Strategy, business model and value chain**



The AQ Group’s main business and value chain and how these relates to the Materiality Assessment are summarized below.

**AQ Group’s purpose and business model**

AQ Group’s purpose is to be a reliable growing partner for demanding industrial customers. AQ’s customers are in many cases world leaders in what they do. In principle, AQ has no patents of its own, but manufactures and supplies components and systems on order from industrial customers, who in turn often further refine these before they reach the end customer, which is also, with a few exceptions, industrial companies. AQ’s customers depend on receiving high-quality components and systems with high delivery precision. At the same time, high demands are placed on AQ to produce in a sustainable way and at a competitive price. AQ adds customer value in four main areas: Design, Industrialization, Purchasing/Logistics and Serial production.

The Group operates in two business segments; Component that produces transformers, wiring systems, mechanical parts, sheet metal processing and injection molded thermoplastics, as well as Systems that produces system, power and automation solutions and assembles complete machines in close cooperation with customers.

AQ aims to be a world leader in terms of quality, delivery precision and customer service. The goal is also to be close to our customers geographically in order to be able to offer products with the best total cost and at the same time low environmental impact.

In summary, the nature of AQ’s market segment is often; A) long-term and recurring business B) often highly complex products C) customers are often market leaders D) regionalized supply chains and manufacturing.

See further about AQ’s business model, goals and strategies on pages 9-11 in the Annual Report.

Disclosures in accordance with ESRS in other parts of the Annual Report		Section of the Annual Report, page
<b>SBM-1</b>		
§40 a iii	Employees by geographical area	Financial Reports, page79
§40 b	Total revenue	Financial Reports, page 61

**Key industry trends impacting the Group’s strategy**

AQ has many customers who are leaders in technology to improve our environment. We help them produce parts or complete products. In recent years, AQ has seen an increase in demand in these areas. In order for our customers to succeed, it is of the utmost importance that the products work for a long time, but also that they have as low a cost as possible. We help them with everything from realizing an idea to serial manufacturing with deliveries globally close to our customers’ markets. We see the trend most clearly in commercial vehicles, where several of our customers are switching to fully or partially electric propulsion. There, AQ can assist them with expertise to produce for the automotive industry combined with our expertise in electric power and electrical automation.

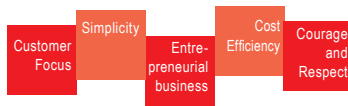
We also see a clear trend of increased demand for components that minimize and streamline energy use among our customers’ end customers, as well as components that enable renewable energy sources such as solar and wind power.

**AQ Group’s value chain**

AQ procures components/production input materials and manufacturing equipment from a large number of suppliers worldwide. The largest type of materials purchased are aluminum, steel, electric steel, copper, plastic, and stainless steel. Large amounts of purchases are also made of electronic components that are mainly used in cabling and electrical cabinet manufacturing. Transportation to and from the companies’ production facilities is another important area for purchasing. Several companies also use temporary workers in their manufacturing processes to be able to adapt their workforce more quickly to customer demand.

AQ’s business is to produce components and systems for demanding industrial customers who own the intellectual property rights of the products themselves. Customers use AQ as a production unit for the manufacture of well-specified products, such as painted metal sheets and assembled electronics, which customers then assemble as often small but important components in their end products.

The products are transported to the customers who distribute them to the end customers. Since AQ manufactures a variety of products in some 15 different industrial market segments, there are many different types of end customers and end users worldwide, ranging from medical or military personnel, operators of industrial machinery and equipment, to consumers of data centers and wind turbines. However, AQ has no or very limited insight into the end use of the products, which is why the description of the value chain and the Materiality Assessment have mainly been made based on what AQ has first-hand information about.



**Customers**

AQ Group has a well-diversified customer base, with the ten largest customers accounting for just over half of revenues. Customers include demanding industrial customers operating in a variety of manufacturing industries, such as ABB, Alstom, Hitachi, Scania and Volvo. None of the revenue comes from customers directly active in the fossil fuel sectors, chemical production, controversial weapons or tobacco.

**Employees**

AQ Group employs around 8,000 people, most of whom work in factory environments in the Group's more than fifty factories spread across 17 countries. In addition to employed employees, hired staff are hired to enable upscaling and downscaling of production in line with orders from customers. Other employees are active in management and support functions.

**Suppliers**

The purchasing function has strategic importance for AQ. In close cooperation with existing and new suppliers, the purchasing function work to ensure a reliable and long-term sustainable supplier base. It creates added value for our customers and strengthens AQ's competitiveness. Through AQ's global presence and the big number of suppliers we work with, we often help our customers find an equivalent component alternative at lower prices internally within AQ, but also externally. This allows us to reduce the total cost for our customers, but also increase the alternatives to find suitable goods to buy based on our customers demand.

**Toward the Group's strategy for profitable growth**

For 30 years, AQ Group has built a successful company by taking a long-term approach and investing wholeheartedly to live up to customer expectations in terms of quality, delivery precision, technical development and service. In short, "reliable". The ambition is to be the world's best supplier! AQ has no fantastic patents or other protections, but lives on having the best crew. To deserve the best crew, AQ believes that you should be honest, open, interested, have courage, give feedback and welcome opposition. Furthermore, in order to survive in the long term, you have to grow, and in order to grow, you have to internationalize. To be able to make quick decisions and decide for yourself, you should not be dependent on lenders so making money before investing is important. AQ's values are based on a fundamental respect for the individual and a belief in people's ability to take their own initiative. There must be an openness to innovation and a desire for continuous improvement throughout the company. By sharing the values, colleagues from all parts of the world can work together at a fast pace, trust each other's knowledge and abilities, develop together and create customer value in the best way. That is AQ's strategy for profitable growth.

**AQ Group's strategy for adding sustainable value**

AQ works to reduce the negative environmental impact of its operations by identifying and managing environmental issues and developing sustainable working methods. By promoting the climate transition and circular production processes, the operations reduce emissions to air, soil and water and preserve biodiversity. Together with customers and suppliers in the value chain, the company takes responsibility for the environment. An important part is also minimizing waste, which has a positive environmental impact.

AQ's ambition is to reduce the climate impact of its operations. As part of AQ's climate transition, the company maps its own greenhouse gas emissions and the indirect emissions that arise in the value chain of suppliers and customers

Social sustainability means taking responsibility for people and includes both those who work at AQ's workplaces and throughout the value chain. AQ is characterized by a strong corporate culture that rests on the values WE ARE RELIABLE. The company strives to be an attractive employer by offering safe, inclusive and secure workplaces.

AQ's business, strategy and sustainable working methods create the conditions for long-term and sustainable profitability.

AAQ strives to have stable and robust profitability, where the company achieves profitable growth through customized solutions and value-creating product and service deliveries. Stable profitability over time creates the conditions for dividends to our owners while maintaining a balanced equity ratio.

AQ is characterized by a strong corporate culture and good business ethics. The requirements set internally also apply to the company's suppliers. AQ works for a sustainable supply chain by ensuring human rights, labour rights, environmental responsibility and anti-corruption measures in the supply chain. This is done within the framework of AQ's purchasing work, where the company collaborates with suppliers who are assessed and approved according to the criteria for the Supplier Code of Conduct.

**Sustainability targets**

As mentioned earlier, AQ has since 2015 conducted an annual self-assessment and follow-up of the Group's companies to give Group management a good understanding of how well the principles of the UN Global Compact are being complied with within the Group and to identify action plans for areas where the score is considered low. Since 2021, AQ also set a target of reducing carbon dioxide emissions in relation to sales by 2% for 2022 and after that by 4% per year. The Group's progress towards the target is assessed and monitored on an annual basis and the status as of year-end 2025 is summarised in the table below. For further details on the Group's carbon dioxide emissions, please refer to section E-1. This metric and target is global and covers all of AQ's operations and is an integral part of the Group's strategy and operations. By reducing carbon dioxide emissions, AQ contributes to limiting the impact on global warming, thereby contributing to the Paris Agreement's main goal of limiting global warming to 1.5 degrees.

ESRS-standard	Metric	Target ambition level	Base year	Target year	2025 Status	Target
<b>Environment</b>						
E1	Scope 1 and 2 emissions	4% reduction in relation to net sales annually so that in 10 years' time (2034) there will be a reduction of 44%	2025	2034	●	Operate resource-efficient operations and offer customers low-emission alternatives.

● On track ● Additional effort is required ● Off track

**SBM-2**

**Interests and views of stakeholders**

AQ likes transparency and direct feedback. Our values state: “We must constantly improve – those who stand still will fall behind”. Our stakeholders therefore provide ongoing insights into our sustainability and strategic work. Their perspectives help us assess the severity or benefits of AQ’s impact on people and the environment and evaluate our sustainability-related risks and opportunities. Stakeholders fall into two main groups. The first group includes those directly or indirectly affected by our operations in the value chain, or those who can influence AQ’s ability to meet its objectives, such as employees, customers and the environment. The second group includes stakeholders who rely on our sustainability disclosures, such as customers and investors.

The results of stakeholder dialogues are regularly reported back to AQ’s management and board. This gives rise to strategy adjustments and new/adapted processes in the business model with the aim of minimizing our negative impact and promoting benefits, as well as managing sustainability-related risks and opportunities.

As part of our 2025 Double Materiality Assessment, stakeholder insights contributed to identifying numerous impact topics, risks and opportunities across the entire value chain.

Stakeholders	Importance to AQ Group	
	Purpose	Details on stakeholder engagement
Customers	At AQ customers always come first. The starting point for a growing and sustainable business is to listen to the customer’s needs and demands.	The customers expectations are that AQ manufacture their products with high quality, at a competitive price and are delivered on time. AQ has very demanding customers and our ambition is to be a reliable supplier that contributes to their ambitions for quality and sustainability.  AQ has ongoing contact with customers, some as often as every week. Customer contact is handled mainly by account managers in each company but sometimes also by the CEO and Group Sales Manager.
Employees / Own workforce	AQ is a core value driven company why contious communication with employees is the key to suces to recruit and retain high performing employees.	AQ possesses no amazing patents or other security, we rely on having the best crew. To deserve the best crew we need to be honest, open, alert, possess courage, provide feedback and welcome opposition. For this we have a shared responsibility. Managers at AQ have an extra responsibility to provide a good example and ensure good communication with employees. It is also important to have fun and to work in a safe and healthy way. Depending on local legislation and trade union organizations, meetings with these organizations are held according to formalised routines.
Investors and banks	The stakeholder engagement with investors and banks is important to inform about AQ’s strategies and operations, to get feedback on how provided information is received and if it needs adjustments.	Access to the capitalmarket is important, and it is important that our investors and financiers regards AQ as a safe investment with financial stability and a profitability that will lead to sustainable shareholder returns. AQ Group has contact with main investors and banks on an ongoing basis, more than 4 times per year. Engagement with banks are handled by the CEO and CFO.
Suppliers	A close and continued interaction with suppliers is necessary to ensure a reliable and long-term sustainable supplier base that fulfills our customers high demands.	The purchasing function has strategic importance for AQ and is responsible for the close and continued interaction with suppliers. This is necessary to ensure a reliable and long-term sustainable supplier base that fulfills our customers high demands. AQ’s purchasers in the companies and purchasing managers at group level have ongoing contact with suppliers and conduct specific supplier meetings/dialogues and reviews.
Workers in the value chain		Workers within the value chain are a key group of stakeholders in regard to responsible business practices. Currently, AQ has not engaged directly with these workers, but instead work through our supplier code of conduct and other base requirements to be fulfilled to be part of AQ’s supplier base.
Consumers and end-users		AQ Group does not engage with consumers and end-users directly since the components and systems are produced and provided on demand from industrial customers, who often refines them before distributing them to end-users.
Society and affected communities		The society influences AQ through regulations, laws and directives. AQ affect local communities by offering workopportunities but also with emissions and resource consumption. This is a natural and integrated part of AQ’s daily business. AQ has no formalised nor continued engagement with society and affected communities, but dialogue is done more sporadic and based on needs. With input from these dialogues, for instance new policies, routines and manufacturing techniques are developed.

**SBM-3**

**Material impacts, risks and opportunities and their interaction with strategy and business model**

AQ has conducted a so-called Double Materiality Assessment (DMA) according to the new ESRS regulations in 2025. Before that, AQ instead included environmental and sustainability issues in the normal risk assessment process and prepared a sustainability report according to the previously applicable regulations. The purpose of the DMA is to identify the group's significant sustainability-related impacts as well as significant sustainability-related financial risks and opportunities. An ESRS topic is considered material by AQ if it affects how AQ handles strategic or business model issues. This is important information for the group when it comes to setting relevant targets and metrics to further drive and improve sustainability work.

The result of the DMA for 2025, shown here, is in line with AQ's previous assessments of risks and material impact on the group's operations in the short, medium and long term. Thus, the DMA did not result in any major changes to the Group's strategy or business model. However, the evaluation has contributed to the implementation of partly new metrics, targets and updated reporting routines.

The DMA from 2025 shows that three out of ten ESRS topics are considered material to AQ and the value chain based on the applied ESRS regulations. Through the assessment of sustainability topics, AQ can prioritize and focus on the most material issues regarding ESRS standards and address these in its policies, processes, measures, metrics and targets. The topics that are considered material are addressed in this Sustainability Statement.

		Materiality characteristic			
ESRS standard	Sub-topic	Value chain	Material impact	Financial effect	Assessment
<b>Environmental</b>					
<b>E1 Climate change</b>	Climate change adoption	▲ ■	No material impact	No material impact	We do not assess any significant impact due to our business model and where our companies are located, i.e. not in climate-exposed areas and the transition is assessed to be able to be made without major impact.
	Climate change mitigation (greenhouse gas emissions)	▲ ■ ▼	Actual negative impact	Potential negative effect (risk)	Actual negative impact in own operations, upstream and downstream due to greenhouse gas emissions generated in Scopes 1, 2 and 3 which impact climate change. According to spend analysis, the largest impacts are from sheet metal suppliers and transport to and from AQ's production units.  Potential negative financial impact due to climate-related risks such as regulation. Investments are required to reduce greenhouse gas emissions, limit climate change and ensure that AQ meets its emission reduction targets. Potential financial risks linked to increased carbon taxes could give rise to additional financial impact.
	Energy	▲ ■	Actual negative impact	No material impact	Purchased energy for production processes contributes to CO <sub>2</sub> emissions.
<b>Social</b>					
<b>S1 Own workforce</b>					Minor actual negative impact on own employees has been identified linked to minor incidents and ergonomic risks that have led to lost working time. However, this is not considered significant, which is why the risk is assessed as "potential negative impact".
	Working conditions	■	Potential negative impact	No material impact	Potential negative impact due to the risk of life-threatening or permanent injuries. Impacts of such a magnitude would be impossible or difficult to remedy. Although it is unlikely that incidents of this type will occur, AQ considers health and safety to be a material issue because it has a negative impact linked to human rights and labour rights.
<b>Governance</b>					
<b>G1 Governance</b>	Corporate culture	■	Actual positive impact	No material impact	Actual positive impact in own operations by creating a positive work environment and corporate culture grounded in common values, procedures and behaviors set in policies and the company's Core Values, policies and Code of Conduct. AQ has also a whistleblower-system with protection for whistleblowers. Since this is very difficult to measure positive effect, "no material financial impact" is stated.
	Corruption and bribery	▲ ■ ▼	Potential negative impact	Potential negative effect (risk)	Potential negative impact upstream and downstream due to the risk of corruption and bribery in business relationships mainly in high-risk sectors and high-risk countries. AQ operates in certain high-risk markets and monitors these risks and continuously educates its employees about them.

▲ Upstream   ■ Own operations   ▼ Downstream

### Consideration of workers in the Double Materiality Assessment process

Workers within the value chain are an important group of stakeholders in regard to responsible business practices. At present, AQ has not engaged directly with these workers, but addresses human and labour rights through engagement with our suppliers (see above and disclosures regarding ESRS 2 SBM-2).

### Consideration of consumers and end-users in the Double Materiality Assessment process

AQ does not engage with consumers and end-users directly since we manufacture products on demand and as a service for our customers, who distribute them to consumers and end-users.

## IMPACT, RISK AND OPPORTUNITY

### IRO-1

#### Description of the process to identify and assess material impacts, risks and opportunities (IROs)

##### AQ Process for Double Materiality Assessment

The group's Double Materiality Assessment is based on a sub-topic approach, which considers both impacts and financial materiality according to the ESRS requirements. The key steps are described below. The views of AQ's external stakeholders are assessed and integrated into the Double Materiality Assessment on an annual basis. Global functions and business areas summarize the feedback received through dialogues with key stakeholders, interactions with sustainability experts and users of the Sustainability Statement. Not all sustainability-related risks in this section are specifically addressed in the risk management section.

#### Step 1 - Mapping the Business and Value Chain

Mapping the entire value chain, from material procurement to customer delivery.

#### Step 2 - Identification of Impacts, Risks, and Opportunities (IROs)

Based on a basic list from various frameworks such as ESRS, GRI and OECD, senior executives assess which ESG impact areas are relevant to the group. The analysis also assesses whether such impacts, risks and opportunities deviate from previous assessments and whether they may lead to changes in the group's strategy or business model.

#### Step 3 - Stakeholder engagements

Dialogues with customers, employees, suppliers, investors and experts, among others, provide valuable information and contribute external perspectives on relevant ESG impact areas (sustainability issues) for the group. Read more about stakeholder dialogues in SBM-2.

#### Step 4 - Assessment of Materiality in Two Dimensions (Materiality Assessment)

The relevant impacts, risks and opportunities are then assessed from two perspectives: Inside-out (Impact Materiality): Assessment of the company's impact on the outside world (environment, social, society) respectively, Outside-in (Financial Materiality): Assess how sustainability risks and opportunities affect the company's business model, results, and future development.

#### Step 5 - Compilation and Prioritization

Results are placed in a materiality matrix. The Double Materiality Assessment and the defined material sustainability topics undergo several calibration rounds with internal stakeholders from relevant global functions within the group. External experts are engaged as needed to assist in relevant assessments. Top areas become guiding for reporting and strategy.

#### Step 6 - Gap Analysis and Action Plan

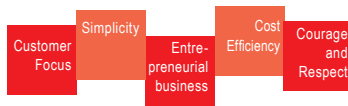
A Gap analysis is conducted to identify the difference between current reporting and the requirements of the CSRD/ESRS and a plan is developed to fill identified gaps and implement ESRS standards.

#### Step 7 - Integration into Reporting and Governance

The results of the Double Materiality Assessment are reviewed by the Group Management and the Audit Committee, and confirmed by the Board, before being used as a basis for sustainability reporting and strategy. Read more in GOV-1 and GOV-2 about the role of Group Management and the Board in the Double Materiality Assessment process and how they consider and decide on sustainability issues.

#### Processes used to identify, assess, prioritize and monitor risks and opportunities that have or may have financial impacts

A threshold value in SEK was set for financially significant risks and opportunities. The risks whose assessed value exceeds the financial threshold are followed up within the framework of AQ's other risk process. For identified significant opportunities, it was difficult to determine relevant financial metrics, which is why their impact could not be assessed without being integrated into relevant processes as well as business planning and strategy. For certain actual positive impacts, AQ has identified potential positive impacts from opportunities of further development. Sustainability risks are discussed with Group Management and the Board of Directors at least once a year. Risk management processes and reporting systems are maintained on an ongoing basis. Read more in the Corporate Governance Report on page 22 and in the risk management section SBM-3 and IRO-1.



**Double Materiality Assessment approach to environmental and governance topics**

Sustainability matter with material topics	Significant impact				Financial materiality	
	Actual positive impact	Potential positive impact	Actual negative impact	Potential negative impact	Opportunity	Risk
E1 - Climate change						
S1 - Own workforce						
G1 - Business conduct						
<b>Non-material sustainability matters:</b>						
E2 - Pollution						
E3 - Water and marine resources						
E4 - Biodiversity						
E5 - Resource use and circular economy						
S2 - Workers in the value chain						
S3 - Affected communities						
S4 - Consumers and end-users						

According to the summary above, AQ has significant sustainability issues in three of ESRS’s sustainability areas. These three sustainability areas relate primarily to the reduction of carbon dioxide emissions, a safe and secure working environment, and responsible business conduct in accordance with AQ’s Core Values and Code of Conducts. In practice, this means that AQ will continue to review input materials and production processes. Our production is based on large quantities of raw materials and other input materials that are largely decided by our customers. AQ’s environmental processes and monitoring are focused on minimizing material consumption and waste. Continued follow-up and preventive work to ensure safe and secure workplaces. Continued implementation of AQ’s Core Values and follow-up of compliance with our Code of Conduct and Supplier Code of Conduct.

As this is the first year AQ has conducted and documented a Double Materiality Assessment, there are areas for future improvements and refinements of both methods and assessments as regulations and practices evolve and the company gains in-depth knowledge in this area. An annual review of the Double Materiality Assessment will take place in order to continuously improve and develop it.

For seven of ESRS’s sustainability areas, AQ is currently assessing, based on its business model and knowledge, that these do not have material impacts, risks and opportunities in the Double Materiality Assessment. These areas are E2-Pollution, E3-Water and marine resources, E4-Biodiversity, E5-Resource use and circular economy, S2-Workers in the value chain, S3-Affected communities and S4-Consumers and end-users.

AQ describes how they have determined what material information should be disclosed in relation to the impacts, risks and opportunities that they have assessed to be material, including the use of thresholds in the IRO-1 section above.

**IRO-2****Disclosure Requirements in ESRS covered by the Group's Sustainability Statement**

The information in this Sustainability Statement is based on the following criteria: A) materiality (material issues based on DMA have been reported and not material ones not reported), B) voluntary basis (then mostly not reported), C) conditional information (depending on whether it applies or not), D) phasing, E) mandatory (always disclosed, if applies).

Section	Disclosure requirement	Page
General Information	BP-1 General basis for preparation of the Sustainability Statement	35
	BP-2 Disclosures in relation to specific circumstances	35
	GOV-1 The role of the administrative, management and supervisory bodies	35
	GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	36
	GOV-3 Integration of sustainability-related performance in incentive schemes	37
	GOV-4 Statement on due diligence	37
	GOV-5 Risk management and internal controls over sustainability reporting	37
	SBM-1 Strategy, business model and value chain	38
	SBM-2 Interests and views of stakeholders	40
	SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	41
	IRO-1 Description of the process to identify and assess material impacts, risks and opportunities (IROs)	42
IRO-2 Disclosure Requirements in ESRS covered by the Group's Sustainability Statement	44	
Environmental Information	EU Taxonomy report	46
	E1-1 Transition plan for climate change mitigation	50
	E1-2 Policies related to climate change mitigation and adaptation	50
	E1-3 Actions and resources related to climate change policies	51
	E1-4 Targets related to climate change mitigation and adaptation	52
	E1-5 Energy consumption and mix	52
	E1-6 Gross scopes 1, 2, 3 and total greenhouse gas emissions	53
	E1-7 Greenhouse gas removals and mitigation projects financed through carbon credits	54
	E1-8 Internal carbon pricing	54
	E1-10 Entity-specific metrics	54
Social Information	S1-1 Policies related to own workforce	55
	S1-2 Processes for engaging with own workers and workers' representatives about impacts	55
	S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns	55
	S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions and approaches	56
	S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	56
	S1-6 Employee characteristics: Total number of employees, breakdown by gender and country, and employee turnover rates	57
	S1-14 Health and safety metrics	57
Business Conduct Information	G1-1 Business conduct policies and corporate culture	58
	G1-3 Processes for preventing and detecting corruption and bribery	58
	G1-4 Incidents of corruption or bribery	59

Below table summarizes data points that derive from other EU legislation, with an indication of where they are located. Data points that have been assessed to not be material or do not occur in the group's value chain have been indicated with "not material". Material data points that are phased-in/not disclosed for other reasons are indicated with "N/A".

Section	Disclosure Requirement (DR) and related data point	DR page
General information	ESRS 2 GOV-1: Board's gender diversity paragraph 21 (d)	36
	ESRS 2 GOV-1: Percentage of board members who are independent paragraph 21 (e)	36
	ESRS 2 GOV-4 Statement on due diligence paragraph 30	37
	ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Not material
	ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Not material
	ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Not material
	ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv	Not material
Environmental information	ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14	50
	ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)	50
	ESRS E1-4 GHG emission reduction targets paragraph 34	52
	ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	52
	ESRS E1-5 Energy consumption and mix paragraph 37	52
	ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	52
	ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	53
	ESRS E1-6 Gross GHG emission intensity paragraphs 53 to 55	54
	ESRS E1-7 GHG removals and carbon credits paragraph 56	Not material
	ESRS E1-9 Exposure of the benchmark portfolio to climate related physical risks paragraph 66	N/A
	ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)	N/A
	ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)	N/A
	ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).	N/A
	ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69	N/A

Section	Disclosure Requirement (DR) and related data point	DR page	
Environmental information	ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Not material	
	ESRS E3-1 Water and marine resources paragraph 9	Not material	
	ESRS E3-1 Dedicated policy paragraph 13	Not material	
	ESRS E3-1 Sustainable oceans and seas paragraph 14	Not material	
	ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Not material	
	ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Not material	
	ESRS 2- IRO 1 - E4 paragraph 16 (a) i	Not material	
	ESRS 2- IRO 1 - E4 paragraph 16 (b)	Not material	
	ESRS 2- IRO 1 - E4 paragraph 16 (c)	Not material	
	ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Not material	
	ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Not material	
	ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Not material	
	ESRS E5-5 Non-recycled waste paragraph 37 (d)	Not material	
	ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Not material	
	Social information	ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	55
		ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	55
		ESRS S1-1 Human rights policy commitments paragraph 20	55
		ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 21	55
		ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	55
ESRS S1-1 workplace accident prevention policy or management system paragraph 23		55	
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)		56	
ESRS S1-14 Number of fatalities and number and rate of workrelated accidents paragraph 88 (b) and (c)		57	
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)		57	

Section	Disclosure Requirement (DR) and related data point	DR page
Social information	ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Not material
	ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Not material
	ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Not material
	ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	N/A
	ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	N/A
	ESRS S2-1 Human rights policy commitments paragraph 17	Not material
	ESRS S2-1 Policies related to value chain workers paragraph 18	Not material
	ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Not material
	ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 19	Not material
	ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Not material
	ESRS S3-1 Human rights policy commitments paragraph 16	Not material
	ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Not material
	ESRS S3-4 Human rights issues and incidents paragraph 36	Not material
	ESRS S4-1 Policies related to consumers and end-users paragraph 16	Not material
	SRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Not material
	Business Conduct information	ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)
ESRS G1-1 Protection of whistleblowers paragraph 10 (d)		58
ESRS G1-4 Fines for violation of anti-corruption and anti bribery laws paragraph 24 (a)		59
ESRS G1-4 Standards of anti- corruption and anti- bribery paragraph 24 (b)		59

## E ENVIRONMENTAL INFORMATION

### SUSTAINABILITY ASSESSMENT

AQ Group has a process where the group and each subsidiary of the group makes an annual self-assessment. This is the basis for our sustainability risk assessment and the Group Management's monitoring of the Group's impact on the environment. Another important measure is that all AQ's production units must have the ISO 14001 quality system implemented to reduce the risk of the business harming the environment and to work methodically with these issues.

Management considers climate-related risks and issues, both physical and transitional, in assessments, estimates and assumptions, where appropriate. No significant risks that could, for example, affect the carrying value or useful life of the assets, have been identified. The transition to a society with lower carbon dioxide emissions also creates opportunities for AQ as many of our customers deliver products that include switching to renewable energy sources, investing in renewable electricity production and continuing to work with energy efficiency. AQ will continue to evaluate both short- and long-term climate risks and opportunities. This will provide knowledge about what is required to adapt the group's operations to handle a changing climate. AQ also assesses the environmental sustainability of its operations based on the technical decision-making criteria set out in the Commission's delegated act on the EU's climate taxonomy.

### EU TAXONOMY REPORT

#### Sustainability assessment according to EU's taxonomy/Taxonomy Report

As described by the European Commission, the EU's taxonomy is a classification system that establishes a list of environmentally sustainable economic activities and sets criteria for when an economic activity can be classified as "environmentally sustainable". The purpose is to promote financing of more environmentally and climate-friendly activities.

AQ is covered by EU directives and must state the extent to which the activities conducted meet the criteria in the EU taxo-

nomy. The assessment is based on the fact that AQ is a component manufacturer for large global OEM customers and AQ thus do not own and develop products under our own brand. Component manufacturing is not clearly described in the taxonomy, which is why we have assessed that a very limited part of AQ's activities is included among the activities covered by the taxonomy.

A complete assessment of taxonomy alignment has not yet been concluded. AQ is also dependent on third parties and has not yet received complete information on how, among other things, buildings and vehicles affect the environmental objectives within the taxonomy. Regarding the reporting requirements for nuclear energy and fossil gas-related activities, the mandatory table is presented on the next page even though AQ does not conduct any direct nuclear or gas operations.

AQ is deemed to be covered by the economic activity 7.7 *Acquisition and ownership of buildings* in line with the environmental objective *Climate change mitigation* concerning purchases of taxonomy-related goods and services. More specifically, this relates to capital expenditures for new and leased premises and operating expenditure for maintenance and repairs of these premises.

Further, AQ is deemed to be covered by the economic activity 6.5 *Transport by motorbikes, passenger cars and light commercial vehicles* in line with the environmental objective *Climate change mitigation* concerning purchases of taxonomy-related goods and services.

More specifically, this relates to capital expenditures for leases of passenger cars and company cars and operating expenditure for maintenance and repairs of these cars.

The share of the business that is environmentally sustainable is to be reported in accordance with the taxonomy through three financial metrics with a breakdown on each of the EU:s six environmental objectives. AQ only discloses in accordance with one environmental objective, *Climate change mitigation*.

Total **turnover** includes the Group's total external net sales for the year (see consolidated income statement page 61). Principles for the Group's revenue recognition are further described in Note 6. No turnover from AQ's economic activities is eligible to the Taxonomy Regulation.

Total **capital expenditures** refer to investments for the acquisition of fixed assets during the current year which are presented in Note 18-19, regarding the year's investment, additional right-of-use assets and company acquisitions. Goodwill is not included. Capital expenditures eligible to the Taxonomy Regulation consist of the portion of the year's investments (capital expenditure) that are attributable to fixed assets used for economic activities eligible to the Taxonomy Regulation. AQ's fixed assets primarily comprise own buildings and machinery for production- and office activities and right-of-use assets for premises and vehicles.

Total **operating expenditures** include costs for renovation of buildings, maintenance/repairs and service required for efficient daily operation of property, plant and equipment. Taxonomy-eligible operating expenses are related to fixed assets used in the Group's Taxonomy-eligible economic activities. For AQ, this includes building renovation, maintenance and repair of buildings, premises and vehicles.

No significant changes have taken place in AQ's operations during the year. The outcome for the year is basically unchanged compared to the previous year. In 2025 (previous year's share in brackets), the share of eligible turnover was 0% (0), the share of eligible CapEx was 56% (46) and the share of eligible OpEx was 53% (57). For reporting of the key financial metrics in accordance with the taxonomy re-gulation, see coming pages.



Turnover

Financial year 2025		2025		Substantial contribution criteria						DNSH criteria ("Does not Significantly Harm")						Proportion of Taxonomy aligned (A.1) or -eligible (A.2) turnover, year 2024		Category enabling activity	Category transitional activity
Economic activities	Code	Turnover	Proportion of Turnover, year 2025	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Bio-diversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Bio-diversity	Minimum Safeguards			
		SEKm	%	%; Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																			
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)																			
	-	-	0	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	0		
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																			
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)																			
	-	-	0														0		
<b>A. Turnover of Taxonomy-eligible activities (A.1+A.2)</b>																			
	-	-	0														0		
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																			
Turnover of Taxonomy-non-eligible activities																			
		9,071	100																
<b>TOTAL</b>		<b>9,071</b>	<b>100</b>																

Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
<b>Row Fossil gas related activities</b>		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO



CapEx

Financial year 2025	2025		Substantial contribution criteria							DNSH criteria ("Does not Significantly Harm")							Proportion of Taxonomy aligned (A.1) or -eligible (A.2) CapEx, year 2024	Category enabling activity	Category transitional activity
	Code	CapEx	Proportion of CapEx, year 2025	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Bio-diversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Bio-diversity	Minimum Safeguards			
Economic activities	SEKm	%	%; Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																			
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	-	-	0	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	N	0		
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																			
Acquisition and ownership of buildings	CCM 7.7	265	54														45		
Transportation by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	9	2														1		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		274	56														46		
<b>A. CapEx of Taxonomy-eligible activities (A.1+A.2)</b>		<b>274</b>	<b>56</b>														<b>46</b>		
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																			
CapEx of Taxonomy-non-eligible activities		217	44																
<b>TOTAL</b>		<b>491</b>	<b>100</b>																



OpEx

Financial year 2025		2025		Substantial contribution criteria						DNSH criteria ("Does not Significantly Harm")							Proportion of Taxonomy aligned (A.1) or -eligible (A.2) OEX, year 2024		Category enabling activity	Category transitional activity
Economic activities	Code	OpEx	Proportion of OpEx, year 2025	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Bio-diversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Bio-diversity	Minimum Safeguards	%	E	T	
		SEKm	%	%; Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																				
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																				
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	-	0	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	0			
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																				
Acquisition and ownership of buildings		CCM 7.7	37	47													52			
Transportation by motorbikes, passenger cars and light commercial vehicles		CCM 6.5	4	6													4			
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)			41	53													57			
<b>A. OpEx of Taxonomy-eligible activities (A.1+A.2)</b>			<b>41</b>	<b>53</b>													<b>57</b>			
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																				
OpEx of Taxonomy-non-eligible activities			37	47																
<b>TOTAL</b>			<b>78</b>	<b>100</b>																

## E1 – CLIMATE CHANGE

The largest part of AQ's climate footprint belongs to the production and transport of input materials. Many times, it is AQ's customers who specify/decide which suppliers/components are to be used as input materials.

As part of the Materiality Assessment in 2025, climate-related risks and opportunities affecting AQ's operations and strategy were identified. The analysis was general and based on the entire value chain and was based on the scenario of a relatively slow transition where the Paris Agreement may not be achieved in light of our assessment of our customers' overall climate ambition. Internal experts and customers were consulted as well as an analysis of the situation in world politics.

### Climate analysis and risks

AQ is a component manufacturer, which means, among other things, that it is our customers who control much of how and what AQ will manufacture on their behalf. A significant driving force is regulations, which in turn create a need for our customers to reduce their climate footprint. For AQ, this mainly entails a number of market-related risks and opportunities linked to the transition. Our customers demand industrial processes in line with their climate targets, which places demands on climate adaptations from us as customers' environmental emissions are usually highest in the supply chain.

Among contract manufacturers, the size and ability to meet customer demand for reduced climate footprints is considered to be a significant competitive advantage, and conversely a transition risk. Contract manufacturers that can offer a transition to renewable energy sources, energy efficiency improvements, minimized transport and the ability to take steps towards climate-neutral operations will benefit.

A clear conclusion is that AQ's overall transformation depends to a large extent on customers' ability to adapt. Customers decide on our largest climate footprint, the input materials, which account for about 80% of our value chain's climate emissions. AQ's collaborations with customers that have long-term and ambitious sustainability efforts are a central part of the group's long-term strategy. Considering both climate-related physical risks and transition risks, see below, is therefore an integral part of the business as they constitute business risks.

No material physical or transition-related risks linked to climate change have been identified that could, for example, affect the carrying value or useful life of the assets, which is why neither a sensitivity nor a resilience analysis has been conducted. Furthermore, it means that there is no separate follow-up of sustainability-related investments.

Based on our business model and how/where we conduct our business, no risk has been identified that operations will not be able to continue in the event of significant climate change, such as flooding, rising water levels and droughts. AQ's companies are not located in extremely "climate-exposed" areas, such as close to the sea, but we have around 50 operating companies spread over large parts of the world in relatively climate-safe areas. Therefore, there has not been an analysis of climate scenarios with high emissions.

AQ tries to produce locally for delivery to the end customer locally to the greatest extent possible, which reduces both carbon dioxide emissions and various external risks as our customers are located in the same local area. Our machines run on electricity and not coal/diesel. We have

a few painting plants that use gas for heating, but it can be changed relatively easily (without major financial impact) if required in the future. We depreciate our production plants in 5-12 years and many climate changes do not happen so quickly, which is why we make the assessment that the production equipment has time to adapt to new requirements, if this is the case. At the same time, we are aware that climate-related risks, such as extreme weather conditions, can in the short term cause disruptions in the supply chain, which in turn can create delays in production and thereby affect AQ's ability to meet customer demand.

However we do not see any significant physical risks that could lead to a material adjustment of the carrying values in the next financial year, or changes in the useful life of the property, plant and equipment assets. In light of this, our assessment is that no additional disclosures are required under IFRS, such as based on IAS 1.125.

### E1-1

#### Transition plan for climate change mitigation

Based on our risk assessment, we do not see any need for a transition plan. However, as described above, reduced climate impact is a natural part of AQ's business model and daily operations. However, AQ has started the work of analyzing and categorizing Scope 1-3 emissions with the aim of identifying measures to reduce these so that the target of an annual reduction of 4% in relation to net sales can be achieved.

### E1-2

#### Policies related to climate change mitigation and adaptation

In AQ's **Core Values**, you can read "Be proud to be cost-efficient", which means that there are inherent environmental effects in the cost-effectiveness that is part of our culture. It also says "Cut waste", both as a way to increase profitability and to show environmental consideration.

In our **environmental policy**, which can be found on our website, we explain AQ's view on how we should improve the environment. "Our business and processes are designed in such a way that energy and resources are used efficiently, and waste and rest products are minimized over the life cycle of our products". We shall comply with rules and legislation and constantly work on improvements to reduce or prevent our environmental impact, from design to delivery. A key environmental goal for AQ is that all production facilities should be certified according to **ISO 14001** and that all subsidiaries should have an environmental score higher than 3 on our annual self-assessment.

In recent years, it has become clear both within the group and from shareholders and other stakeholders that we need to do more to reduce carbon emissions. At AQ, we have chosen to do so within the framework of our environmental management systems, where there are concrete targets and activities to reduce carbon dioxide emissions in each company.

Priority climate aspects include energy consumption, renewable energy and transport. Current policies do not specifically address climate change mitigation, climate change adaptation, energy efficiency, or AQ's use of renewable energy. They will be evaluated and possibly adapted in 2026 based on AQ's plan for reduced climate footprint.

See also GOV-1.

**E1-3****Actions and resources related to climate change policies**

Environmental considerations and continuous improvements are part of our daily work and are continuously discussed during regular reviews at our subsidiaries. We conduct risk analyses when necessary and work according to our management systems.

All AQ companies ensure compliance with national environmental laws. This is ensured at Group Management level through AQ's self-assessment and the external ISO audits that are conducted. The results of the self-assessment with regard to the environment in 2025 were 3.84 on a scale between 1 and 4.

We also share good practices between our sites through our CEO's weekly newsletter. Examples of this are the implementation of LED lighting to reduce electricity consumption and the use of heat exchangers to reuse excess heat from our production process.

**Direct operations (scope 1 and 2 emissions)**

In recent years, it has become clear both within the group and from shareholders and other stakeholders that we need to do more to reduce carbon emissions. At AQ, we have chosen to do so within the framework of our environmental and management systems, where there are concrete targets and activities to reduce carbon dioxide emissions in each company.

In 2021, we also set the target of reducing our Scope 1 and 2 carbon emissions in relation to net sales by 2% for 2022 and by 4% annually thereafter.

**Energy Efficiency**

Many of AQ's factories have installed LED lighting and motion sensors to reduce energy consumption. Several companies have also installed so-called BMS systems to better control and monitor their consumption of energy for heating, cooling and ventilation. Some of the factories reuse the heat generated from production processes to heat the factory.

**Renewable energy**

Our companies are working locally to find opportunities to switch to renewable energy sources and several of our companies have installed solar energy plants at their production facilities. The share of renewable energy in AQ's factories in Sweden amounts to 88%.

**Value chain (Scope 3 emissions)**

Purchased goods and services account for approximately 85% of the Group's Scope 3 emissions. This is why AQ is clear in our Supplier Code of Conduct that environmental impact should be minimized and that suppliers should take initiatives to increase environmental awareness and reduce emissions.

**Products / Electrification**

AQ is as a supplier actively taking part in the conversion from conventional to electric commercial vehicles

**Input materials / Sustainable materials**

We work according to the precautionary principle by avoiding materials and methods related to possible environmental and health risks when other alternatives are available. Some concrete examples of measures:

- We continue the work to increase the recycling of rest products from the injection molding process. We grind it and reuse it in our production
- We continuously reduce hazardous chemicals in co-operation with our customers
- In addition, we are working to reduce the scrap percentage of the materials we use. This can be done, for example, through better programming in sheet metal processing machines and by adapting the design together with our customers.
- Returnable packaging systems have been implemented in collaboration with our customers in order to reduce the use of packaging materials.

**Suppliers**

AQ's Supplier Code of Conduct includes a separate section on environmental concerns and that AQ's suppliers should minimize their environmental impact. It states that the supplier should take initiatives to promote greater environmental awareness, encourage the development of environmentally friendly technologies and act in accordance with local and international environmental laws.

**Transportation**

A major environmental impact is the truck transports that takes place between our suppliers, our factories and our customers. We are working to reduce our truck transports through more efficient transport solutions and coordination of transports. We also offer production in many countries close to customers and suppliers. Furthermore, we participate as a supplier in the transition to the electrification of trucks and other vehicles.

**Business travel**

The Group aims to halve the number of business trips. AQ invests in IT tools and infrastructure to facilitate digital meetings as an alternative to business travel. AQ has reduced its business travel and instead increased the use of digital meetings where appropriate.

**E1-4****Targets related to climate change mitigation and adaptation**

Since 2021, AQ has had the goal of reducing carbon dioxide emissions in relation to sales by 2% for 2022 and thereafter by 4% annually. By reducing carbon dioxide emissions, AQ contributes to limiting the impact on global warming, and thereby contributes to the Paris Agreement's main goal of limiting global warming to 1.5 degrees.

As previous years' emissions only included Scope 1 and 2 merged and have not been collected at the same level of detail for the full group, the comparison this first year is not completely complete/fair. The year 2025 is therefore the base year for reporting according to CSR/ESRS. To read more about AQ Group's goals for limiting and adapting to climate change, please see SBM-1.

ESRS-standard	Metric	Target ambition level	Emissions* tCO <sub>2</sub> eq, 2025	Emissions tCO <sub>2</sub> eq, 2024	Net sales SEKm, 2025	Result,%	Status
<b>Miljö</b>							
E1-4	Scope 1-2 emissions	4% reduction in relation to net sales	21,560	N/A	9,071	N/A	N/A

\*) Based on location-based emissions

**E1-5****Energy consumption and mix**

The Group's energy consumption and mix in 2025 and the energy intensity per net sales are shown in the tables on this page.

Energy intensity per net revenue	2025	2024	% 2025 / 2024
Energy intensity (MWh/SEKm)	8.57	N/A	N/A

Energy intensity is derived from the total energy consumption and net revenue, which equal to the net revenue in AQ Group's financial statements and amounts to a total of SEK 9,071 m. Given that AQ operates in the manufacturing sector, which is considered to be a sector with a high climate impact (Section C in NACE - Statistical classification of economic activities in the European Community), net revenue in total is included in the calculation.

Energy consumption and mix	2025	2024
(1) Fuel consumption from coal and coal products (MWh)	1,085	N/A
(2) Fuel consumption from crude oil and petroleum products (MWh)	1,569	N/A
(3) Fuel consumption from natural gas (MWh)	13,900	N/A
(4) Fuel consumption from other fossil sources (MWh)	1,309	N/A
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	23,168	N/A
<b>(6) Total fossil energy consumption (MWh) (calculated as the sum of line 1 to 5)</b>	<b>41,031</b>	<b>N/A</b>
<b>Share of fossil sources in total energy consumption [%]</b>	<b>53%</b>	<b>N/A</b>
<b>(7) Consumption from nuclear sources (MWh)</b>	<b>5,230</b>	<b>N/A</b>
<b>Share of consumption from nuclear sources in total energy consumption [%]</b>	<b>7%</b>	<b>N/A</b>
(8) Fuel consumption from renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	11	N/A
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	30,018	N/A
(10) The consumption of self-generated non-fuel renewable energy (MWh)	1,413	N/A
<b>(11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)</b>	<b>31,442</b>	<b>N/A</b>
<b>Share of renewable sources in total energy consumption (%)</b>	<b>40%</b>	<b>N/A</b>
<b>Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)</b>	<b>77 703</b>	<b>N/A</b>

**Methodology:** Energy data collection

The Group's energy data collection process involves the systematic gathering, recording and management of information related to the consumption, production and utilization of energy resources within its operations. This process encompasses the collection of various data points, including invoices from electricity and gas companies (majority source of data), meter readings and other relevant documents that quantify the energy used in the form of electricity, natural gas and other fuels. Each subsidiary of the Group reports its own energy data in Microsoft Forms, which streamlines processes within different types of energy and different units to megawatt hours (MWh). The Group's energy data undergoes both internal and external verification processes to ensure accuracy and reliability.

Renewable energy production consists only of energy generated from solar panels. There is no production of non-renewable energy.

## E1-6

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

AQ has compiled carbon dioxide emissions according to Scope 1 and 2 for the past four years. In 2025, AQ introduced new procedures and processes to meet the requirements of CSRD and ESRS and also calculated Scope 3 for the first time. The table below shows emissions according to Scope 1, 2 and 3, i.e. the entire value chain's carbon dioxide emissions. As emissions from previous years have not been reported at

the same level of detail, no values for 2024 are given in the table below, and 2025 is the base year. AQ is convinced that continuous improvements through more efficient, economical and more sustainable energy consumption are a key to success and cost-effectiveness. We have processes in place to identify and follow up on changes in our purchasing, production and delivery processes that contribute to improving the

environment.

Emissions in our own operations consist primarily of fuel and company vehicles within Scope 1, and 60% of emissions in Scope 2 come from energy consumption in our factories. Indirect emissions in Scope 3 are dominated by input materials in the form of purchased goods and services.

	Retrospective				Milestones and target years		
	Base year 2025	2024	2025	% 2025 /2024	2025	2030	Annual % target/ base year
<b>Scope 1 GHG emissions <sup>1)</sup></b>							
Gross Scope 1 GHG emissions (tCO <sub>2</sub> eq)	1,903		1,903				
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0%		0%				
<b>Scope 2 GHG emissions <sup>1)</sup></b>							
Gross location-based Scope 2 GHG emissions (tCO <sub>2</sub> eq)	19,657		19,657				
Gross market-based Scope 2 GHG emissions (tCO <sub>2</sub> eq)	11,037		11,037				
<b>Significant scope 3 GHG emission <sup>1)</sup></b>							
Total Gross indirect (Scope 3) GHG emissions (tCO <sub>2</sub> eq)							
1 Purchased goods and services	308,126		308,126				
(Optional subcategory: Cloud computing and data centre services)	-		-				
2 Capital goods	5,094		5,094				
3 Fuel and energy-related Activities (not included in Scope1 or Scope 2)	43,842		43,842				
4 Upstream transportation and distribution	4,241		4,241				
5 Waste generated in operations	-		-				
6 Business traveling	523		523				
7 Employee commuting	-		-				
8 Upstream leased assets	2,088		2,088				
9 Downstream transportation	1,263		1,263				
10 Processing of sold products	-		-				
11 Use of sold products	-		-				
12 End-of-life treatment of sold products	-		-				
13 Downstream leased assets	-		-				
14 Franchises	-		-				
15 Investments	-		-				
<b>Total GHG emissions</b>							
<b>Total GHG emissions (location-based) (tCO<sub>2</sub>eq)</b>	<b>386,735</b>		<b>386,735</b>				
<b>Total GHG emissions (market-based) (tCO<sub>2</sub>eq)</b>	<b>378,115</b>		<b>378,115</b>				

<sup>1)</sup> Biogenic emissions have not been reported separately in reported Scope 1, 2 or 3 emissions. They are not considered to have any significant impact on the interpretation of the group's gross greenhouse gas emissions according to ESRS E1-6.

**Methodology:** Calculations based on GHG Protocol standard and guidelines

**Scope 1:** Includes direct emissions from facilities and vehicles owned or controlled by AQ. Emissions are based on fuel consumption and/or kilometers driven. Fuel is based on a combination of cost-based and actual data.

**Scope 2:** Includes indirect emissions from purchased or procured energy produced outside AQ's facilities. The market-based emissions are based on emission factors provided by suppliers or other primary data, while the location-based emissions are based on geographically relevant data, such as Nordisk Elmix.

A non-material proportion of the market-based Scope 2 emissions is attributable to purchases of energy covered by contractual instruments. This is not considered to have any significant impact on the understanding of the Group's gross greenhouse gas emissions according to ESRS E1-6.

**Scope 3:** Includes other indirect emissions in AQ's value chain that are not covered by Scope 2. The calculation of Scope 3 emissions has been carried out exclusively using a cost-based method based on secondary data. AQ has not used primary data from suppliers in calculations. Considering the nature of the method and limitations in data access, there are uncertainties in the estimates, and the reported emissions should therefore not be interpreted as exact values. The majority of emission factors used are sourced from Defra and Exiobase (version 3.8.2).

Scope 3 emissions are reported for the categories that, based on the materiality assessment carried out, are deemed to be relevant. These include categories 1, 2, 3, 4, 6, 8 and 9 in the table to the left. Other Scope 3 categories have been deemed to lack material significance and are not included in the reporting.

#### Accounting principles

Emission data is reported at consolidated group level. No breakdown by entity or geographical area is made, as the analysis shows that there are no significant differences in material climate-related impacts, risks and opportunities between AQ's operations and the countries in which the group operates.

No significant events or changes in circumstances relevant to the group's reported greenhouse gas emissions (Scope 1, 2 or 3) have been identified between the reporting dates of the entities included in the value chain and the date of the company's financial statements. These circumstances have therefore not had a material impact on the reported climate-related impacts, risks or opportunities according to ESRS E1.

Greenhouse gas intensity per net revenue	2025	2024	% 2025 / 2024
Total emissions (location-based) per net revenue (tonnes CO <sub>2</sub> e/Mkr)	42.64	N/A	N/A
Total emissions (market-based) per net revenue (tonnes CO <sub>2</sub> e/Mkr)	41.69	N/A	N/A

#### Methodology:

Revenue in SEK for 2025, refers to 100% of operations, see page 61 in the Income Statement.

#### E1-7

### Greenhouse gas removals and mitigation projects financed through carbon credits

AQ has no greenhouse gas removals or greenhouse gas mitigation projects financed through carbon credits.

#### E1-8

### Internal carbon pricing

AQ does not use internal carbon pricing.

#### E1-10

### Entity-specific metrics

AQ does not use entity-specific metrics.

## S SOCIAL INFORMATION

### S1 – OWN WORKFORCE

AQ has no fantastic patents or other securities, we live on the fact that we have the best crew. To deserve the best crew, we must be honest, open, interested, have courage, give feedback and welcome opposition. The responsibility for this is everyone's.

Managers at AQ have an extra responsibility in setting a good example and ensuring good communication with employees. An important piece of the puzzle in this is to have fun at work and to work in a safe and healthy way.

AQ Group has approximately 8,000 employees and temporary agency workers in 17 countries. By following AQ's Core Values and the principles of the UN Global Compact, the ambition is to put the well-being of these people at the centre by providing good working conditions and respecting human rights. Suppliers are regularly audited using a standardised template, which includes a section on human rights and that they must comply with AQ's Supplier Code of Conduct. Suppliers with questionable ethics are not approved as suppliers to AQ.

All employees and external stakeholders can report violations directly by sending a message to [whistleblower@aqgroup.com](mailto:whistleblower@aqgroup.com) if there are any human rights violations.

As the majority of our employees are employed in a factory environment and are exposed to risks in terms of health, safety and perceived work environment, high demands are placed on working conditions. We aim for zero workplace accidents among employees and temporary workers working at our workplaces. In addition to local laws and regulations, our workplaces are equipped with occupational health and safety management systems or similar processes. The systems involve procedures that prevent, investigate and remedy accident incidents in the factories.

#### S1-1

##### Policies related to own workforce

AQ's goal is for all our employees and business partners to comply with the Universal Declaration of Human Rights. The goal is to have zero human rights violations reported.

Our **Core Values** and **Code of Conduct** describe how we should behave and clarify our responsibility to report human rights violations. AQ's Code of Conduct is communicated to all employees within the company.

Our immediate supply chain must also follow the same principles. The principles are clearly stated in AQ's **Supplier Code of Conduct**.

AQ Group puts care for people at the centre through good working conditions and respect for human rights. AQ hires and treats its employees in a manner that does not discriminate in terms of gender, transgender identity or expression, ethnicity, religion or other belief, disability, sexual orientation and age. Diversity in the workplace is encouraged at all levels.

Continuous work with health and safety is something that helps us become a more attractive employer and creates a better functioning business. We work in particular with risk identification and leadership to get more employees involved in this work.

AQ works continuously with the implementation and monitoring of our Core Values, which

were defined in early 2012. One of these values is "Courage and respect" with the subheadings "All employees have equal value" and "We treat others as we would like to be treated". All AQ employees have received a booklet with AQ's Core Values in their local language, and we arrange workshops to strengthen the understanding of our Core Values throughout the company. For reference to the policies AQ has linked to its own workforce, see GOV-1.

#### S1-2

##### Processes for engaging with own workers and workers' representatives about impacts

At AQ, we encourage feedback and that everyone can talk to everyone. This message is contained in our Code of Conduct and our Core Values. Collaboration and dialogue with our own employees mainly takes place through unions, employee representatives, employee surveys and employee/development discussions. These dialogues mainly take place locally in each AQ company but also at the group level where Group HR, business area managers and Group management are involved. The result of the collaboration helps to identify and assess important impacts on human rights, the working environment and the group's Double Materiality Assessment. By measuring and following up on the companies' annual self-assessment, the number of reports of human rights violations and whistleblower cases, management can evaluate the effectiveness of this collaboration.

AQ is committed to providing a safe working environment. New employees receive relevant training so that they can carry out their tasks safely, and existing employees receive ongoing training at different intervals based on the need to be able to perform their respective tasks. Continuous work with health and safety is something that helps AQ become a more attractive employer and creates a better functioning business. AQ works especially with risk identification and leadership to get more employees involved in this work.

AQ's dialogue with employees fulfils two important functions: partly to take advantage of their views and partly to provide feedback on essential information.

AQ's Code of Conduct outlines the rights and responsibilities of employees. All employees work at AQ voluntarily and no employee is forced to work overtime unless it has been ordered in a legal and contractual manner. At AQ, we take a clear stand against discrimination in all its forms. This is clearly stated in the Code of Conduct. AQ complies with the law and assumes its ethical responsibility by only employing people of legal working age.

#### S1-3

##### Processes to remediate negative impacts and channels for own workers to raise concerns

##### HR representatives

All employees can raise issues related to their employment, working conditions, well-being, how

they are treated by colleagues or managers with AQ's HR representatives. This is done in accordance with AQ Group's procedures, local HR procedures and the principles of integrity and respect for all parties involved.

### Union and employee representatives

AQ Group engages in dialogue with union representatives and employee representatives at local, regional and global levels. It is an important channel where employees and unions can raise problems and find solutions.

### Group grievance mechanism

Employees are encouraged to raise issues either with their immediate manager or another manager, HR, a relevant policy holder, business area manager or Group Management. If none of these approaches feel appropriate or if they wish to remain anonymous, they can report their query to [whistleblower@aqgroup.com](mailto:whistleblower@aqgroup.com). Read more about whistleblower in G1-1.

The purpose of a whistleblowing system means that someone with a work-related connection to a company, an organisation or a government agency informs management that something improper is happening. The term also applies when a third party reports. The purpose of whistleblowing is to detect serious irregularities or human rights violations within the company. By giving employees, consultants or other external parties the opportunity to report irregularities completely anonymously, you also increase the chance of detecting risks at an early stage and taking the right measures.

AQ assures that no discriminatory action or retaliation is taken against an employee or third party who reports a matter to AQ based on his/her personal knowledge. If a person believes that he or she has been subjected to retaliation, after reporting or participating in an investigation, he/she should immediately report this to the Group HR manager. All such reports will also be investigated under confidentiality.

### S1-4

### Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions and approaches

Continuous work with health and safety is something that helps us become a more attractive employer and creates a better functioning business. AQ works especially with risk identification and leadership to get more employees involved in this work.

The Group's ambition is to ensure a motivated workforce through care for employees, as well as to minimize negative impact on people. AQ encourages the local offices to have fun together and to engage employees in various preventive and health-promoting activities and initiatives for well-being. These are usually organized at company level.

Employees are also responsible for a good work environment, e.g. by following rules and instructions. Accident risks are minimized with local measures such as fire protection, marked evacuation, safety procedures, regulations in local languages, safety videos, and supervisor training, etc.

AQ's policy against abusive discrimination aims to create a safe, inclusive and respectful

work environment where everyone working within AQ is treated equally and with dignity. The policy aims to promote all employees' health, well-being, job satisfaction and opportunities for development at work. The policy also aims to prevent, identify and deal with abusive discrimination, harassment and sexual harassment. The goal is that no employee, consultant, intern or job applicant at AQ shall be subjected to abusive discrimination, harassment, sexual harassment or reprisals (punishment) for reporting this. Diversity in the workplace at all levels is encouraged.

### S1-5

### Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

AQ's goal is for all our employees and business partners to comply with the Universal Declaration of Human Rights. The goal is to have no reported human rights violations and a safe and secure working environment without discrimination. These goals have been established for many years by AQ's Board of Directors and Group Management without any special dialogue with employee representatives.

### Equality

AQ Groups AB's Board of Directors consists of four men and two women. AQ's Group Management consists of six men (including the CEO) and three women. Within the whole of AQ, we have an even gender distribution with 47% women and 53% men.

### Self-assessment employee rights

Our Code of Conduct outlines the rights and responsibilities of employees. All employees work at AQ voluntarily and no employee is forced to work overtime unless it has been ordered in a legal and contractual manner. At AQ, we take a clear stand against discrimination in all its forms. This is clearly stated in our Code of Conduct. We comply with the law and take our ethical responsibility by only employing people of legal working age. AQ's goal for employee rights is to have an average self-assessment score higher than 3.5 and that no subsidiary should have a score lower than 3 in our annual self-assessment, where the lowest score is 1 and the highest score is 4.

Since 2015, AQ has conducted a self-assessment that is carried out by the management of each individual subsidiary within the group. This gives Group Management a good understanding of how well the principles of the UN Global Compact are being complied with within the group. The results from this survey in 2025 show high scores on average. An action plan is drawn up by the subsidiaries where the score is considered to be low. The self-assessment for employee rights for 2025 was 3.79 on a scale between 1 and 4. No subsidiary within the group has had a result lower than 3. AQ's subsidiaries are continuously reviewed by our customers. In 2025, most of our customers, such as Volvo, Scania, ABB, Hitachi and Alstom, have carried out audits at several of our production units. These companies have a strong focus on corporate social responsibility and work environment, which helps us to ensure that our principles are followed.

**S1-6**

**Employee characteristics: Total number of employees, breakdown by gender and country, and employee turnover rates**

**Number of employees (head count)**

Gender	2025	2024
Female	3,634	N/A
Male	4,410	N/A
<b>Total</b>	<b>8,044</b>	<b>N/A</b>

**Number of employees per country**

At least 50 employees and representing at least 10% of total employees:

Country	2025	2024
Bulgaria	1,361	N/A
Poland	1,321	N/A
Sweden	1,023	N/A
Lithuania	1,183	N/A

**Number of employees per contract type**

Contract type 2025	Female	Male	Total
Number of employees	3,634	4,410	8,044
Number of permanent employees	3,586	4,215	7,801
Number of temporary employees	178	45	223
Number of non-guaranteed hours employees	18	75	93
Number of full-time employees	3,571	4,351	7,922
Number of part-time employees	60	40	100

**Employee Turnover**

AQ reports employee turnover for the reporting period. In 2025, 1,616 employees left the company and the employee turnover was 20%.

**Accounting principles**

Headcount for full-time and part-time employees is based on figures for permanent employees. The most representative figure is found in the financial statements, which is reported in "Full-time Equivalent" as opposed to headcount. See Note 9 in the consolidated financial statements for average number of employees.

The employee turnover rate is calculated based on the number of employees who left during the year (either voluntarily, due to dismissal, retirement or death in service) divided by the number of employees the company had by year end. Employees who leave the company after the set end-date of their temporary employment are not included in the turnover figures.

**S1-14**

**Health and safety metrics**

The outcome for work environment-related measures was:

- The proportion of employees covered by the ISO 45001 or equivalent work environment system amounts to 72% of the total number of employees.
- Work-related accidents resulting in absence amount to 75.
- Lost Time Injury Frequency Rate (LTIFR) amounts to 6.
- No deaths during the year attributable to work-related accidents or illness.

Furthermore, no human rights violations have been reported within AQ during the year. Should any issues be reported in the future, they will be recorded and brought to the attention of Group Management and the relevant authorities will be informed. AQ will deal with such events objectively and take action quickly. Over the past five years, we have not detected or received any reports of human rights violations within AQ.



## G Governance Information

### G1 BUSINESS CONDUCT

AQ's vision is to be a reliable ("We are reliable") growing partner for demanding industrial customers. This means that AQ places great emphasis on building trust and long-term relationships with our employees, customers and suppliers. It is in our business ethics to always comply with laws and regulations as a minimum requirement in all countries where we operate.

Under no circumstances do we accept bribery, extortion or any other form of corrupt activity. Our Code of Conduct states that we shall always conduct good business ethics and that we do not offer rewards or benefits that violate laws or regulations to customers, suppliers or government representatives. Each employee must, as part of their employment contract, confirm that they have read and understood the meaning of our Code of Conduct. The employees involved in business transactions receive training on our Code of Conduct, which clearly outlines our approach to corruption: "If an employee is offered a gift, a bribe, an illegal commission or any other form of personal payment, it must not be accepted."

The Double Materiality Assessment shows that corruption and bribery could potentially have a negative impact on AQ, which is why AQ has introduced countermeasures to deal with the potential negative impact that could occur. AQ has identified that the greatest risks of corruption and bribery come in the form of gifts or bribes from suppliers. Therefore, there is a special code of conduct for suppliers where it is made clear, among other things, that it is strictly forbidden to give personal gifts to our employees.

AQ's anti-corruption goal is to have zero reported corruption cases. We also stimulate a culture where you should raise your hand and ask your manager and colleagues if you are unsure about anything in this area. In this way, we can provide advice and support and reason our way to what is the right behaviour according to our Code of Conduct and our supplier's Code of Conduct. AQ also has a whistleblower function and a number of other measures that are described further below.

#### G1-1

### Business conduct policies and corporate culture

AQ's values form an important foundation for our decentralized operations and bring together AQ's companies and employees around the world. Our values summarize the expectations of every employee and leader within AQ in order for AQ to achieve the vision of being a reliable supplier of components and systems to demanding industrial customers for a long time. The values are also an essential starting point when recruiting new employees and acquiring new businesses. Read more about our values on page 8.

Through our values and our commitment to total quality, we are constantly improving to meet our customers' requirements and expectations. All the work we do is a testament to our competence and a recommendation for future business. All employees are responsible for quality.

The activities must also be conducted in such a way that natural resources are preserved and the environment is protected. We will comply with rules and legislation, constantly work on improvements to reduce or prevent our environmental impact - from design to delivery. All employees are responsible for the environment.

In addition to AQ's written values, we have a Code of Conduct that provides the framework for how all employees in the Group should behave. We also have a Supplier Code of Conduct with our expectations of them in key areas such as working conditions, human rights, health and safety, and environmental management. The same high demands are placed on suppliers as on its own operations, and the company's business ethics guidelines form the foundation for this work and set the standard for how the Group creates value together. For AQ, it is important to actively work to maintain a sustainable value chain with safe and fair conditions. AQ does its utmost to verify that the supply chain respects and complies with the rules of the Supplier Code of Conduct. We carry out regular supplier audits and our suppliers must respect our Code of Conduct in order to be a supplier to AQ. The Board of Directors approves the Code of Conduct and the Code of Conduct for suppliers, while Group Management approves other Group-wide policies. For each Group policy, a member of Group Management is appointed as the policy owner, responsible for overseeing implementation and providing guidance and related governing documents. Additional and relevant ESG-related Group policies are listed in the table, see GOV-1.

There is a potential risk that violations of our principles could occur if AQ does not ensure that every employee understands and complies with our Code of Conduct. In Sweden, acceptance of the Code of Conduct and AQ's Core Values is part of the employment contract. For our local companies, we have a clear CEO instruction that guides the CEO of each company to comply with local legal requirements as well as AQ's business ethics policies and more.

AQ also has a global Whistleblower Policy and whistleblower function where internal and external stakeholders can report violations.

#### G1-3

### Processes for preventing and detecting corruption and bribery

We make it clear to our employees and suppliers that we do not accept corrupt behavior. Disciplinary and/or legal action will be taken against the guilty parties, should corruption occur within AQ.

It is the responsibility of all managers to inform employees about our anti-corruption policy and our Code of Conduct. In addition, all managers should encourage all employees to report indications of some type of violation. Reporting of violations can be done anonymously to [whistleblower@aqgroup.com](mailto:whistleblower@aqgroup.com) in accordance with our Whistleblower Policy. To prevent the identified risks, we have taken several measures:

- Implementation of a rigorous procurement process, including cross-functional approval of suppliers
- Suppliers must have read and approved the "AQ Supplier Code of Conduct"
- Regular benchmarking of prices of key materials to be compared with purchase prices in our different markets
- Thorough reviews of personal expense claims
- When integrating new AQ companies in the Group we perform a workshop and work through AQ's Core Values and Code of Conduct



- Enable reporting of breaches anonymously to whistleblower@aqgroup.com in accordance with our Whistleblower policy through a link from our website for the Group and continuously remind about this function both internally and externally to suppliers and other stakeholders.
- To establish our anti-corruption principles, the senior executives of each subsidiary must sign their commitment to adherence to our principles in our annual self-assessment. The result regarding corruption from the 2025 self-assessment was 3.95 on a scale between 1 and 4.

### Education about corruption and bribery

AQ has identified that the greatest risks of corruption and bribery come in the form of gifts or bribes from suppliers. Therefore, there is a special code of conduct for suppliers where it is clarified, among other things, that it is strictly forbidden to give personal gifts to our employees and AQ has a special "purchasing driver's license" that all people in senior positions and people who work with purchasing must go through. In addition, all employees at the time of their employment must be informed and confirm their understanding of our Code of Conduct, which contains a specific section on corruption and bribery.

Based on this, it can be said that all at-risk functions are covered by training programs regarding corruption and bribery.

### G1-4

#### Incidents of corruption or bribery

AQ has not had any cases of violations of anti-corruption or anti-bribery legislation during the year, nor any fines related to this. Therefore, no specific action plans or resources have been allocated for these risk areas.

# Auditor's limited assurance report on AQ Group AB's sustainability statement

To the general meeting of the shareholders of AQ Group AB (publ), corporate identity number 556281-8830

## Conclusion

We have conducted a limited assurance engagement of the sustainability statement prepared by AQ Group AB (the company) for the financial year 2025. The sustainability statement is included on pages 34-59 of this document.

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

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

## Basis for conclusion

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

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

## Other information than the sustainability statement

This document also contains other information than the sustainability statement, found on pages 1-33 and 60-112. The Board of Directors and the Managing Director are responsible for this other information.

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

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

whether the information otherwise appears to be materially misstated.

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

## Other matter

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

## Responsibilities of the Board of directors and Managing Director

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

## Auditor's Responsibility

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

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

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

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

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

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

The review procedures primarily include:

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

- Obtaining an understanding of the process by:
- Conducting inquiries to understand the sources of the information used by management (e.g., stakeholder dialogues, business plans, and strategy documents), and
- Reviewing the company's internal documentation of its process; and
- Evaluating whether the information obtained from our procedures regarding the process implemented by the company aligns with the description of the process in pages 42-43 in the sustainability statement.

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

- Through inquiries, obtaining a general understanding of the internal control environment, reporting processes, and information systems relevant to the preparation of the information in the sustainability statement.
- Evaluating whether information identified as material through the process the company has undertaken to identify the content of the sustainability statement is also included.
- Evaluating whether the structure and presentation of the sustainability statements are consistent with the requirements of ESRS;
- Conducting inquiries with relevant personnel and analytical review procedures regarding

selected disclosures in the sustainability statements;

- Performing substantive review procedures based on a sample of selected disclosures in the sustainability statements;
- Obtain, through inquiries and analytical review procedures, support for the methods used for preparing material estimates and forward-looking information and on how these methods were applied;

Obtaining an understanding of the process for identifying economic activities that are covered by and are consistent with the EU Green Taxonomy and the corresponding disclosures in the sustainability statement. The review of the taxonomy disclosures included but was not limited to the following review procedures:

- Conducting inquiries to relevant personnel and analytical review procedures on the taxonomy disclosures
- Conducting inquiries to understand the sources of the information used in the taxonomy disclosures
- Evaluating whether the presentation of the taxonomy disclosures is consistent with the requirements of the EU Taxonomy Regulation
- Performing substantive review procedures based on a sample of selected disclosures in the sustainability statement regarding the EU Green Taxonomy

### Inherent limitations

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

Stockholm, 25 March 2026  
Ernst & Young AB

Jennifer Rock-Baley  
Auktoriserad revisor