

Bufab as an Investment



A stable business model with a focus on long-term value creation.

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Value-Creating Strategy



How we build competitive advantage in a changing market.

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Sustainability in Focus



Responsible business practices that strengthen the business.

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A Customer's Voice



Bufab and GPV's joint journey

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About this report
The formal Annual Report comprises pages 30–153.
The Board of Directors' report is included on pages 30–113.

In certain instances, rounding has been applied, which means that tables and calculations may not always sum exactly.

From a small trading company to a global partner

During the year, we continued to deliver on our strategy, focusing on stronger customer relations and more efficient C-parts flows, which generated good results. Bufab is a global leader in trade and logistics of C-parts and technical components – low-value but essential products for production. Through integrated solutions in sourcing, quality, logistics and sustainability, we take responsibility for the full value chain and create what we call **Peace of mind**.

Long-term growth and profitability

Since 1977, Bufab has reported an operating profit every year. We have grown faster than the market through organic growth and more than 50 acquisitions. Our strategy is built on long-term customer relationships, taking responsibility for the C-parts flow to simplify daily operations while consolidating a fragmented global market.

31

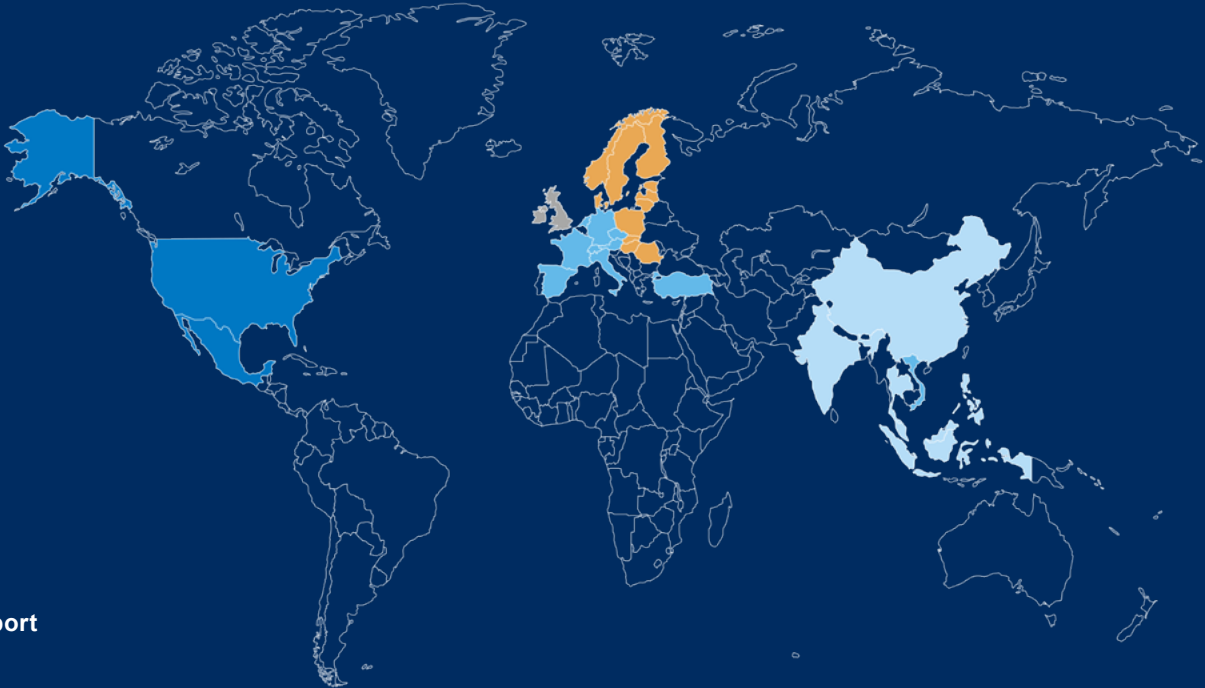
Countries

>50

Acquisitions

20,000

Customers



¹ Countries with sister companies. Sales to 77 countries

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Robust business model with a broad base

Our business model has relatively high resilience to rapid shifts in demand, thanks to low fixed costs. Operations are spread across thousands of customers and suppliers in a wide range of industries and geographic markets, reducing dependency risks. Our strength lies in local responsibility combined with global reach. This gives us the ability to act quickly, flexibly, and close to the customer - regardless of whether it involves a small detail or a global logistics solution.

The people behind the solutions

We call ourselves Solutionists. It is our employees who make the difference - through commitment, creativity and responsibility, they create customer value every day.

8,000

Suppliers

175,000

Unique C-parts

The right position in a changing world

Industrial companies are looking for solutions that simplify increasing complexity, strengthen sustainability and improve delivery reliability.

Bufab is well positioned to meet these needs with customer-adapted solutions that create Peace of Mind throughout the entire value chain.

The Year in Brief

Bufab strengthened its margins, acquired companies with new capabilities, and secured strategic customer agreements. Increased efficiency and sustainability initiatives created customer value and a clear competitive advantage.

0.5%
Net sales growth

13.3
Adjusted operating margin (EBITA)

-33%
CO₂e emissions reduction (Scope 1 and 2) since 2021

+14%
Share price performance in 2025



Read more at recognition.ecovadis.com

Positive organic growth in an uncertain market
Net sales amounted to SEK 8,072 million and increased by 0.5 percent compared with 2024. The organic growth increased by 0.3 percent mainly driven by increased market share and price adjustments.

Strong performance and improved profitability
Bufab delivered improved results in 2025, with a gross margin of 31.9 percent and an adjusted operating margin (EBITA) of 13.3 percent. Earnings per share amounted to SEK 3.30.

Growth through acquisition and new customer contracts
In October, the German Novia Group was acquired. With its strong customer base, downstream capabilities and expertise in assembly services, the company adds important new strengths to Bufab. New contracts were also signed in key segments such as defence, infrastructure, general industry and agriculture.

Stable cash generation
Cash flow from operating activities amounted to SEK 925 million, with a cash conversion of 86 percent. Net debt/EBITDA amounted to 2.6.

Streamlined business model and increased efficiency
We continued to deliver on our strategy with value creation and customer focus at the centre. Several manufacturing units have been divested in recent years in line with our strategy to focus on trade and logistics. This has contributed to improved margins and strengthened capital efficiency.

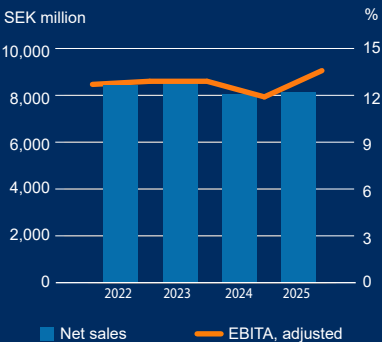
Sustainability as a competitive advantage
Bufab was awarded the EcoVadis Platinum Rating, was recognised as a Supplier Engagement Leader with a place on the prestigious A List by CDP, and launched a new sustainability offering. Initiatives such as “Sustainability Days” have strengthened customer relationships and differentiated Bufab in procurement processes.

Key figures

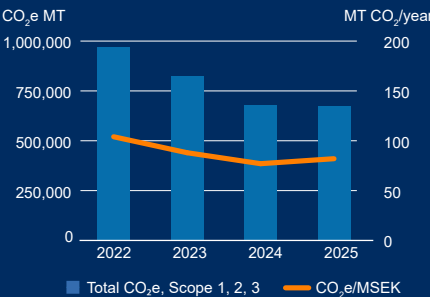
SEK million	2025	2024	Change in percent
Net sales	8,072	8,035	0.5
Gross profit	2,576	2,389	7.9
Gross margin (%)	31.9	29.7	
Operating profit (EBITA)	1,050	959	9.4
Operating margin (EBITA) (%)	13.0	11.9	
Adjusted operating profit (EBITA)	1,070	959	11.6
Adjusted operating margin (EBITA) (%)	13.3	11.9	
Profit after tax	626	551	13.5
Earnings per share, SEK	3.30	2.91	13.2
Dividend per share, SEK*	1.30*	1.05	
Cash flow from operating activities	925	1,101	-16.0

* Board's proposal.

Net sales and adjusted operating margin



Total carbon dioxide emissions



→ Read more on pages 31-40

CEO’s statement

Erik Lundén
President and CEO

2025 was another successful year for Bufab. We continued to deliver on our strategy, with a strong focus on creating value for our customers, which generated solid results. Altogether, this led to a record-high gross margin and operating profit.

We remained active in the market and, for the first time in two years, achieved positive organic sales growth. In line with our strategy, we broadened our customer offering through more value-adding services, strengthened our logistics and sustainability offerings, and actively implemented value-based pricing throughout the organisation. During the year, we secured several interesting customer projects, acquired novia Group and divested a smaller manufacturing unit in the USA. In summary, we are in a strong position for the future.

Continued varying demand

Net sales amounted to SEK 8,072 million, corresponding to organic growth of 0.3 percent compared with 2024. The modest organic growth reflects a continued uncertain market, which varies between countries and customer segments. Among the larger customer segments, demand was strong in energy, agriculture and food, medical technology and pharmaceuticals, defence, and machinery manufacturing. Demand in the mobile home and trailer and in electronics was stable, while the construction, furniture and interior design, and the automotive industry remained weak.

Strong results – well on track towards our profitability target

Both the gross margin and the adjusted operating margin increased compared with 2024 and reached record-high levels. Over the past two years, we have gradually strengthened our gross margin through purchasing savings, more value-adding services, active work to improve our customer and product mix and price adjustments. We expect continued solid development in 2026.

All regions except UK/Ireland delivered very strong results for the year. The adjusted operating margin amounted to 13.3 percent (11.9), representing a clear step towards our margin target of 14 percent by 2026. The underlying cost level was in line with the previous year. We maintain strong focus on cost control across the organisation while continuing to invest in growth.

Several large customer projects

During the year, we secured several large customer projects in key segments such as defence, infrastructure, agriculture and general industry. I am particularly pleased with the framework agreement signed with the international defence, aerospace and security company Babcock in the UK. The agreement is an important milestone for Bufab, both because we were selected for our innovative logistics solutions and sustainability work, and because Babcock is a leading global defence company. Another example is Kverneland in Norway, an international manufacturer of agricultural machinery, where we were appointed as a new supplier of C-parts. The customer particularly valued our sustainability offering, logistics capabilities and global presence.

Customer value creation

We continue to implement our strategy according to plan, focusing on broadening our customer offering through more value-adding services and introducing value-based pricing. Our customised logistics solutions, such as Easy-Scale Mobile — where mobile scales monitor inventory levels around the clock and ensure replenishment without manual administration — reduce indirect costs and free up time for the customer’s core operations. Demand for our digital and customised logistics solutions is increasing rapidly, especially among larger customers seeking comprehensive solutions, greater transparency and lower total costs. Although logistics solutions currently account for less than ten percent of our net sales, we see significant long-term growth potential and clear customer value.

“In line with our strategy, we broadened our customer offering through more value-adding services, strengthened our logistics and sustainability offerings, and actively implemented value-based pricing throughout the organisation.”



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The warehouse in Värnamo

Value through sustainability

We have a strong focus on creating value through sustainability. During the year, we further developed our sustainability offering, which will be rolled out in 2026. We also invited customers to our Sustainability Days, where we exchange experiences and highlight new perspectives on sustainability in the supply chain, which has generated considerable interest.

We see that we are successfully gaining market share through our broad offering and sustainability work. It is therefore very pleasing that during the year we were awarded the EcoVadis Platinum Rating, placing Bufab among the top 1 percent of more than 150,000 companies assessed globally. This recognition further strengthens our position as a reliable partner in delivering sustainable solutions and meeting the growing expectations of customers, investors and regulatory authorities.

Acquisition of novia Group

We are very pleased to have completed the acquisition of novia Group, a German supplier of global sourcing solutions with annual net sales of approximately 50 MEUR. Like Bufab, novia Group offers its customers “peace of mind”, but with stronger downstream customer integration and expertise in areas such as assembly solutions.

With its attractive position in the value chain and strong customer offering, novia Group adds important new capabilities to Bufab and has delivered strong growth and operating margins over the past year. The acquisition is well aligned with our strategy and can serve as a platform for future add-on acquisitions.

Focus on trading

In line with our strategy to focus on trading operations and niche companies as our future core business, we have divested several manufacturing companies over the past two years. In 2024, Bufab Lann and Hallborn Metall were divested, and in 2025, a smaller manufacturing unit within Component Solutions Group in the USA was divested.

Outlook and priorities

We will continue to execute on our strategy, focusing on the things we can influence: gaining market share, gradually improving our gross margin and cost base, and delivering strong cash flow. This will put us in a strong position when demand returns. So despite the uncertainty in the world, we remain optimistic about the future and in our ability to create value for our customers and profitable growth for our shareholders.

Finally, I would like to extend my sincere thank you to all employees at Bufab, whose commitment and expertise create real value for our customers, as well as to our customers, partners and shareholders for your continued support and trust.

Erik Lundén
President and CEO

Bufab as an Investment

Since 1977, Bufab has delivered an operating profit every year. Our journey is built on a culture of accountability, entrepreneurship and local decision-making, which has enabled us to move faster than the market. When industrial companies want to streamline their supplier base and reduce costs, they often choose Bufab – a global partner that simplifies complex supply chains and creates long-term value. Our strategy, *Discovering the Next Solution*, drives us to always stay one step ahead – for our customers, employees and owners.

13%

Average annual net sales growth (CAGR) since 2014

17%

Average adjusted EBITA growth (CAGR) since 2014

24%

Average annual total return since 2014

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We simplify complexity – and create customer value

Bufab's end-to-end responsibility in customers' value chains for C-parts and technical components creates more than operational efficiency – it builds a stable, recurring and hard-to-replace position. By reducing complexity and risk in customer flows while lowering total cost, relationships grow in scope and duration. This provides a predictable revenue base, strong loyalty and long-term resilient margins. Peace of mind is therefore not only a customer promise, but a key driver behind Bufab's durable cash flows, scalable business model and attractive returns to our owners.

Strength at the core – growth in sight

Bufab has a long history of strong growth and stable dividends. We have delivered an average annual net sales growth (CAGR) of 13 percent and adjusted EBITA growth of 17 percent since 2014.

In line with our dividend policy, we have distributed 29 percent of profit after tax every year. Total return has averaged 24 percent per year. Our financial strength enables us to invest for the future while also creating value for our shareholders.

Business model with low risk and high resilience

Bufab's business model is designed for stability and flexibility. With low fixed costs and broad exposure to thousands of customers, suppliers and industries, we are resilient to market fluctuations and shifts in demand. More than half of our revenue comes from customer-specific components – clear proof of our ability to meet unique needs and build strong, long-term customer relationships. Our decentralised organisation enables local decision-making close to the customer while leveraging global synergies, giving us both agility and scalability in a changing world.

We reduce customers' total ownership cost

Bufab's offering is based on reducing the Total Cost of Ownership. By taking responsibility for the entire chain – from sourcing to punctual deliveries – we reduce the number of suppliers, streamline flows and minimise administration. The result: lower costs, higher quality and more secure flows.

Bufab drives consolidation – and creates value

Bufab is a consolidating force in a fragmented global C-parts market. Over more than 50 acquisitions since 1977, we have built a strong platform for growth, where every new company contributes entrepreneurial drive, customer relations and local market insight. Our selective strategy focuses on profitable, well-managed companies that strengthen our presence in key industries, product segments and geographies – while maintaining the entrepreneurial culture we value.

In 2024, we acquired VITAL S.p.A. in Italy, and in 2025, we strengthened our position in Germany and Switzerland through the acquisition of nova Group. Through our "full integration" strategy, acquired companies grow within their niche, while benefiting from revenue synergies and cost savings.



Bufab Flos



Production CDA

Case

From local expertise to global reach – novia’s next chapter with Bufab

When Bufab acquired novia in 2025, it was not simply about adding another company to the Group. It was a strategic step to strengthen our position as a full-service partner within the supply chain and to open new growth opportunities in key European markets. novia, with its strong engineering competence and entrepreneurial culture, is a perfect match for Bufab’s long-term strategy.

Facts about novia Group
Founded: 2000
Operations: Germany, Switzerland, China and Vietnam
Net sales: ~50 MEUR
Employees: 155
SKUs: ~5,000 components and ~1,000 assemblies

Quality control, novia Group Shanghai

Interview – Erik Lundén, President and CEO, Bufab

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What made novia a strategic addition for Bufab?

novia is a strong strategic fit. They add competence in design, assembly and technical services that complement our offering and strengthen our position as a full-service partner in the supply chain. This is fully in line with our strategy to move further up the value chain and create even more value to our customers. novia also shares our entrepreneurial drive, which makes the integration both natural and energising.

How does novia strengthen Bufab’s customer offering and long-term growth ambitions?

Novia expands our presence in Western Europe and strengthens our position in key segments such as MedTech, Energy and General Industry. Their strong and diversified customer base opens new opportunities for cross-selling and deeper collaboration. With novia’s high profitability and proven success in both purchasing and assembly, we see great potential to accelerate both organic growth and add-on acquisitions. novia is a platform that supports our ambition to grow faster than the market and deliver sustainable value over time.

What does it mean that novia’s CEO has chosen to stay?

Markus’ decision to stay on as CEO sends a strong signal of alignment – not only in strategy but also in values. At Bufab, we believe in strengthening local leadership and building on what already works. Markus shares our entrepreneurial mindset, customer focus and long-term value creation. His continued leadership ensures continuity for novia’s team and customers, while adding energy to the wider Group. It’s a strong match, and we look forward to what we can accomplish together.

“At Bufab, we believe in strengthening local leadership and building on what already works.”

Erik Lundén, President and CEO, Bufab

Johan Sandberg, Global Business Development Director, Bufab International



Production novia Group

What distinguished novia during the acquisition process?

What really stood out was the clear customer focus – from actively understanding customers’ needs to taking responsibility for both development and delivering a high-quality product. novia’s ability to “go the extra mile” and exceed expectations resonated strongly with us. We also saw clear growth potential and strong entrepreneurial spirit, both of which have proven to be a perfect match for Bufab. These qualities make novia an ideal platform company for long-term growth.

How will Bufab’s “pull integration” strategy support novia’s continued growth?

Our method involves building trust in environmental, leadership, and process-related areas, rather than intervening. novia is a platform company, meaning that we do not impose changes that we do not believe add value or address identified needs. Instead, we focus on benchmarking and sharing best practices within the group. This creates a foundation for strategic improvements while preserving the entrepreneurial drive that already underpins novia’s success.

What are the first steps to help novia benefit from Bufab’s global network and best practices?

Initially, priority is given to helping novia establish itself in a public environment and to avoid unnecessary disruptions in the financial reporting chain. Our role is to support and enable, not to dictate. Over time, we will introduce benchmarking and strategic focus areas that strengthen novia’s market position while maintaining its entrepreneurial spirit. Step by step, we will complement what already works well with the advantages of Bufab’s global reach.



New assembly facility, novia Group Shanghai

Markus Bauer, CEO, novia Group

What opportunities do you see for novia now that you are part of Bufab, and what made you choose to continue leading the company into its next phase?

Being part of Bufab is a natural step, with the same business model, our customer-first principle and our hands-on mentality. Being part of Bufab also gives us the scale and global reach to enhance what already works well: helping customers reduce their costs. We now have access to global resources, secure sourcing, and Bufab’s unique customer service, all of which enable us to serve our customers even better. Continuing the journey was an easy decision – Bufab share our vision and our growth ambitions. I am convinced that we can accelerate novia’s journey by combining agility with global strength to create something truly exceptional.

Novia has delivered strong results – what are your growth ambitions going forward, and how will Bufab support this journey?

Our ambition is to accelerate growth through deepened partnerships with our existing customers and expanding into new areas where our engineering and assembly

capabilities make a real difference. Bufab brings a proven buy-and-build strategy and strong international reach, which will help us scale responsibly and sustainably. With Bufab’s support, we aim to drive both organic growth and strategic acquisitions.

How will you ensure that novia continues to build on its strengths while benefiting from Bufab’s international reach and entrepreneurial culture?

The key is balance. We will maintain what makes us unique – our technical expertise, customer-oriented mindset and strong commitment to quality – while embracing Bufab’s global best practices and network. At the same time, we will selectively work together with our sister companies within Bufab to win new business, identify better sourcing solutions, and reach new customers. It is about strengthening what we already do well; empowering our local strengths with Bufab’s international reach enables us to deliver even greater value to our customers and create new opportunities for our employees.

”Continuing the journey was an easy decision – Erik, Johan and the team share our vision and our growth ambitions.”

Markus Bauer, CEO, novia Group

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Market and Trends

In 2025, Bufab continued to demonstrate its ability to quickly adapt to shifting market trends and customer needs – thanks to our de-centralised structure, clear strategy and our solutionists who create value every day in a changing world.

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The year was marked by continued geopolitical uncertainty, tariffs and shifting demand across regions and industries. Complexity in global supply chains remained high, with fragmented supplier bases, new regulatory requirements and ongoing disruption risks.

In this landscape, the need for consolidation, risk management, and efficient logistics solutions has become increasingly important. Companies are seeking fewer, stronger partners capable of taking full responsibility for C-parts and providing stability in a world defined by rapid change. Bufab has strengthened its position by simplifying, securing, and creating value – leading to increased share of wallet among existing customers and new business opportunities.

From Purchase Price to Total Cost

Companies are becoming increasingly aware of how significant the indirect costs of C-parts can be when working with many suppliers, fragmented logistics and internal administration. This is driving a clear trend toward optimising the total cost (Total Cost of Ownership) rather than focusing solely on the purchase price.

Bufab's response:
Bufab meets this trend by consolidating customers' C-parts flows and taking responsibility for the entire chain – from sourcing and quality to logistics and delivery accuracy. Our data-driven optimisation, reduced supplier volumes and standardised processes lower customers' total cost, free up time and create more resilient flows.

We lower our customers' costs and strengthen their competitiveness.

Reduce Risks in the Supply Chain

Companies are placing greater emphasis on reducing their Total Cost of Risk (TCR). Recurring disruptions, shortages and capacity constraints reveal how quickly risks affect production, costs and customer commitments. It increases the need for partners who can reduce risk exposure through stable supply, redundancy and alternative sourcing options.

Bufab's response:
Bufab strengthens our customers' risk management by broadening our global supplier base. We reduce their exposure to disruptions, lower their total cost of risk, and secure reliable deliveries. This makes Bufab a stable partner in an increasingly uncertain world.

Peace of mind is not just a promise – it is the core of our customer offering.

Digital Procurement and AI

Digitalisation is rapidly transforming purchasing processes. AI is used to automate RFQs, predict prices and streamline decision-making. Interest is rising in smart logistics solutions that simplify ordering. Customers expect greater transparency, faster processes and smarter systems.

Bufab's response:
Bufab is investing in a shared master data system, digital catalogues, e-commerce, automated warehouses and pilot projects using AI for pricing. We offer digital logistics solutions for inventory replenishment that simplify processes and reduce indirect costs.

By combining technology with local presence, we create speed, transparency and efficiency – and strengthen our role as a strategic partner.

Regulatory Compliance – The Next Step in the Sustainability Journey

Requirements linked to CSRD, CBAM and EUDR are making compliance a central and business-critical issue. Companies must ensure transparency and sustainability throughout the value chain – otherwise they risk losing market access. The heightened expectations make structured control and consolidation more important than ever.

Bufab's response:
We ensure data collection, risk assessment and traceability to meet – and exceed – emerging requirements. We drive improvements among our suppliers through our Sustainable Supplier Engagement Program, our work with CBAM and EUDR, and our commitments under the Science Based Targets.

We create transparency, accountability and long-term value – for our customers, our shareholders and society and society.

Our Long-Term Value Creation

Through the responsible use of capital, natural resources and the expertise of our employees, we create long-term sustainable value for our customers, the company’s stakeholders and society at large. Together, we create value.

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Resources	
HUMAN CAPITAL	NATURAL RESOURCES
1,900 employees in 31 countries	47% renewable energy of total internal energy consumption
64 sister companies	97% share of recyclable material
8,000 suppliers in our global network	KAPITAL
	7,572 SEK million in average working capital
	9,319 SEK million in total assets

How We Work

OUR MISSION

To give our customers Peace of Mind through sustainable solutions that create long-term value.

WHAT WE DO

Bufab is a trading company that offers its customers sustainable end-to-end solutions primarily for sourcing, quality assurance and logistics for C-parts and technical components.

OUR STRATEGIC FOCUS AREAS

- Create customer value
- Accelerate efficiency
- Lead in sustainability
- Supplier base of world-class standard
- Drive market consolidation

Value Created

CUSTOMERS	SHAREHOLDERS
20,000 customers across diverse industries and geographies	1.30 per share in proposed dividend
8,072 SEK million in net sales	24% average total shareholder return since 2014
EMPLOYEES	SUPPLIERS
1,037 SEK million in salaries and remuneration	5,675 SEK million in purchases of goods and services
>25,000 training hours completed	70% Percentage of expenses to suppliers in the Sustainable Supplier Engagement Programme
Several initiatives to develop competence and improve safety and health	SOCIETY
	457 SEK million in income tax and employer contributions
	Contribution to the UN’s 17 Global Goals for Sustainable Development

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Our Strategy for Value Creation

We combine strong local presence with global coordination to create sustainable solutions and long-term value. Our decentralised model makes us fast, accountable and successful.

Bufab’s strategy is crisp and focused: to create customer value through efficient solutions that save time and cost, strengthen customer competitiveness and ensure sustainability and quality.

Since 2023, each group company has operated under a three-year plan, built on the Group’s strategic pillars:

- Stability** – building a solid foundation and structure
- Profitability** – improving profitability and efficiency
- Growth** – driving sustainable growth

It is crucial to prioritise the right things in the right order – first stability, then profitability and thereafter growth. In this way, we create the foundation for long-term value for customers, employees and shareholders.

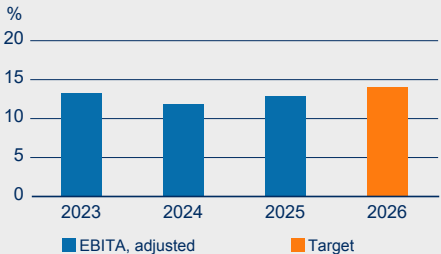
The strategy is implemented through local three-year plans with initiatives tailored to each sister company’s unique situation and opportunities. These initiatives may include enhancements to the customer offering, improvements in customer and product mix, digitalisation, or sustainability efforts – initiatives that deliver results and help shape Bufab’s future.

The Strategy Delivers Results

The three-year plans continue to deliver. By focusing on the right priorities in each phase, we have strengthened profitability and created the conditions for long-term growth.

The adjusted operating margin for 2025 was strong and amounted to 13.3 percent. The result marks another step towards our target margin of 14 percent by 2026.

The strategy works – and the future is not only bright, but also full of opportunity. We look forward to delivering even more value to our customers and investors.



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Our Mission

To give our customers Peace of Mind through sustainable solutions that create long-term value.

Our Focus Areas

Create customer value

Accelerate efficiency

Lead in sustainability

Supplier base of world-class standard

M&A – drive market consolidation

Profitable growth

Our Foundations

Our people and our Solutionist culture

Decentralised business model – empowerment and accountability

Focus Area

Creating Customer Value

Bufab’s customer value is built on taking responsibility for the entire value chain – from sourcing to quality, sustainability and delivery reliability. By reducing complexity and costs, we free up time and resources for our customers to focus on their core business.

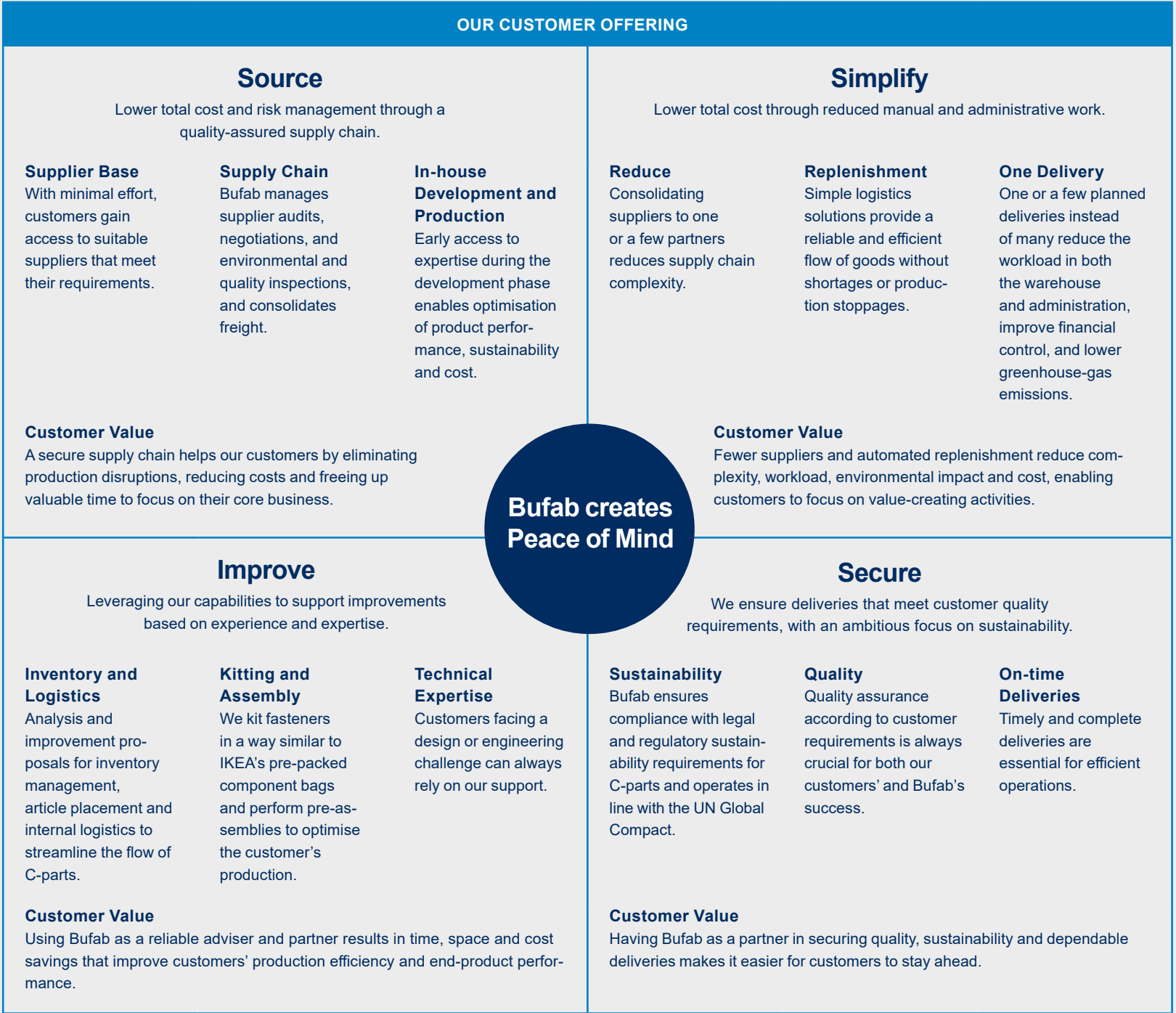
Our customer offering is the result of the Group’s sister companies’ combined experience and insights into customer needs. These needs differ between trading companies and niche companies in the types of products and services required, and in the channels through which they are procured. Even though these variations exist, there is a shared strength in our ability to offer cost-efficient, scalable and quality-assured solutions that meet customer requirements.

Bufab’s decentralised model enables local adaptation and fast response, while leveraging a global network and shared processes. This is how we give our customers Peace of mind – by taking full responsibility, reducing complexity and lowering their total cost.

During the year, the sister companies continued to strengthen our customer offering through training initiatives within Sales Excellence, where sales teams across the Group were trained to better understand and develop customer needs. This has led to more relevant customer-specific dialogues and solutions tailored to each customer’s operations. We have broadened our service portfolio, strengthened our supplier base and implemented new logistics solutions.

This work has been conducted within the Group’s business plans, which have brought clarity and momentum to local initiatives. Together, these efforts have contributed to enhanced customer value and a record-high gross margin.

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Focus Area

Accelerating Efficiency

We are increasing automation and digitalising flows with AI to enable faster processes and smarter decisions – resulting in higher service levels, improved profitability and greater sustainability.

To maintain our competitiveness, continuous improvement is required. In 2025, Bufab increased automation levels across around 20 warehouses and continued implementing advanced digital tools. A shared master data system has enabled data-driven decision-making and more efficient processes, which strengthen both service levels and profitability.

We have taken important steps towards automating order flows. In the Nordics, order entry is now partly handled with AI, enabling the system to create and send orders without manual review within defined areas. Bumax and our sister company in Austria have already fully implemented automated order entry, freeing up time and reducing the risk of errors.

The digitalisation of warehouse operations has continued, and during the year, Bufab’s Warehouse Management System was implemented in our company in the Netherlands, FLOS, enabling entirely paperless handling and smart order planning. Through interactive dashboards, we can monitor delivery precision in real time and make data-driven decisions on which deliveries to prioritise throughout the day.

The efficiency improvements also include invoice management, where we are also adapting to new legal requirements in several countries. AI agents are used to remind about order confirmations and to quickly locate the correct documentation – a concrete example of Bufab Best Practice in practice.

We have also continued to update and implement optimised business systems across Group companies that previously lagged behind, creating significant local value. By combining local initiative with Group-wide system support, we have built a more efficient and scalable operation.

During 2025, Bufab has continued to streamline operations through initiatives that both strengthen sustainability and reduce costs. Investments in electric and hybrid vehicles and the expansion of solar power installations have not only reduced our direct and indirect emissions (scope 1 and 2) by 22 per cent compared with 2021, but have also made our energy use more cost-efficient.

Every Bufab company works according to a clear plan to implement efficiency improvements to achieve net-zero emissions in its own operations by no later than 2030 – a goal that aligns with our strategy for sustainable growth and long-term value creation.

Efficiency is the key to the future. Every process we automate frees time for innovation and customer focus – and makes us stronger.

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Automated warehouse in plastic bins for smaller volumes in Värnamo, Sweden.

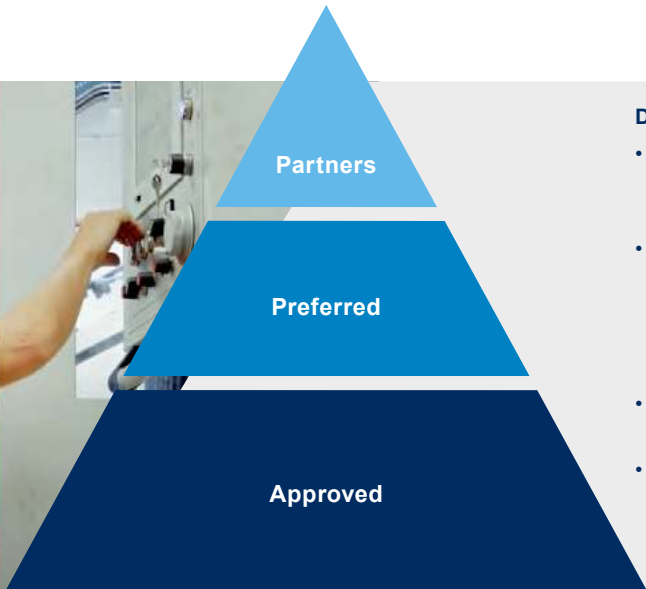
Focus Area

A World-Class Supplier Base

Bufab’s global supplier base is a strategic asset that enables security, quality and sustainability for our customers.

During 2025, we handled over 30,000 requests for quotations and conducted risk-based supplier assessments - both on-site and through digital reviews - in line with the UN’s guiding principles and OECD’s directives. Our supplier base comprises around 8,000 suppliers, all of whom must comply with our stringent requirements regarding human rights, labour standards, environmental responsibilities and business ethics. By deepening collaboration with our Partnership Suppliers, we have strengthened our ability to deliver value in terms of productivity, innovation and sustainability.

Through our Sustainable Supplier Engagement Program (SSEP), we are driving change. We provide our suppliers with knowledge, tools and support to help them reduce their emissions and raise their sustainability performance - step by step - towards a more responsible value chain that benefits both our customers and society.

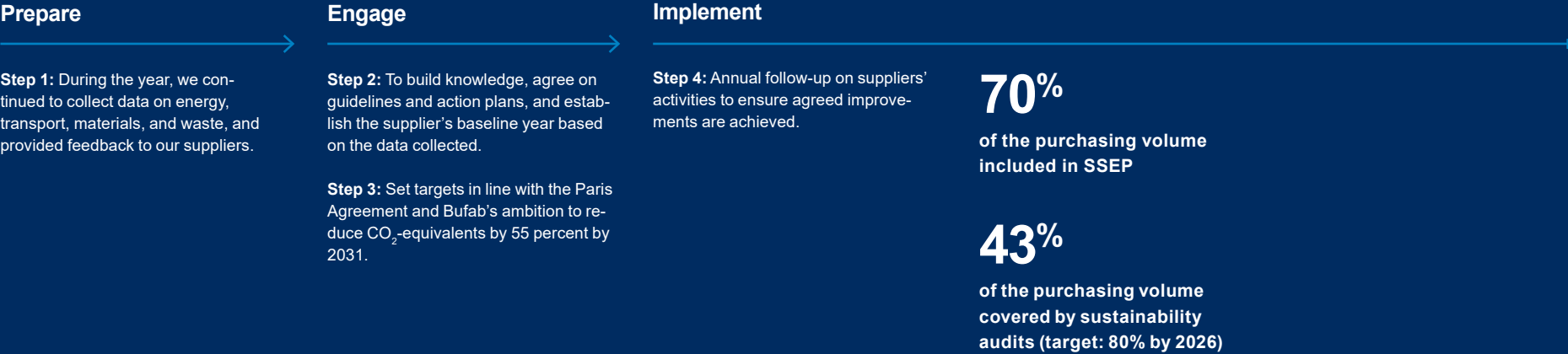


Driving Change in the Value Chain

- Partnerships with shared targets increase efficiency and reduce emissions across the value chain, thereby improving the total cost of ownership.
- With multiple sourcing options, Bufab ensures the security of our customers and has the flexibility to manage unexpected events that may affect capacity. For example, US tariffs enabled us to shift sourcing to countries with lower duties.
- Training, knowledge sharing, audits and support for improvement efforts strengthen our suppliers.
- Through these initiatives, during 2025, we continued to set new standards of excellence in our supplier base, create added value for our customers and support our long-term sustainability ambitions.

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We engage our suppliers to reduce our emissions



Focus Area

Leader in Sustainability

Bufab is today recognised as a global player in sustainable growth – the result of structured efforts, decentralised accountability, and strong employee engagement.

Bufab has continued to integrate sustainability across the entire business – from sourcing and logistics to business ethics, reporting and knowledge sharing – in accordance with the CSRD, EU DOR and forthcoming CSDDD processes. Our climate roadmap extends to 2030, with validated Science-Based Targets (SBTi). Scope 1 and 2 have been reduced by 33 percent since 2021, and we aim to reduce Scope 3 by 55 percent by 2031. Our sustainability efforts strengthen both our customers’ sustainability performance and our own leading market position, enabling us to capture further market share.

Recognitions

In 2025, Bufab was awarded EcoVadis Platinum, placing us among the top one percent in the industry – a clear recognition of our work and ambition. This strengthens the value of our offering, where 94 percent of our customers state that sustainability is becoming increasingly important in their procurement. We have improved our internal reporting processes and prepared for new regulatory requirements such as CSDDD and EU DOR.



[Read more at recognition.ecovadis.com](https://www.ecovadis.com/en/recognition)

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 Energy & Climate	 Circularity	 Business Ethics & Social Responsibility
Climate neutrality for Scope 1 and 2 by 2030. 100 percent renewable energy. 55 percent reduction in Scope 3 carbon intensity by 2031. All our facilities have undergone biodiversity and water-risk assessments.	100 percent compliance with chemical regulations. Recyclability rate of 96 percent (target 90 percent). Increased share of recycled input materials. 20 percent waste reduction and zero landfill by 2030.	100 percent supplier screening for conflict minerals. Gender balance among managers by 2030. Zero accidents. Anti-corruption and Code of Conduct training every third year. Annual performance reviews for all employees. 100 percent of suppliers have signed our Code of Conduct. 80 percent of our purchases are audited according to sustainability criteria.
  	 	   

Focus Area

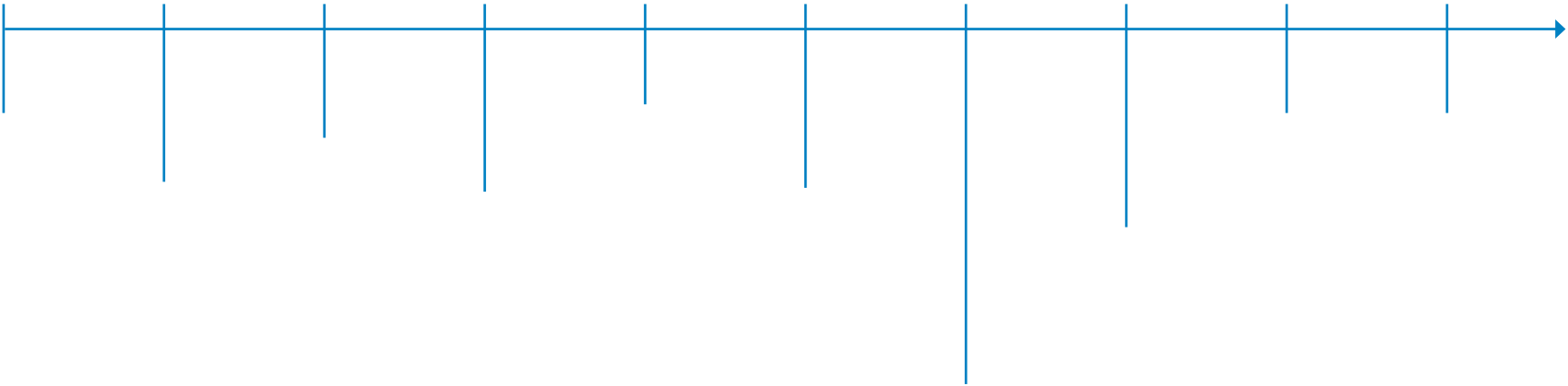
M&A – Driving Market Consolidation

Acquisitions are a central part of Bufab’s growth strategy. By selectively integrating well-managed and profitable companies, we strengthen our presence, broaden our offering and create long-term value.

The global market for C-parts is highly fragmented, and Bufab is one of the few players with an international footprint, which gives us great opportunities to consolidate the market and accelerate our growth. Despite being a leading player in many markets, our global market share remains below five percent.

In 2025, we completed the acquisition of novia Group, a German distributor of C-parts and technical components, with annual sales of approximately 50 million euros and strong profitability. With an EBITA margin exceeding Bufab’s target for 2026, novia strengthens our position within areas that are expected to grow significantly and contribute to future growth. The acquisition is a clear example of our strategy to grow through companies that share our culture and add new customer value from day one.

Our “Pull Integration” strategy enables acquired companies to quickly benefit from Bufab’s resources, with a focus on growth synergies rather than cost synergies. Since 2014, we have completed over 50 acquisitions, contributing to sales of more than 4 billion SEK. Most of these companies show strong growth and profitability after integration - proof of our acquisition competence and ability to create value over time.



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The Most Attractive Employer and the Role as a Solutionist

We create a work environment that promotes health, development and diversity - where every employee can grow and contribute to shared success.

At Bufab, we strive to offer more than just a workplace - we want every employee to have the opportunity to grow and contribute with their unique strengths. Our employees are our most important resource, and together we work to improve their health, safety and well-being. This includes regular employee surveys and annual activity plans that are continuously followed up on.

As an employer, we aim to create an inspiring and inclusive culture that encourages initiative, collaboration and personal development. We promote diversity and inclusion in line with our values of equality, and we invest in a work environment, well-being and competence development that allows employees to thrive and succeed - whether they have recently joined the industry or have many years of experience.

We are pleased to see that our work is delivering results - this year's employee survey shows continued positive development, where our Employee Net Promoter Score (eNPS) increased from 11 to 14. We have continued to invest in digital learning and introduced more interactive courses that make it easier and more engaging for employees to learn new skills, resulting in an increase in training hours again this year.

Being a Solutionist at Bufab means being a problem solver with an open mind and a drive to find new, smart solutions for our customers and the organisation. It is about taking responsibility for your work while collaborating with others towards a shared goal. A Solutionist is curious, flexible and sees challenges as opportunities - Bufab provides the tools, support and freedom to develop these abilities.

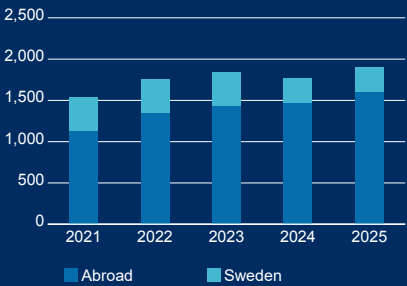
We believe that the combination of international resources and the entrepreneurial spirit found in a family-owned company makes Bufab an attractive employer. As a Solutionist, the employee is part of that journey - making a difference for both customers and colleagues. In our teams, employees are not just a cog in the machine, but a key contributor whose ideas, energy and knowledge help drive our collective success.

Risk Management and Compliance

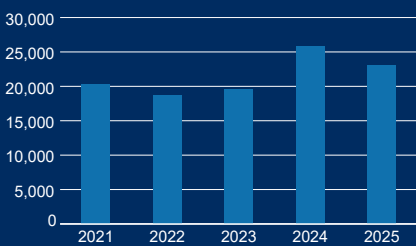
We work risk-based to manage environmental, social and governance risks internally and in the supply chain. In 2025, health and safety audits were conducted at all companies. Our mandatory policies ensure compliance with legal, material, and standards requirements.



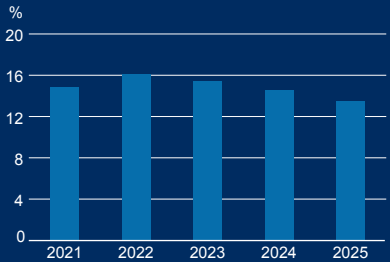
Number of employees



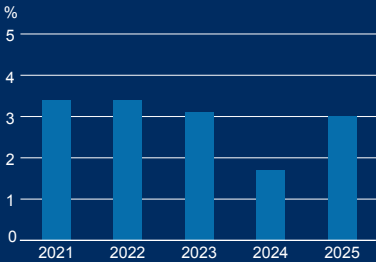
Training hours for Bufab employees



Employee turnover



Absence



1,900

Bufab's total number of employees

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03 Operations

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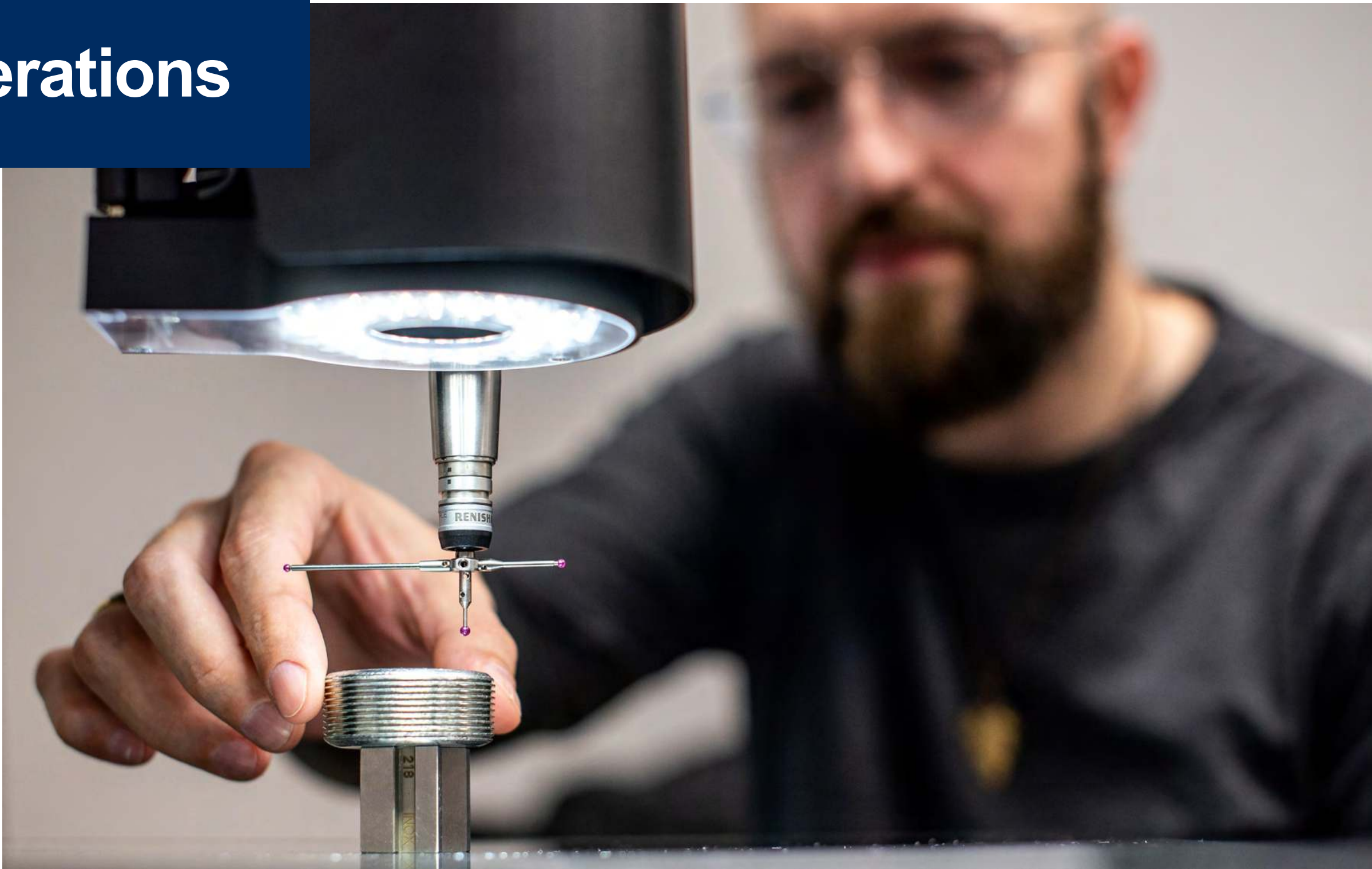
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An offering built on the customer’s reality

Bufab is more than a supplier — we are a global partner who simplifies complex supply chains and ensures efficient, sustainable flows for our customers.

A versatile and constantly developing customer base

Bufab's customer offering is designed to meet the needs of more than 20,000 customers across a range of industries, including wholesale and general industry, construction, furniture, automotive, defence, energy, and electronics. We manage more than 175,000 items sourced from a global network of 8,000 qualified suppliers, making us a reliable partner for both standardised and customised items.

Our customer base is diversified both geographically and across industries. This breadth makes us resilient to market fluctuations and gives us the opportunity to grow alongside our customers, regardless of where in the world they operate.

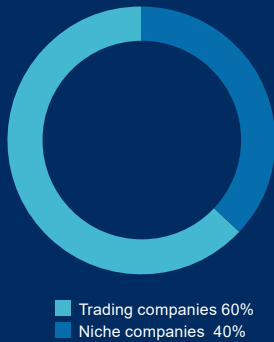
We deliver small things with great importance

Our offering ranges from standardised fasteners to customised items and technical components – bent, milled, turned, stamped, forged or injection-moulded parts. The smallest screw is 1 mm in diameter and 2 mm long, while the heaviest standard bolt is 100 mm in diameter and weighs 36 kg.

Through our niche companies, we also offer solutions in areas such as magnetic technology, bathrooms and kitchens, and personal protective equipment. Our broad range ensures that we can meet each customer’s unique requirements for quality, quantity and logistics. C-parts may be small, but they are essential for industry to function – without them, production stops.

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Share of net sales



Bufab's business model is based on local autonomy and global reach. We divide our companies into trading companies and niche companies, with each sister company having full P&L responsibility and operating close to the customer. The strategy is based on growing both organically and through acquisitions, and on each company focusing on its strengths. We believe that local empowerment, global strength and a focus on each company’s unique expertise are what make Bufab a relevant partner – now and in the future.



Services that Create Real Value

Our most successful partnerships are built on far more than products – they rely on services that make a real difference. By working with more sustainable suppliers, consolidating supplier bases, and optimising inventory replenishment through tailored logistics solutions, we help our customers reduce total costs and increase efficiency.

Our strategy is based on discovering the customer’s next solution. We do this by treating every customer according to their specific needs. This is why we have a decentralised organisational structure with local presence, where our Solutionists – experts in sourcing, logistics, engineering and quality – work closely with customers to create customised solutions. Through their expertise and commitment, we can act quickly, make decisions close to the market and deliver solutions that are relevant, sustainable and long-term value-creating. We are convinced that this is the best way to give our customers Peace of mind in a changing world.

Several of our sister companies contribute not only service and product expertise but also advanced technical competence and support in the customer’s product development. The more complex the challenge, the greater the value we can provide.

This is how we create Peace of Mind – by taking responsibility for the entire chain, from sourcing to sustainability, quality and delivery reliability.

We create the greatest value when the customer’s needs are extensive, the requirements high, and the volumes larger than those handled by a local supplier.

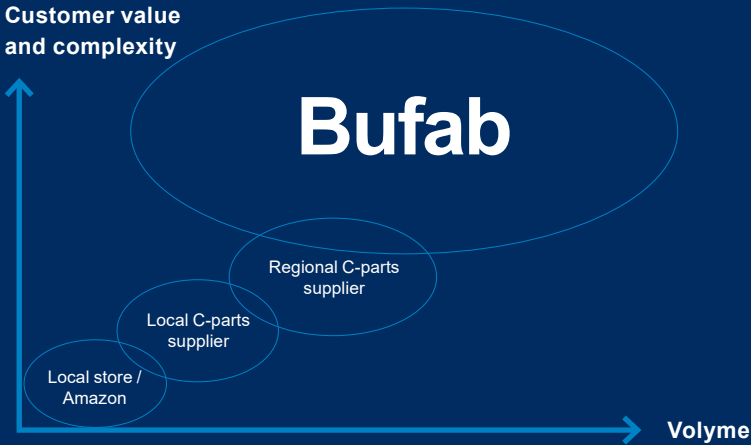
A Strategy for Sustainable Growth

Our decentralised business model, combined with a strong Solutionist culture, enables our local teams to act quickly and close to the customer. Through strategic acquisitions and continuous development of our offering, we strengthen our position as one of the leading global players in C-parts.

At the same time, we drive sustainability across the entire value chain – from supplier to end customer – with the ambition to be climate-neutral in Scope 1 and 2 by 2030 and to reduce our Scope 3 emissions by 55 percent from 2021 to 2031.

We manage complex needs with flexible solutions

When demands rise, Bufab shows its strength – we match every need with the right quality and producer. With our digital logistics solutions, replenishment is executed with razor-sharp precision.



What you don't see often costs the most – Bufab reduces the customer's total cost

Hidden costs can be significant. Bufab simplifies the handling of C-parts and reduces indirect costs – for efficiency, quality and confidence in the customer's supply chain.

C-parts have a high indirect cost

In the manufacturing industry, components are often classified into A-, B- and C-parts. A- and B-parts are visible, functional and often strategically important. C-parts, on the other hand - such as screws, bolts, washers and other small items - represent a small share of the product's value but a disproportionately large share of the indirect costs.

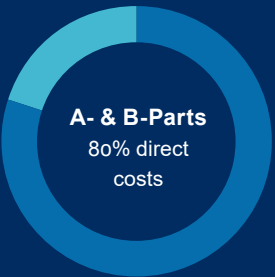
It is not unusual that the purchase price of C-parts accounts for only 20 percent of the total cost, while the indirect costs for sourcing, ordering, delivery, handling, inventory management, administration and quality deficiencies account for up to 80 percent.

Bufab's solutions reduce complexity

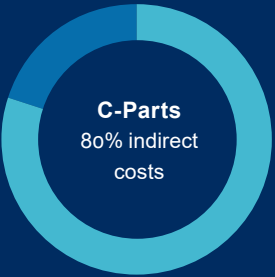
The more suppliers and items a company manages, the higher the indirect costs become. Bufab helps to reduce these by:

- Consolidating the supplier base
- Efficient logistics solutions for inventory replenishment
- Consolidated deliveries made on time
- Responsibility for quality and sustainability
- Technical advice and support

The result is a lower total cost and increased administrative efficiency.

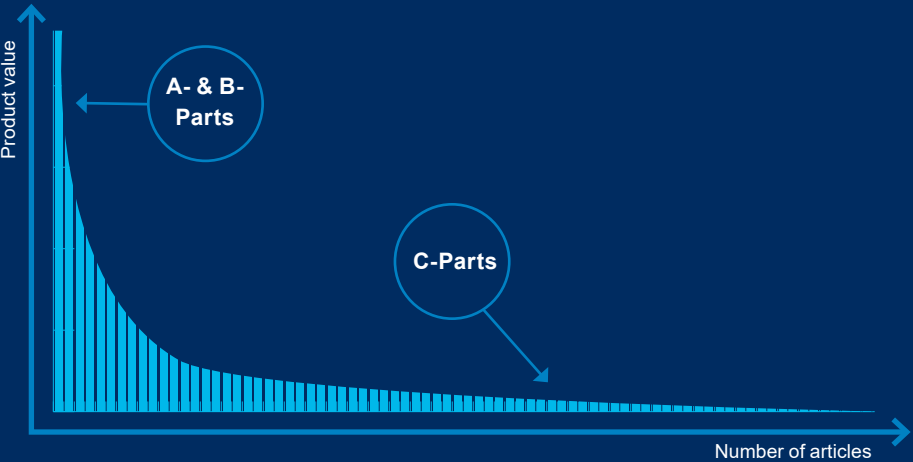


For a low-cost C-part, it is not unusual that the direct cost of the product itself is as low as 20 percent of the total cost, while the combined indirect costs account for 80 percent.



■ Direct costs
■ Indirect costs

C-Parts – the customer's perspective



With EasyScale Mobile, the customer gets automatic stock replenishment

Examples of C-Parts:

Typical examples of C-parts are fasteners such as bolts, screws, nails, pins, clamps, rivets, nuts and washers.

But they may also be uniquely designed products such as turned, injection-moulded, extruded, stamped, forged, milled or die-cast components.

They are all components with low or lower values in the end product, but are equally important for manufacturing and function.

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C-Parts

Characteristics of C-parts:

- Simple products
- Low unit price and high volume
- High procurement cost ↔ the product value
- Too many variants and suppliers
- Challenges within the sustainability area

B-Parts

A-Parts

Characteristics of A- and B-parts:

- More complex products
- Brand-building
- High unit price and low volume
- Internal R&D expertise
- Core business
- Limited number of suppliers



A partnership that grows with value

When we reduce the customer’s total cost, simplify complex flows and improve efficiency, we create the foundation for long-term, trust-based relationships.

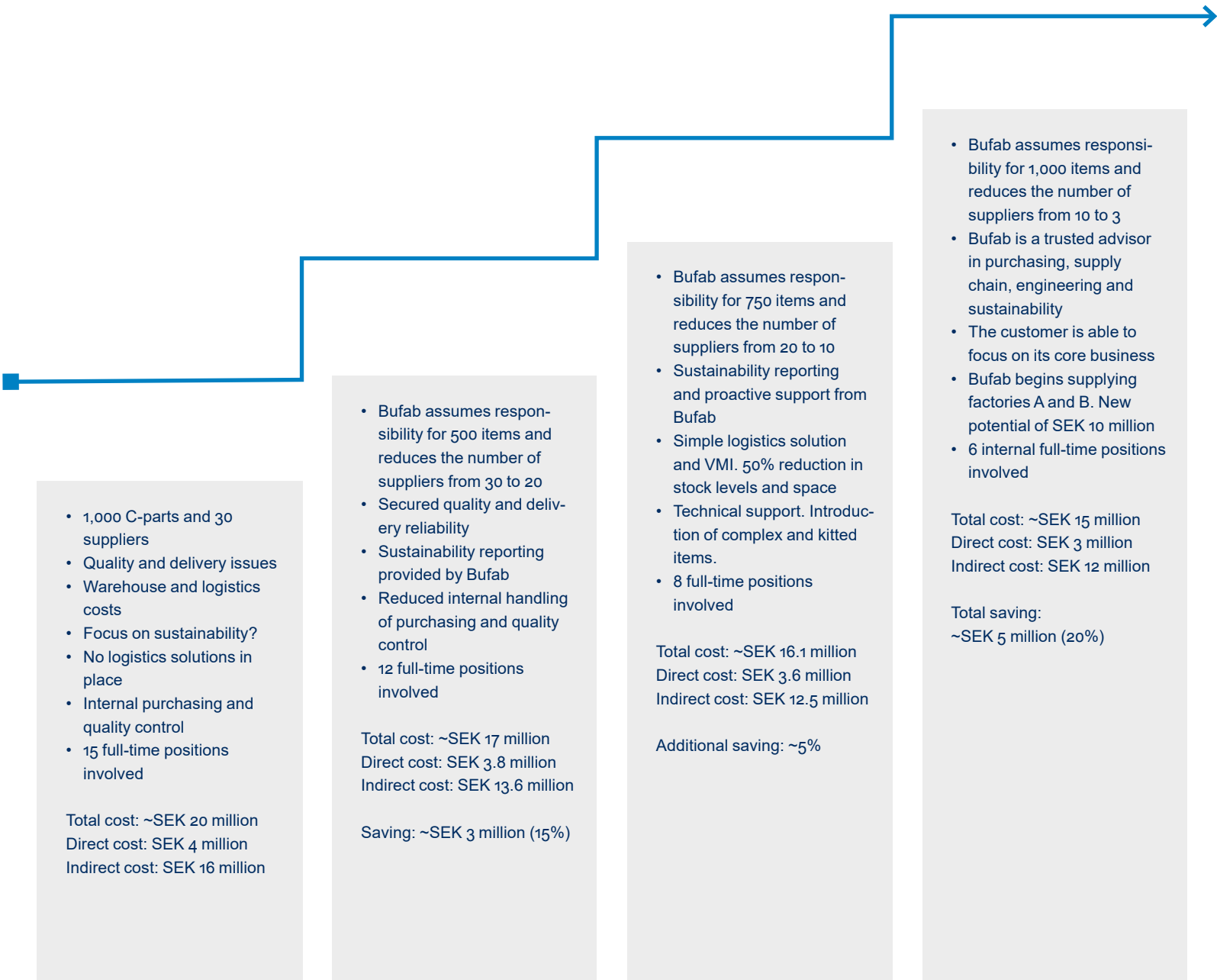
Year 1 – An initial consolidation
The customer begins the collaboration with a large number of items and suppliers. Several internal resources are involved in managing purchasing, logistics and deviations. Bufab takes over part of the item portfolio, consolidates the supplier base and implements an initial logistics solution. The result: fewer suppliers, reduced administration and improved delivery reliability.

Year 2 – A growing partnership
Bufab assumes responsibility for more items and additional parts of the supply chain. The number of people involved on the customer side decreases, while Bufab’s solutions provide a better overview and control. Costs decline, and Bufab begins contributing to the customer’s product development and sustainability efforts.

Year 3 – A strategic collaboration
Bufab now manages more items than at the start, with fewer suppliers and higher efficiency. The customer has freed up resources, reduced its total cost and gained a partner that actively contributes to innovation, sustainability and growth. Bufab is no longer just a supplier – but a strategic part of the customer’s business, even though we “only supply small parts”!

The proactive customer – and the value of data
An increasing number of customers base their decisions on facts and take a holistic view of their total cost. Decision-making regarding C-parts is moving higher up in the organisation, enabling more substantial changes that can cut years off the process. Bufab is given broad responsibility from the start and uses knowledge, well-considered consolidation, and flexible logistics solutions to achieve lower costs, higher delivery reliability, and sustainability. This gives Bufab a strong competitive advantage and makes us a strategic partner that drives faster growth – for the customer and for Bufab.

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Customer Case GPV

A Valuable Partnership

The story began with the challenges Europe’s second-largest EMS company, GPV Group A/S, experienced with its supply structure. A highly complex and decentralised supply setup required significant internal resources and created unnecessary administrative and logistical complexity. GPV needed a partner who could help simplify, consolidate, and build an even more predictable supply chain.

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Why GPV Chose Bufab

From the initial discussions, it was clear that GPV was looking for a partner with a holistic approach to C-part management. Bufab’s ability to combine sourcing, logistics, technical competence, and supply chain expertise into one integrated solution aligned well with their needs.

How Our Collaboration Has Evolved

What began as a traditional supplier relationship has gradually developed into a global, strategic partnership. Over time, Bufab has taken on a more proactive and advisory role, working closely with GPV to identify improvement opportunities and continuously adapting our solutions to support their business. A key milestone in this collaboration was the launch of the Supplier Partner Program in 2024, which further strengthened the partnership. This progress was reflected when Bufab was honoured with GPV’s Partner Excellence Award in late 2025, with recognition from every production unit – acknowledging both performance and collaboration.

Operational Improvements

We Experience Every Day

“Bufab’s logistics solutions have supported us in streamlining our operations in several important ways. Material availability has improved, manual handling has been reduced, and delivery predictability has increased significantly. Knowing that Bufab manages complexity, anticipates potential risks, and ensures continuity of supply gives us the space to focus on our core business instead of dealing with daily supply challenges. As Bufab has taken over a larger share of our C-part portfolio, we have seen clear benefits. Through supplier consolidation, process standardisation, and a structured approach to cost control and stable supply, Bufab has helped simplify our C-part management considerably,” says Radoslav Zila, Supplier Account Manager, Global Sourcing in GPV Group A/S.

A Team That Makes the Partnership Strong

Since the beginning of the collaboration, we have aimed to provide strong support both locally and globally. The dedication of our team in Bufab, being responsive, approachable, and engaged, has been an important factor in developing the partnership with GPV.

GPV Excellence Partners of the Year
Celebration 2025

Looking Ahead With Confidence

“We see continued growth opportunities with Bufab - driving further optimisation, fostering innovation, and expanding the scope of our collaboration. Bufab has proven to be a reliable and proactive partner, and we value their commitment to supporting our business as our requirements continue to evolve. We look forward to further strengthening the partnership in the years ahead,” says Jaroslav Kuzilek, VP, Global Sourcing.

About GPV

GPV is one of Europe’s leading Electronics Manufacturing Services (EMS) providers. As a customer-driven EMS technology partner, GPV provides complex electronics, in-house mechanics, and cable-harness, testing, and box-build assemblies into mechatronics solutions including ODM product application design as well as test development services to customers across the high-mix EMS value chain.

GPV Quick Facts

- Founded:** 1961
- Headquarters:** Denmark
- Employees:** ~7,500
- Production Sites:** 14 facilities across China, Denmark, Estonia, Finland, Germany, Mexico, Slovakia, Sri Lanka, Sweden, Switzerland, and Thailand
- Core Offering:** Electronics, mechanics, cable harnesses, mechatronics & box build, product & application design and testing
- Full Value Chain:** From design support and prototyping to industrialisation, production, testing, and after-sales
- Strategic Focus:** Operational excellence, sustainability, long-term partnerships, and high-quality engineering

Financial targets

Bufab’s financial targets focus on growth, profitability, financial stability and dividends. In December 2023, we presented our updated strategy and an increase in the profitability target from 12 to 14 percent by 2026.

Targets	10% Profitable growth Average annual increase in net sales, through both organic growth and acquisitions	15% Profitable growth Average annual increase in earnings per share	14% Profitability Annual operating margin (EBITA) by 2026	2–3x Financial stability Net debt in relation to operating profit before depreciation	30–60% Dividend policy Dividend of the annual net profit
	0.5%	13.2%	13.3%	2.6	39%
Outcome 2025	Net sales increased by 0.5 percent in 2025. Of the total growth, –3.7 percent came from currency effects, 3.9 percent from acquisitions/divestments and 0.3 percent from organic growth. Earnings per share increased by 13.2 percent.		The adjusted operating profit (EBITA) amounted to SEK 1,070 million (959), corresponding to an operating margin of 13.3 percent (11.9). Operating profit (EBITA) amounted to SEK 1,050 million (959), corresponding to a margin of 13.0 percent (11.9). The increase was primarily driven by purchasing savings, an improved customer and product mix, and price adjustments.		The Board of Directors has proposed to the Annual General Meeting 2026 a dividend of SEK 1.30 per share, corresponding to a dividend of 39 percent of net profit and an increase of SEK 0.25 per share compared with 2024.

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Sustainability targets

Bufab has set sustainability targets through 2030 with a focus on climate, circularity and ethics, and to track our progress, we report a number of key performance indicators for our own operations.

Targets	Carbon neutrality Produced and/or purchased electricity from carbon-neutral sources by 2030	Recyclability Achievable material recyclability rate of over 90 percent	Conflict minerals 100 percent of suppliers to be assessed and reviewed regarding conflict minerals	Capability audits Capability audits carried out for every approved supplier	Logistics partners Select logistics partners whose CSR targets align with Bufab's, enabling active collaboration to reduce our emissions																																																												
Outcome 2025	81%	97%	100%	100%	33%																																																												
	In 2024, the share of renewable electricity increased to 76 percent (from 66 percent). At the same time, total electricity consumption decreased by 20 percent. Please note that Bufab Lann and Hallborn are not included in the 2024 consumption figures, while VITAL is integrated for the full year.	The majority of the products we purchase and sell are recyclable and adapted for a circular lifecycle. The actual outcome, however, depends on the design of the customer's product and the market conditions in which it is sold.	An annual evaluation and verification of conflict minerals is conducted to ensure that our suppliers do not use them in our products.	Before approving a new supplier, we assess their Code of Conduct, regulatory compliance and capabilities to ensure that they can meet our internal requirements and those of our customers.	We are continuously working to transition to fossil-free and more efficient transportation with higher load rates. Several companies within the Group have contributed to this transition during the year, including increased use of climate-neutral sea freight from Asia and more sustainable land transportation.																																																												
	<table><caption>Electricity consumption (MWh) and MWh/SEK million</caption><tr><th>Year</th><th>Renewable (MWh)</th><th>Non-renewable (MWh)</th><th>MWh/SEK million</th></tr><tr><td>2021</td><td>10,000</td><td>5,000</td><td>3.5</td></tr><tr><td>2022</td><td>11,000</td><td>4,000</td><td>2.5</td></tr><tr><td>2023</td><td>11,500</td><td>3,500</td><td>2.0</td></tr><tr><td>2024</td><td>12,000</td><td>3,000</td><td>1.5</td></tr><tr><td>2025</td><td>12,000</td><td>3,000</td><td>1.5</td></tr></table>	Year	Renewable (MWh)	Non-renewable (MWh)	MWh/SEK million	2021	10,000	5,000	3.5	2022	11,000	4,000	2.5	2023	11,500	3,500	2.0	2024	12,000	3,000	1.5	2025	12,000	3,000	1.5	<table><caption>Recycling rate (%)</caption><tr><th>Year</th><th>Recycling rate (%)</th></tr><tr><td>2022</td><td>95</td></tr><tr><td>2023</td><td>94</td></tr><tr><td>2024</td><td>96</td></tr><tr><td>2025</td><td>97</td></tr><tr><td>Target 2030</td><td>90</td></tr></table>	Year	Recycling rate (%)	2022	95	2023	94	2024	96	2025	97	Target 2030	90	<table><caption>Screening conflict minerals (%)</caption><tr><th>Year</th><th>Screening conflict minerals (%)</th></tr><tr><td>2021</td><td>100</td></tr><tr><td>2022</td><td>100</td></tr><tr><td>2023</td><td>100</td></tr><tr><td>2024</td><td>100</td></tr><tr><td>2025</td><td>100</td></tr></table>	Year	Screening conflict minerals (%)	2021	100	2022	100	2023	100	2024	100	2025	100	<table><caption>Capability audits (%)</caption><tr><th>Year</th><th>Capability audits (%)</th></tr><tr><td>2021</td><td>100</td></tr><tr><td>2022</td><td>100</td></tr><tr><td>2023</td><td>100</td></tr><tr><td>2024</td><td>100</td></tr><tr><td>2025</td><td>100</td></tr></table>	Year	Capability audits (%)	2021	100	2022	100	2023	100	2024	100	2025	100	
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04 Board of Directors' Report

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Board of Directors' Report

The Board of Directors and CEO of Bufab AB (publ) (Bufab), Corporate Registration Number 556685-6240, hereby submit the Annual Report and consolidated accounts for the 2025 financial year.

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The business

Bufab is a trading company that offers its customers a full-service solution as a Supply Chain Partner for sourcing, quality control, sustainability, and logistics for C-parts.

Bufab's customers are found in the manufacturing industry, in which components generally are classified as A-parts, B-parts and C-parts. C-parts are the least strategically important components and make up a relatively small portion of the customer's direct component costs. C-parts have a relatively low value, both per component and in total, in combination with high volumes and a large number of suppliers. This means the indirect costs associated with C-parts management are often high in relation to the direct costs. Bufab's customer offering is an integrated full-service solution for sourcing, design, logistics and management, warehousing, and quality assurance of C-parts. For the customer, this means more efficient handling, thus reducing the customer's total costs.

Bufab was founded in 1977 in Småland, Sweden, and through organic growth and acquisitions, it has grown into a multinational corporation with activities in 31 countries, primarily in Europe, Asia and North America, together with exports to additional countries.

Bufab's customer base is diversified and comprises approximately 20,000 customers in numerous different industries. These customers are geographically diversified, with locations in the Nordics, the rest of Europe, Asia and North America. Bufab's customers vary in size, and

their sourcing behaviours and needs vary as well. Bufab offers both flexible solutions at the local level, and global solutions to international customers.

Bufab has built up a global network of suppliers and sources a total of 175,000 unique parts from mainly Europe, Asia and North America, which are stocked in 45 own warehouses around the world for rapid and reliable deliveries. The proportion of customised parts is increasing and today accounts for more than half of Bufab's sales. The head office is located in Värnamo, Sweden, and at year-end 2025, Bufab had approximately 1,900 employees around the world. The Bufab share has been listed on Nasdaq Stockholm since 21 February 2014.

Significant events during the financial year

Bufab acquired novia Group during the third quarter of 2025, a German expert supplier of global sourcing solutions with annual net sales of approximately EUR 50 million.

The number of shares in the company increased as each share was split into five shares (so-called share split 5:1).

Pär Ihrskog resigned from his role as CFO in October 2025. Marcus Söderberg has been appointed as the new CFO and will assume the position in March 2026. Between October 2025 and March 2026 Helena Häger has been the interim CFO.

Events after the end of the financial year

No material events have occurred after the balance-sheet date.

Order intake and net sales

Order intake increased to SEK 8,118 million (7,814) and was slightly higher than net sales.

Net sales increased by 0.5 percent to SEK 8,072 million (8,035). Of the total growth, –3.7 percent was due to currency effects, 3.9 percent from acquisitions/divestment and 0.3 percent from organic growth.

Profit and profitability

The gross margin strengthened compared with the previous year and amounted to 31.9 percent (29.7).

The proportion of operating expenses increased to 18.9 (17.8) percent. The increase compared with the comparative period is mainly explained by the acquisition of novia Group, completed in mid-October 2025, as well as VITAL, which was completed in November 2024.

Adjusted operating profit (EBITA) increased to SEK 1,070 million (959), corresponding to an adjusted operating margin of 13.3 percent (11.9). Operating profit (EBITA) increased to SEK 1,050 million (959), corresponding to an operating margin of 13.0 percent (11.9).

Earnings per share were SEK 3.30 (2.91).

Financial items and tax

The Group's net financial items amounted to –146 (–196) MSEK, of which exchange rate differences accounted for 17 (–3) MSEK and interest expenses for –158 (–191) MSEK. The Group's result after financial items was 823 (695) MSEK for the full year.

The tax expense was –197 (–144) MSEK, corresponding to an effective tax rate of 23.9 (20.7) percent.

Cash flow, working capital and financial position

Cash flow from operating activities amounted to 925 (1,101) MSEK, corresponding to a cash conversion of 86 (111) percent. The cash flow from operating activities was lower compared to 2024, mainly explained by normalised inventory levels in the subsidiaries after the pandemic years.

Working capital in relation to net sales amounted to 38 (39) percent, mainly explained by lower capital tied up in inventories.

The adjusted net debt amounted to 2,815 (2,757) MSEK as of 31 December 2025, and the gearing ratio was 85 (86) percent.

The key ratio net debt/EBITDA, adjusted, amounted to 2.6 (2.8) as of 31 December 2025.

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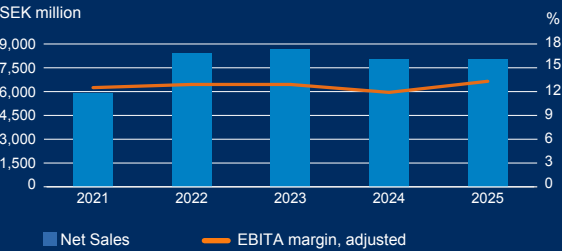
SEK million	2025	2024	2023	2022	2021
Order intake	8,118	7,814	8,602	8,453	6,084
Net sales	8,072	8,035	8,680	8,431	5,878
Gross profit	2,576	2,389	2,494	2,389	1,638
Gross margin (%)	31.9	29.7	28.7	28.3	27.9
Operating expenses	−1,527	−1,429	−1,451	−1,399	−942
Proportion of sales (%)	−18.9	−17.8	−16.7	−16.6	−16.0
Operating profit (EBITA)	1,050	959	1,043	990	695
Operating margin (EBITA) (%)	13.0	11.9	12.0	11.7	11.8
Operating profit (EBITA), adjusted	1,070	959	1,121	1,084	736
Operating margin (EBITA), adjusted (%)	13.3	11.9	12.9	12.9	12.5
Profit after tax	626	551	574	609	470
Earnings per share, SEK ²⁾	3.30	2.91	3.03	3.25	2.51
Dividend per share, SEK ²⁾	1.30 ³⁾	1.05	1.00	0.95	0.75
Cash flow from operating activities	925	1,101	1,446	−47	172

1) For definitions, see page 163.

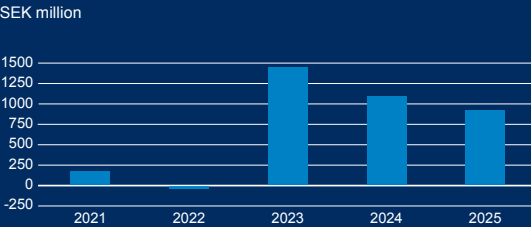
2) A retroactive restatement has been made for 2021–2024 due to the 5:1 share split carried out in May 2025.

3) Proposed by the Board of Directors.

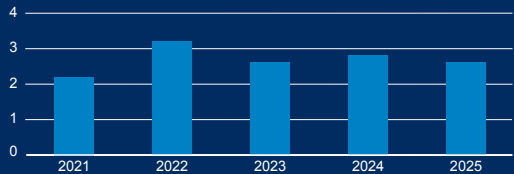
Net sales and operating margin, adjusted



Cash flow from operating activities



Net debt/EBITDA, adjusted



Region Europe North & East

The region consists of Bufab’s operations in Sweden, Finland, Norway, Denmark, Poland, Hungary, Romania, the Baltic States and Slovakia.

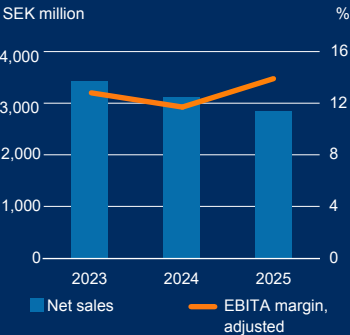
Financial highlights

- Order intake amounted to SEK 2,844 million (2,888) and was slightly higher than net sales.
- Net sales decreased by 8.8 percent to SEK 2,832 million (3,103) and the organic growth was –0.1 percent. The difference is mainly explained the divestment of Bufab Lann and Hallborn Metall in the third quarter of 2024.
- The gross margin improved to 32.3 percent (28.6), driven by an active work to improve the customer and product mix, price adjustments and consolidation of purchasing volumes. Currency effects also had a positive impact on the margin.
- The share of operating expenses increased compared to 2024, mainly due to the revaluation of contingent considerations, one-off costs, and inflation effects.
- Adjusted operating profit (EBITA) amounted to SEK 395 million (362), resulting in an adjusted operating margin of 13.9 percent (11.7).

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Net sales and EBITA margin, adjusted



Key figures

SEK million	2025	2024	2023*
Order intake	2,844	2,888	3,424
Net sales	2,832	3,103	3,429
Gross profit	914	888	920
Gross margin (%)	32.3	28.6	26.8
Operating expenses	-509	-519	-480
Share of net sales (%)	-18.0	-16.7	-14.0
Operating profit (EBITA)	406	368	440
Operating margin EBITA (%)	14.3	11.9	12.8
Operating profit (EBITA), adjusted	395	362	440
Operating margin EBITA, (%) adjusted	13.9	11.7	12.8

*Recalculated historical figures according to the new regional structure.

Region Europe West

The region consists of Bufab’s operations in France, the Netherlands, Germany, the Czech Republic, Austria, Switzerland, Spain, Türkiye and Italy.

Financial highlights

- Order intake amounted to SEK 2,368 million (1,878) and was slightly higher than net sales.
- Net sales increased by 25.2 percent to SEK 2,330 million (1,861). The increase is attributable to the acquisitions of novia Group and VITAL. Organic growth was 0.6 percent.
- The gross margin increased to 26.7 percent (25.0), driven by price adjustments and value-adding services on new projects.
- The share of operating expenses increased compared to 2024, mainly related to VITAL and Novia Group, as well as investments in growth.
- Adjusted operating profit (EBITA) amounted to SEK 318 million (234), resulting in an adjusted operating margin of 13.6 percent (12.6).

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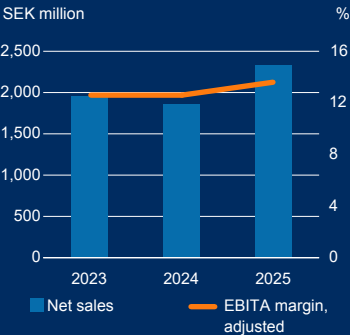
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Net sales and EBITA margin, adjusted



Key figures

SEK million	2025	2024	2023*
Order intake	2,368	1,878	1,902
Net sales	2,330	1,861	1,951
Gross profit	624	467	474
Gross margin (%)	26.7	25.0	24.3
Operating expenses	-310	-234	-229
Share of net sales (%)	-13.3	-12.6	-11.7
Operating profit (EBITA)	314	233	245
Operating margin EBITA (%)	13.5	12.5	12.6
Operating profit (EBITA),adjusted	318	234	245
Operating margin EBITA (%),adjusted	13.6	12.6	12.6

*Recalculated historical figures according to the new regional structure.

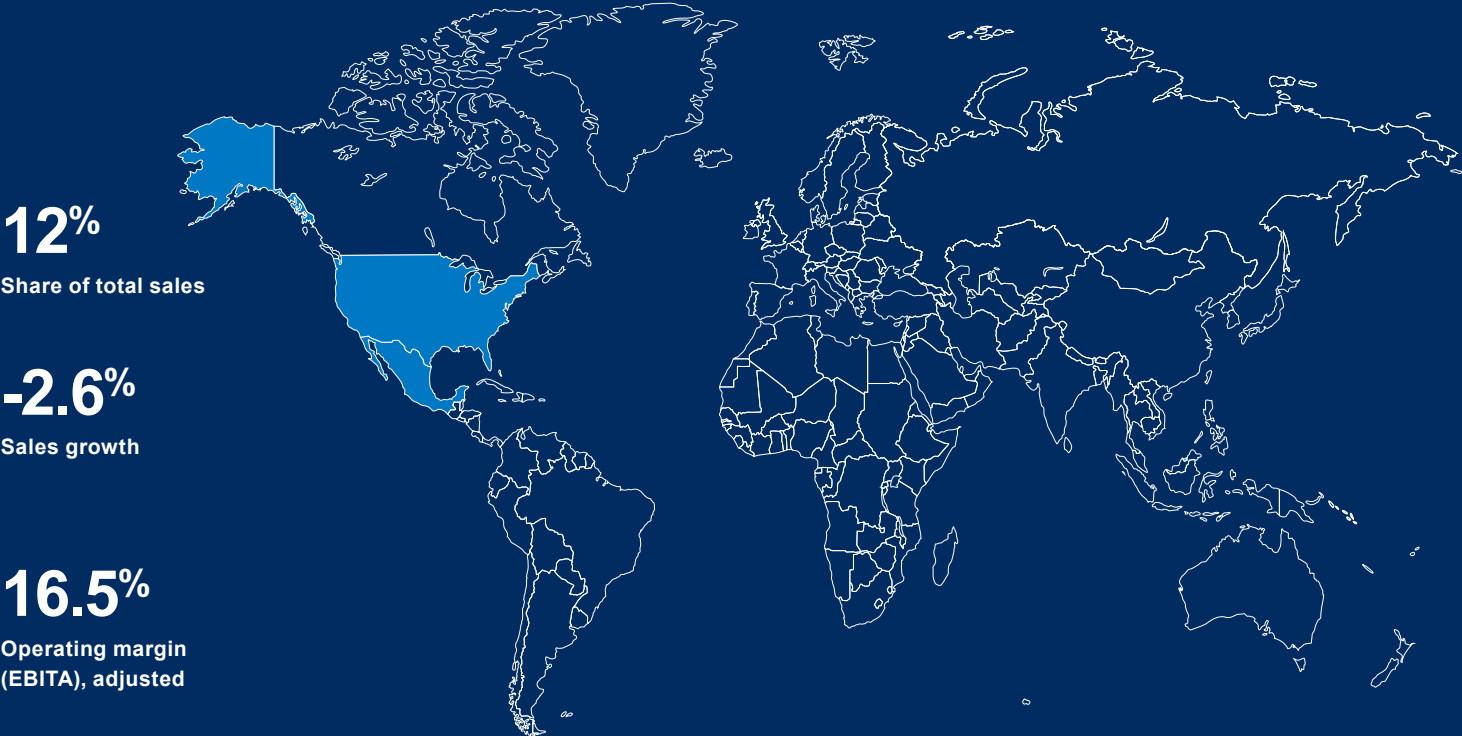
Region Americas

The region comprises Bufab’s operations in the US and Mexico.

Financial highlights

- Order intake amounted to SEK 982 million (1,004) and was lower than net sales.
- Net sales decreased by 2.6 percent to SEK 1,000 million (1,028). Organic growth was 4.6 percent.
- The gross margin amounted to 39.3 percent (35.0). The higher gross margin was mainly due to price adjustments, the effects of tariffs, and the divestment within Component Solutions Group.
- The share of operating expenses was in line with 2024.
- Adjusted operating profit (EBITA) amounted to SEK 165 million (116), corresponding to a margin of 16.5 percent (11.3).

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Net sales and EBITA margin, adjusted



Key figures

SEK million	2025	2024	2023*
Order intake	982	1,004	1,092
Net sales	1,000	1,028	1,182
Gross profit	394	360	412
Gross margin (%)	39.3	35.0	34.8
Operating expenses	-238	-246	-235
Share of net sales (%)	-23.8	-23.9	-19.8
Operating profit (EBITA)	156	114	177
Operating margin EBITA (%)	15.5	11.1	15.0
Operating profit (EBITA), adjusted	165	116	174
Operating margin EBITA, (%) adjusted	16.5	11.3	14.7

*Recalculated historical figures according to the new regional structure.

Region UK/Ireland

The region comprises Bufab’s operations in the UK and Ireland.

Financial highlights

- Order intake amounted to SEK 1,504 million (1,561) and was slightly higher than net sales.
- Net sales decreased by 7.5 percent to SEK 1,467 million (1,586). Organic growth was –3.1 percent.
- The gross margin increased to 32.9 percent (32.5), mainly driven by purchasing savings and lower freight costs.
- The share of operating expenses increased compared to 2024, mainly due to lower volumes, one-off items, and inflation effects.
- Adjusted operating profit (EBITA) amounted to SEK 144 million (185), corresponding to a margin of 9.8 percent (11.7).

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18%

Share of total sales

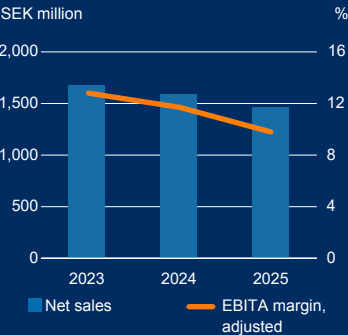
-7.5%

Sales growth

9.8%

Operating margin (EBITA), adjusted

Net sales and EBITA margin, adjusted



Key figures

SEK million	2025	2024	2023*
Order intake	1,504	1,561	1,754
Net sales	1,467	1,586	1,676
Gross profit	483	516	537
Gross margin (%)	32.9	32.5	32.1
Operating expenses	-340	-330	-405
Share of net sales (%)	-23.2	-20.8	-24.1
Operating profit (EBITA)	143	186	133
Operating margin EBITA (%)	9.7	11.7	7.9
Operating profit (EBITA), adjusted	144	185	214
Operating margin EBITA (%), adjusted	9.8	11.7	12.8

*Recalculated historical figures according to the new regional structure.

Region Asia-Pacific

The region consists of Bufab’s operations in China, India, Singapore and other countries in Southeast Asia.

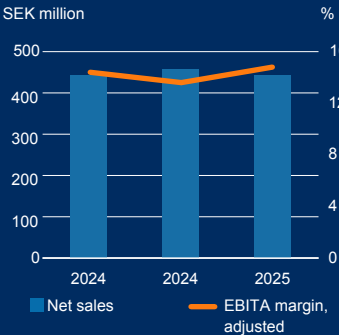
Financial highlights

- Order intake amounted to SEK 419 million (482) and was lower than net sales.
- Net sales decreased by 3.2 percent to SEK 442 million (457). Organic growth was 3.5 percent.
- The gross margin amounted to 32.7 percent (31.2). The increase was mainly due to purchasing savings and active work with value-based pricing.
- The share of operating expenses increased compared to 2024. The increase was mainly due to the lower volumes, but also investments in the sales force and negative currency effects.
- Adjusted operating profit (EBITA) amounted to SEK 65 million (62), corresponding to a margin of 14.8 percent (13.6).

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Net sales and EBITA margin, adjusted



Key figures

SEK million	2025	2024	2023*
Order intake	419	482	431
Net sales	442	457	443
Gross profit	145	142	137
Gross margin (%)	32.7	31.2	31.0
Operating expenses	-79	-80	-74
Share of net sales (%)	-17.9	-17.6	-16.6
Operating profit (EBITA)	65	62	64
Operating margin EBITA (%)	14.8	13.6	14.4
Operating profit (EBITA), adjusted	65	62	64
Operating margin EBITA, (%) adjusted	14.8	13.6	14.4

*Recalculated historical figures according to the new regional structure.

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Seasonal variation

Bufab's sales fluctuate over the year, primarily on the basis of the number of customer production days in every quarter.

Risks and uncertainties

Exposure to risk, both operational and financial, is a natural part of business activity, as reflected in Bufab's approach to risk management. The aim is to identify and prevent risks and to limit any loss or damage from these risks. The most significant risks to which the Group is exposed are related to the economy's bearing on customer demand. For further information, see Note 3 in the consolidated financial statements.

Employees

The number of full-time employees in the Group at 31 December 2025 amounted to 1,853 (1,762). The average number of full-time employees in 2025 was 1,707 (1,724). For further information about employees, see Note 6.

Environment

The Group works proactively with environmental issues to reduce its environmental impact.

Bufab owns 64 companies, one of which operates in-house manufacturing in Sweden and is subject to environmental licensing requirements under the Swedish Environmental Code. Environmentally licensed operations account for about three percent of the Group's over-all net sales. Environmental licences are required due to the nature of the operations. These companies have been granted licences to conduct environmentally hazardous activities. The Group's other companies conduct trading activities only, which have limited environmental impact. See also Note 3.

Sustainability Statement

The sustainability statement has been prepared in accordance with the Swedish Annual Accounts Act and the European Sustainability Reporting Standards (ESRS). The statutory sustainability statement covers pages 47–113.

Guidelines for remuneration of senior executives

At the 2024 Annual General Meeting, guidelines were adopted for remuneration to the CEO and other senior executives in Bufab's Group Management, which will apply until the 2028 Annual General Meeting unless significant changes are to be made before then. The guidelines are presented below and are also available on Bufab's website www.bufabgroup.com.

Bufab is a trading company that offers its customers a full-service solution as Supply Chain Partner for sourcing, quality control and logistics for C-Parts. In short, Bufab's strategy is to create value for its customers by taking a comprehensive global responsibility for their supply of such components. One fundamental component of Bufab's strategy for long-term value creation in the business is Bufab's global organisation of experts within sourcing, logistics, technology and quality, so called "Solutionists". These employees in Bufab's subsidiaries around the world take full responsibility for the distribution to the customers and ensure the sustainability of the customers supply chain. Hence, a prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to attract and retain qualified personnel. To this end, Bufab strives to offer a competitive total remuneration, which is enabled through these guidelines.

Long-term share-related incentive schemes have been implemented in the company. Since the incentive schemes have been resolved by the general meeting, they are excluded from these guidelines. The long-term share-related incentive scheme proposed by the Board of Directors and submitted to the Annual General Meeting 2024 for approval is excluded for the same reason. The proposed scheme essentially corresponds to existing schemes and includes the CEO, other senior executives and certain other key employees within the Bufab group. The purpose of the incentive schemes is that the participants through their own investments and multi-year holdings of call options regarding the shares in Bufab are to participate in and be motivated to strive

for a positive value development for Bufab. The incentive schemes contribute to Bufab offering a competitive total remuneration and thereby enable Bufab to attract and retain qualified employees, and also unite the interests of the shareholders and the participants, which in turn is expected to promote the company's business strategy and long-term interests, including its sustainability.

The remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pensions, other benefits and in special cases further variable cash remuneration. Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration.

The fixed cash salary shall be on market terms and reflect the responsibilities required by the position. The fixed cash salary shall be revised on an annual basis.

The variable cash remuneration shall be linked to predetermined and measurable criteria which can be financial or non-financial, with the purpose of promoting the business strategy and long-term interests of Bufab. The criteria shall primarily relate to the company's results and may be individual. Furthermore, the criteria shall relate to the overall progress of the Bufab group, although criteria related to specific business areas may occur. The variable cash remuneration shall amount to a maximum of 75 percent of the total fixed annual cash salary for the CEO and a maximum of 50 percent of the total fixed annual cash salary for the other senior executives.

Senior executives may be offered individual pension solutions. Pensions shall, to the extent possible, be defined contribution plans. If deemed to be on market terms, variable cash remuneration may qualify for pension benefits. The pension premiums may amount to a maximum of 40 percent of the pension qualifying income. Other benefits

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may include, among other things, health insurance and company car. Such benefits may amount to a maximum of 10 percent of the fixed annual cash salary.

Further variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and only made on an individual basis, either for the purpose of attracting or retaining executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 50 percent of the fixed annual cash salary and may not be paid more than once each year per individual. Any resolution on such remuneration shall be made by the Board of Directors based on a proposal from the Remuneration Committee.

Ahead of each measurement period, the Board of Directors shall, based on the work of the Remuneration Committee, establish which criteria that are deemed to be relevant for the variable cash remuneration. The measurement periods can be one or several years. The Board of Directors’ evaluations regarding fulfilment of financial targets shall be based on established financial information for the relevant period. Variable cash remuneration can be paid after the measurement period has ended or be subject to deferred payment. The Board of Directors shall have the right to, by general principles of law or agreement, recover wrongful payments of variable cash remuneration in whole or in part.

Senior executives are to be employed until further notice. Between Bufab and senior executives, the notice period shall amount to a maximum of 18 months. If notice of termination of employment is made by Bufab, the remuneration to be paid by Bufab, including remuneration during the notice period, shall amount to a maximum of 18 months of fixed cash salary, variable cash remuneration and other employment benefits. When termination is made by the senior executives, there is no right to severance pay. Additionally, senior executives may be compensated for non-compete undertakings. Such remuneration aim to compensate the senior executive for the difference between the fixed monthly cash salary at the time of termination of the employment and the lower income that can be received, reasonably may be expected to be received or

would have been received after reasonable efforts by the senior executive.

In the preparation of the Board of Directors’ proposal for these guidelines, salary and employment conditions for the company’s employees have been taken into account by including information on the employees’ total income, the components of the remuneration and increase and growth rate over time, in the Remuneration Committee’s and the Board of Directors’ basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

The Remuneration Committee's tasks include preparing the Board of Directors’ decision to propose guidelines for remuneration to senior executives. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the Annual General Meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration for the senior executives, the application of the guidelines for remuneration to senior executives as well as the current remuneration structures and compensation levels in the company. The CEO and other senior executives do not participate in the Board of Directors’ processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

The Board of Directors may temporarily resolve to deviate from the guidelines, in whole or in part, if in a specific case there is special cause for the deviation and a deviation is necessary to serve Bufab’s long-term interests, including its sustainability, or to ensure Bufab’s financial viability. As set out above, the Remuneration Committee’s tasks include preparing the Board of Directors’ resolutions in remuneration-related matters. This includes any resolutions to deviate from the guidelines.

Remuneration Report 2025

The Remuneration Report 2025 provides an overview of how the guidelines for remuneration of senior executives, as adopted by the 2025 AGM, were implemented during the year. The Remuneration Report is available on Bufab's website, www.bufabgroup.com.

Long-term incentive programme

At the Annual General Meeting in 2025, it was resolved to introduce a new long-term incentive programme in the form of a performance-based share savings programme. Participation requires a personal investment in Bufab shares to strengthen the alignment of interests between employees and shareholders, and to promote long-term value creation, recruitment, and retention of key individuals. The programme includes a maximum of 20 senior executives divided into three categories: the CEO, other members of Group Management, and subsidiary CEOs and other key individuals.

Participants must invest their own shares no later than 14 June 2025 (with the possibility of extension to 31 December 2025 in certain cases). After the vesting period from 15 June 2025 to 15 June 2028, participants may receive performance shares free of charge, provided they remain employed, retain their share investment and meet the performance conditions. The size of the allocation varies by category and by invested share.

The allocation is primarily based on Bufab’s EBITA growth for 2024–2027 (80%) and total shareholder return for the share from May 2025 to May 2028 (20%). Minimum and maximum performance levels are set by the Board, with linear allocation between the thresholds. The programme comprises a maximum of 516,547 shares, the majority of which are performance shares. Special rules apply in connection with termination of employment (“good leaver”) as well as in corporate events such as share issues or splits. A detailed description of the share savings programme is provided in note 34 on page 141 of the Annual Report.

Related-party transactions

During the period, the CEO and senior executives subscribed for call options within the framework of the long-term share-based incentive programme adopted at the AGM under the terms outlined in more detail above. In addition, fees to the Board and remuneration to senior executives have been paid out, which are described in more detail in Note 6 in the consolidated financial statements.

Parent Company

The operations of the Parent Company, Bufab AB (publ), cover the CEO, the consolidated financial reports and the financial management of the Group. Most Group-wide operations pertaining to the remaining members of Group management and administration are managed by the subsidiary Bufab International AB. Accordingly, the Parent Company does not report any sales. The Parent Company reported a profit after financial items of SEK 228 million (171).

Share capital and ownership structure

On 31 December 2025, the Parent Company's share capital amounted to SEK 547,189 divided among 190,552 665 ordinary shares. The number of shares increased during the year as a result of a 5:1 share split. There was no change in share capital during 2025. The largest shareholder on 31 December 2025 was Liljedahl Group AB with just over 29 percent of shares and votes. On 31 December 2025, Bufab had 765,575 repurchased shares held in treasury.

2025 Annual General Meeting

The Annual General Meeting of Bufab AB (publ) will be held on 23 April 2026 in Värnamo, Sweden. The notice and other documents for the 2026 Annual General Meeting will be available on Bufab’s website, www.bufabgroup.com, on 23 March 2026.

Proposed appropriation of profits

SEK	
The following earnings are at the disposal of the AGM:	
Retained earnings	699,586,693
The Board of Directors proposes that the earnings be appropriated as follows:	
A dividend of SEK 1.30 per share to be paid to shareholders ¹⁾	246,548,465
To be carried forward	453,038,228
Total	699,586,693

¹⁾ The dividend has been based on the numbers of shares outstanding when the annual report was issued.

Corporate Governance Report

Bufab Holding AB (publ) is a Swedish public limited liability company. Bufab has been listed on Nasdaq Stockholm since 21 February 2014. Bufab applies the Swedish Corporate Governance Code (the “Code”) and hereby submits its Corporate Governance Report for the 2025 financial year in accordance with the provisions of the Swedish Annual Accounts Act and the Code. The Corporate Governance Report was reviewed by the company’s auditors.

The Code guidelines are available on the website of the Swedish Corporate Governance Board (www.corporategovernanceboard.se). The Code is based on the principle of “comply or explain,” which means that companies applying the Code do not always have to comply with every rule on condition that an explanation is provided. Bufab did not make any such deviations in 2025, with the exception of the fact that the Group has not set up a separate internal audit function. Read more at www.bufabgroup.com.

DELEGATION OF RESPONSIBILITY
 The purpose of Bufab’s corporate governance is to create a clear delegation of roles and responsibilities between owners, the Board, the Board’s Committees and senior management. Corporate governance at Bufab is based on applicable legislation, primarily the Swedish Companies Act, Nasdaq Stockholm’s rules and regulations, the Code and internal guidelines and rules.

A. SHAREHOLDERS
 At the top of the corporate governance structure, the shareholders impact the main direction of the company by exercising their influence. Strong principal owners contribute a large amount of interest in and commitment to the company and its success. At year-end, the company’s share capital amounted to SEK 547,189, represented by a total of 190 552 665 shares. All shares carry equal voting rights and there are no limitations governing how many votes each shareholder may cast at a general meeting. At year-end 2025, Bufab had 8,133 shareholders (7,952). Of the total number of shares, 21.2 percent were held by foreign shareholders. The ten largest shareholders owned

a combined total of 65.9 percent of the shares. The largest shareholder was Liljedahl Group, with 29.2 percent of the capital and votes. For more information about the share and shareholders, see page 162.

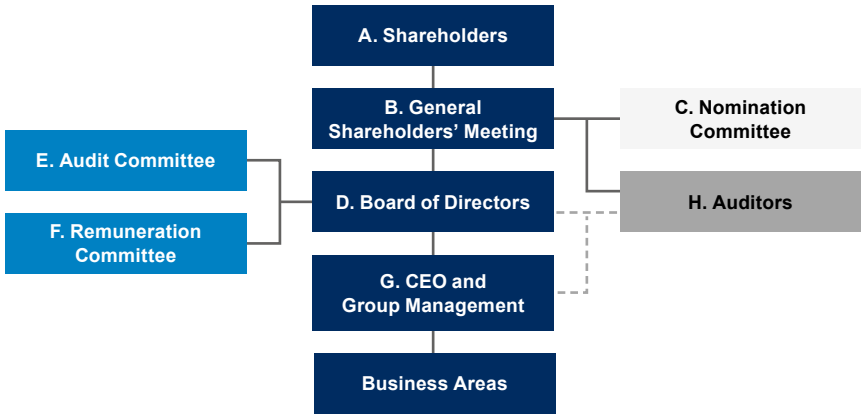
B. GENERAL SHAREHOLDERS’ MEETING
 The general shareholders’ meeting is the company’s highest decision-making body. At the general shareholders’ meeting, the shareholders exercise their voting rights on key issues, such as the adoption of income statements and balance sheets, appropriation of the company’s results, discharge from liability of Board members and the CEO, election of the Chairman, Board members and auditors and remuneration of the Board of Directors and the auditors. There are no provisions contained in the Articles of Association concerning the appointment or dismissal of Board members, or regarding changes to the Articles of Association. Further information about the AGMs, the minutes of the Meetings, and Bufab’s Articles of Association are available on www.bufabgroup.com.

2025 Annual General Meeting
 The Annual General Meeting (AGM) was held in Värnamo on 24 April 2025. 237 shareholders attended the Meeting, in person or by proxy. Shareholders were also allowed to use advance voting (postal voting) as prescribed in the notification. A total of 75.2 percent of the company’s voting rights were represented. The Meeting was also attended by the Board of Directors, Group Management and the auditor.

Resolutions at the 2025 AGM included:

- Adoption of the income statement and balance sheets for 2024, appropriation of the company’s results, and discharge from liability of Board members and the CEO.
- The re-election as Board members of Bengt Liljedahl, Per-Arne Blomquist, Hans Björstrand, Eva Nilsagård, Anna Liljedahl and Bertil Persson, as well as election of Caroline Reuterskiöld as new Board member. Bengt Liljedahl was elected Chairman of the Board.

Governance structure



Important external rules and regulations

- Swedish Companies Act
- Stock market’s rule book for issuers
- Swedish Corporate Governance Code
- Swedish Annual Accounts Act
- * ESRS & EU Taxonomy
- Book-keeping Act

Important internal rules and regulations

- Articles of Association
- Board’s rules of procedure
- Rules of procedure for Board committees
- Rules of procedure for the Board of Directors and CEO instruction
- The Group’s and business areas’ resolutions procedure
- Bufab’s Code of Conduct
- Control documents in the form of policies, regulations, guidelines and instructions

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- Guidelines for remuneration of senior executives.
- Resolution on a new long-term incentive programme for 2025 was approved.
- Resolution on share split and amendment to the Articles of Association
- Resolution on authorisation to transfer shares in the Company

2026 Annual General Meeting

The 2026 AGM will be held on 23 April 2026. Notice of the AGM is available at www.bufabgroup.com. Shareholders who, no later than 13 April 2026, are entered in the share register maintained by Euroclear Sweden AB and who have notified their intention to attend the AGM no later than 15 April 2026, are entitled to attend the AGM, in person or by proxy.

C. NOMINATION COMMITTEE

Bufab is to have a Nomination Committee comprising one representative for each of the four largest shareholders in terms of number of votes in the shareholders' register maintained by Euroclear Sweden AB as of 31 August in the year prior to the AGM, who on being asked expressed a wish to participate in the nomination work, as well as the Chairman of the company. The names of the four owner representatives and the shareholders they represent must be announced not later than six months prior to the AGM. The Nomination Committee's mandate is valid until a new Nomination Committee is appointed. If the group of the largest shareholders changes during the nomination process, the composition of the Nomination Committee may change. The Nomination Committee's task is to prepare proposals on the following issues:

- Chairman of the Meeting,
- Board members,
- Chairman of the Board,
- remuneration of the Board,
- auditor,
- auditor's fees, and
- any changes to the Nomination Committee's instructions.

The Nomination Committee for the 2025 AGM consisted of Fredrik Liljedahl (Liljedahl Group), Per Trygg (Lannebo fonder), Oscar Bergman (Swedbank Robur Fonder),

Nomination Committee ahead of the 2026 AGM

Name	Representing	Share of votes, %
Fredrik Liljedahl (Chairman)	Liljedahl Group	29.2
Per Trygg	Lannebo fonder	8.8
Oscar Bergman	Swedbank Robur Fonder	5.9
Johan Sjöstrom	Andra AP-fonden	5.1
Bengt Liljedahl	Chairman of the Board, co-opted	

Johan Sjöstrom (Andra AP-fonden). The Chairman of the Board Bengt Liljedahl, is co-opted to the Nomination Committee.

The reasoned statement to the 2025 AGM shows that the Nomination Committee has applied Section 4.1 of the Swedish Corporate Governance Code as diversity policy when making its proposal. With regards to the company's operations, development stages and conditions in general, the goal of the policy is that the Board should have an appropriate composition characterised by versatility and width of expertise, experience and background as well as an even gender distribution. The 2025 AGM decided to appoint members of the Board in accordance with the Nomination Committee proposal, resulting in the current Board of Directors with seven members, of whom three women and four men, which means the proportion of women is 43 percent. The long-term goal is to strive for gender balance.

D. BOARD OF DIRECTORS COMPOSITION

According to Bufab's Articles of Association, the Board of Directors is to be comprised of not less than three and not more than ten AGM-elected members, with not more than three deputy members.

Bufab applies section 4.1. in the Code relating to the composition of the Board. The Board should therefore be characterised by diversity and breadth of expertise, experience and background of the members elected by the AGM. An even gender distribution should be pursued. Since the 2025 AGM, the Board has comprised of seven AGM-elected members; Bengt Liljedahl (Chairman), Hans Björstrand, Per-Arne Blomquist, Anna Liljedahl, Eva Nilsagård, Bertil Persson and Caroline Reuterskiöld.

All Board members are independent in relation to the company and company management. All Board members, except for Bengt Liljedahl and Anna Liljedahl, are independent in relation to the company's largest shareholders. Accordingly, the Board meets the requirement that at least two Board members who are independent in relation to the company and company management are also independent in relation to the largest shareholders. Further information regarding the Board members is presented on page 45 of the Annual Report and on www.bufabgroup.com.

Work of the Board

The Board of Directors is responsible for the company's organisation and administration, and leads the work of defining Bufab's long-term direction, strategy and overall objectives, as well as monitoring their implementation. The Board also issues guidelines and instructions to the CEO and ensures that the company has an appropriate structure for monitoring operations, risks and performance. Furthermore, the Board ensures that the company's organisation for accounting, management of funds and financial position is subject to reliable internal control. The Board operates under written Rules of Procedure, which are revised annually and adopted at the statutory Board meeting. These Rules govern, among other aspects, Board practices, responsibilities and the division of duties between the Board and the CEO. At the statutory meeting, the Board also adopts the CEO's instructions, including those relating to financial reporting. The Board meets according to an annual schedule. In addition to these scheduled meetings, extraordinary Board meetings may be convened to address matters that cannot be postponed until the next ordinary meeting. The Chairman of the Board and the CEO also maintain an

ongoing strategic and operational dialogue regarding the management of the company.

The Board's obligations are partly carried out through the Audit Committee and the Remuneration Committee, for which the Board has also adopted separate Rules of Procedure.

Evaluation of Board work

The Chairman of the Board is responsible for evaluating the Board's work, including assessing the performance of each Board member. This is performed on an annual basis according to an established process. The assessment focuses on such factors as availability of and requirement for specific expertise in the Board, commitment, the quality of the Board material and the time required for reading such material. The evaluation is reported to the Nomination Committee and comprises the basis of the Nomination Committee's proposal for Board members and fees to be paid to the Board.

Work of the Board in 2025

The Board regularly addresses strategic matters relating to Bufab's operations and direction, including the Group's financial and sustainability-related targets, risks, potential divestments and acquisitions, as well as major investments. A significant part of the Board's work during the year has been devoted to following up and further developing the Group's long-term strategic plan and ensuring that priorities and resources support the established objectives. During the year, the Board has also been involved in preparing the sustainability statement.

The financial statements and Annual Report are addressed at the beginning of the year, together with the matters to be presented at the Annual General Meeting. At the end of the year, the Board reviews the budget for the coming year as well as the Group's long-term strategic plan, and after each quarter the Board reviews the quarterly results. The work of the two Committees is presented at each ordinary Board meeting.

The agenda is approved by the Chairman of the Board and distributed together with relevant documentation to all members approximately one week before each meeting.

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ATTENDANCE AND REMUNERATION OF THE BOARD 2025

Board of Directors	Attendance			Remuneration
	Board meetings	Audit Committee	Remuneration Committee	Approved fee/basic salary, SEK million
Bengt Liljedahl	12/12	7/7	4/4	1.02
Per-Arne Blomquist	12/12	7/7		0.44
Hans Björstrand	12/12			0.37
Anna Liljedahl	12/12		4/4	0.40
Eva Nilsagård	12/12	6/7		0.53
Bertil Persson	12/12		4/4	0.40
Caroline Reuterskiöld	9/12			0.37

At every meeting, the CEO reports on the Group's sales and earnings, current business developments and key external factors that may influence the Group's performance. Each ordinary Board meeting also includes a discussion held without the CEO present. When appropriate, other members of the management team present specific items. The company's auditor participates in meetings when suitable and once per year without management present.

In addition to the information provided in connection with Board meetings, management submits a monthly report to the Board members and maintains close contact with the Chairman of the Board.

Remuneration of Board members

Fees and other remuneration to Board members, including the Chairman, are resolved on by the AGM. At the AGM held on 24 April 2025, it was resolved that the Chairman be paid SEK 900,000 (830,000) and that the other non-executive members be paid SEK 365,000 (350,000). For work on the Audit Committee, it was resolved that SEK 160,000 (130,000) would be paid to the Chairman and SEK 70,000 (65,000) to each of the other members, and for work on the Remuneration Committee, SEK 50,000 (30,000) would be paid to the Chairman and SEK 35,000 (30,000) to each of the other members.

Board members are not entitled to any benefits after leaving their position on the Board.

E. AUDIT COMMITTEE

The Audit Committee is, without it affecting the responsibilities and tasks of the Board of Directors, to monitor the company's financial reporting, monitor the efficiency of the company's internal control, internal auditing and risk management, keep informed of the auditing of the annual report and the consolidated financial statements, review and monitor the impartiality and independence of the auditors and pay close attention to whether the auditors are providing other non-audit services for the company, and assist the Nomination Committee in the preparation of proposals for the general shareholders' meeting's decision on election of auditors.

The Audit Committee is to comprise three members. The Board appoints Committee members every year at the statutory Board meeting or when a Committee member needs to be replaced. The Board also adopts an instruction for the Committee's work at the statutory meeting.

Audit Committee:

- Eva Nilsagård (Chairman)
- Per-Arne Blomquist
- Bengt Liljedahl

F. REMUNERATION COMMITTEE

The Remuneration Committee is to prepare matters concerning remuneration principles, and remuneration and other employment terms for the CEO and senior executives.

The Remuneration Committee is to comprise a minimum of two members. The Board appoints Committee members every year at the statutory Board meeting or when a Committee member needs to be replaced. The Board also adopts an instruction for the Committee's work at the statutory meeting.

Remuneration Committee:

- Bengt Liljedahl (Chairman)
- Anna Liljedahl
- Bertil Persson

G. CEO AND GROUP MANAGEMENT

In addition to the President and CEO, Group Management consists of four business area managers and two managers responsible for Bufab's Group functions: Finance and sourcing. The CEO is Erik Lundén. A presentation of Group Management can be found in the Annual Report on page 46 and on www.bufabgroup.com.

The CEO is subordinate to the Board of Directors and is responsible for the everyday management and operations of the company. The division of work between the Board of Directors and the CEO is set out in the rules of procedure for the Board of Directors and the CEO's instructions. These are adopted every year at the statutory Board meeting. The CEO is also responsible for the preparation of reports and compiling information from management prior to the Board meetings and for presenting such material at the Board meetings. According to the instructions for

financial reporting, the CEO is responsible for the financial reporting in the company and consequently must ensure that the Board of Directors receives information adequate to enable evaluation of the company's financial position.

Remuneration to the CEO and Group Management

The guidelines for remuneration to the CEO and other senior executives were adopted at the AGM on 25 April 2024.

Bufab strives to offer total remuneration that will attract and retain qualified employees. The total remuneration may include the components described below.

Fixed salary is to be market-based and must reflect the responsibility that the work involves. The fixed salary is to be revised annually. The variable cash remuneration shall amount to a maximum of 75 percent of the total fixed annual cash salary for the CEO and a maximum of 50 percent of the total fixed annual cash salary for the other senior executives.

The variable remuneration is to be based on established and measurable criteria, designed to promote the company's long-term value creation, and is to be revised annually. The Board is to annually evaluate whether or not a long-term share-based incentive programme for senior executives and any other employees is to be proposed to the AGM.

Senior executives may be offered individual pension solutions. The pensions are, as far as possible, to be defined contribution.

Other benefits may be provided but are not to constitute a significant portion of the total remuneration. The notice of termination between the company and the CEO is a maximum of 18 months. Other senior executives are to have a shorter notice of termination period.

The Board is entitled, in individual cases and if there are specific reasons, to deviate from the above guidelines for remuneration. Should such deviation occur, information about this and the reason must be reported at the next AGM.

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Long-term incentive programmes

At the 2025 Annual General Meeting, a new long-term incentive programme was resolved upon in the form of a performance-based share savings plan. Participation requires a personal investment in Bufab shares in order to strengthen the alignment between employees’ and shareholders’ interests and to promote long-term value creation, as well as the recruitment and retention of key personnel.

The programme comprises 20 senior executives divided into three categories: the CEO, other members of Group Management, and subsidiary CEOs and other key personnel. For further information, see the Directors’ Report on page 39 and Note 34.

Current employment agreements for the CEO and other senior executives

Decisions as to the current remuneration levels and other conditions for employment for the CEO and other senior

executives have been resolved on in accordance with the existing guidelines for remuneration adopted by the AGM. All decisions on individual remuneration to senior executives have been made within these guidelines. Agreements concerning pensions are, wherever possible, to be based on fixed premiums and must correspond with the levels, practices and collective bargaining agreements applicable in the country where said senior executive is employed.

For senior executives resident in Sweden, six months’ notice applies when resigning and a maximum of 12 months’ notice when dismissed by the company. Refer also to Note 6 of the Annual Report.

H. AUDITING

The auditor is to review the company’s annual reports and accounting, as well as the management of the company by the Board of Directors and the CEO. Following each

financial year, the auditor is to submit an audit report and a consolidated audit report to the AGM. Pursuant to Bufab’s Articles of Association, the company is to have no less than one and no more than two auditors and no more than two deputy auditors. The company’s auditor until the conclusion of the 2025 AGM is Öhrlings Pricewaterhouse-Coopers AB, with Johan Rippe as Auditor in Charge. The company’s auditor is presented in more detail in “Group Management and auditors.” Fees to auditors are to be paid in accordance with approved invoices. In 2025, the company’s auditor was paid a total of SEK 13 million.

INTERNAL CONTROL OVER THE FINANCIAL REPORTING

The objective of the internal financial control at Bufab is to create an efficient decision process in which requirements, targets and frameworks are clearly defined. The company and management use internal control systems to monitor the operation and the Group’s financial position.

Control environment

The basis for the internal control over the financial reporting is the overall control environment. Bufab’s control environment consists of sound core values, expertise, management philosophy, organisational structure, responsibility and authority. Bufab’s internal instructions, policies, guidelines and manuals serve as guides for employees.

The control environment also includes laws and external rules and regulations.

At Bufab, there is a distinct division between role and responsibility to efficiently handle the risks of the operations, including rules of procedure for the Board and Committees, as well as instructions for the CEO. In the operating activities, the CEO is also responsible for the system of internal controls required to generate a control environment for significant risks.

Board meetings in 2025



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Bufab also has guidelines and policies for financial control and monitoring, communication issues and business ethics. Most of the companies in the Group have the same financial system with the same accounting systems.

The Board has appointed an Audit Committee tasked to ensure compliance with established policies for financial reporting and for maintaining the internal control.

Internal audit

The company's size combined with the work of the Audit Committee and established and implemented solid control procedures mean that the Board does not believe that it need establish a separate internal audit function. However, the matter of a separate internal audit function is addressed annually.

Risk assessment and control activities

Risks of material misstatement in the annual accounts may occur in connection with accounting and the evaluation of assets, liabilities, income and expenses or deviation from disclosure requirements. Bufab's accounting function performs a risk analysis every year regarding items in the consolidated balance sheets and income statements based on qualitative and quantitative risks.

Normal control activities include reconciliation of accounts and support controls. The purpose of all control activities is to prevent, detect and correct any errors or deviations in the financial reporting. In the Group's work with internal control, the material risks identified in the financial reporting are handled through control structures, which, in all material respects, are based on deviation reporting from established goals or norms.

Information

Accurate internal and external information entails that all sections of the operations will be able to efficiently exchange and report relevant material information. In addition to managers' information responsibility, Bufab has a well-functioning intranet for exchanging information. Bufab has established a policy document to inform employees and other relevant personnel at Bufab about the applicable

regulations and instructions for disclosing company information and the special requirements that apply for inside information.

For communication with external parties, there is a policy that states the guidelines for how such communication is to take place. The aim of this is to ensure compliance with information obligations and to ensure that investors receive the right information in time.

The Group has a whistleblower function. Employees can anonymously contact a third party to report behaviour or actions that constitute breaches or suspected breaches of laws and guidelines, etc. All contact is logged and a summary about the calls and measures taken is regularly reported to the Board.

Monitoring

The Group applied IFRS as defined in Bufab's accounting manual. This manual includes accounting and valuation rules that must be adhered to by all companies within the Group, and reporting instructions. Financial data is reported from all legal entities every month.

Reporting takes place in accordance with standardised reporting procedures documented in the Group's accounting manual. This reporting comprises the basis of the Group's consolidated financial reporting.

Consolidation takes place based on a legal and operating perspective, which results in quarterly statutory reports containing complete income statements and balance sheets for every company and consolidated for the Group, and monthly operating reports.

Every Board member receives a monthly report containing consolidated income statements and balance sheets for the Group and income statements and balance sheets for the subsidiaries with comments. In addition to this monthly information, similar information is received in connection with Board meetings and a report that includes monitoring of tax obligations, disputes, compliance with policies, whistleblower summaries and environment.



Board of Directors



Bengt Liljedahl

Chairman of the Board and chairman of the remuneration committee and member of the Audit Committee

Elected: 2016 (Chairman 2020)

Born: 1947

Education: Degree of Master of Science in Business and Economics

Present assignments: Chairman and founder of Liljedahl Group. Previously CEO Liljedahl Group and Regional Manager AB Volvo.

Other Board assignments: Board member of Elcowire Group AB, Dahren Group and Pronect.

Shareholding (including through companies and related parties): 55,662,500



Hans Björstrand

Board member

Elected: 2006

Born: 1950

Education: Upper secondary school economics programme

Previous assignments: Founder and President and CEO of Bufab.

Other Board assignments: Board member of Ekeborg Kapital AB.

Shareholding (including through companies and related parties): 25,000



Anna Liljedahl

Board member and member of the Remuneration Committee

Elected: 2019

Born: 1974

Education: Degree of Master of Science in Business and Economics

Present assignments: CEO Liljedahl Group and previously CEO of Finnvedens Lastvagnar AB and Global Product Manager at HemoCue AB.

Other Board assignments: Chair-man of the Board of Finnvedens Bil AB, Finnvedens Lastvagnar AB, Elcowire Group AB and Dahrén Group AB. Board member of Pronect AB och Hörle Wire AB.

Shareholding (including through companies and related parties): 55,662,500

Per-Arne Blomquist

Board member and member of the Audit Committee

Elected: 2020

Born: 1962

Education: Bachelor of Business administration and Finance from Stockholm School of Economics

Present assignments: CEO of Qarlbo AB. Senior advisor at EQT.

Previous assignments: CFO and Deputy CEO of Dometic Group. Per-Arne also has experience from positions including CFO and Acting CEO of TeliaSonera AB, CFO at SEB, Chairman of the Board of Zmarta Group/Freedom Finance, IP-Only, Bluestep Holding AB and C-RAD AB, and Board member of Neste Oil Oy.

Shareholding (including through companies and related parties): 400,000

Bertil Persson

Board member and member of the Remuneration Committee

Elected: 2020

Born: 1961

Education: Bachelor of Business administration and Finance from Stockholm School of Economics

Previous assignments: President and CEO of Beijer Alma AB, Deputy CEO of LGP Telecom AB, CFO of Scania and head of Treasury at Investor.

Other Board assignments: Board member of Troax AB.

Shareholding (including through companies and related parties): 12,500

Caroline Reuterskiöld

Board member

Elected: 2025

Born: 1976.

Education: Master's degree in Engineering Physics from Chalmers University of Technology. Courses at Harvard Business School Executive Education

Present assignments: CEO of Berner Industrier AB. Board assignments in Berner Industrier's subsidiaries.

Previous assignments: Vice President within Lagercrantz Group's division Niche Products. Prior to that KPMG, FSN Capital and BSG. Board member of Athanase Innovation AB.

Shareholding (including through companies and related parties): 700

Auditors

Öhrlings PricewaterhouseCoopers AB has been the company's auditor since 2005 and was re-elected at the 2025 AGM until the end of the 2026 AGM. Johan Rippe is the Auditor in Charge. Johan Rippe is an Authorised Public Accountant and a member of FAR (professional institute for authorised public accountants). Öhrlings PricewaterhouseCoopers AB's office address is Skånegatan 1, SE-405 32 Gothenburg, Sweden. Öhrlings PricewaterhouseCoopers AB was the company's auditor throughout the period covered by the historic financial information in this Annual Report.

The information regarding Board members' and Group Management's holding of shares and other financial instruments in Bufab refers to the conditions as per February 2026 and includes own and closely associated natural persons' holdings, as well as holdings by legal persons that are directly or indirectly controlled by the person or its closely associated persons. The information for the CEO also includes any significant shareholdings and partnership in companies which Bufab has significant business relations with.

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Group Management

Erik Lundén

President and CEO

Born: 1981

Education: MSc, Stockholm School of Economics

Previous assignments: Sandvik, Lagerkvist & Partners.

Shareholding (including through companies and related parties): 147,495 shares and 37,000 options.

Johan Lindqvist

Vice President and Group Director Europe North & East

Born: 1969

Education: Qualified engineer

Previous assignments: Skanska and Primo AB.

Other assignments: Board member Idun Industrier AB.

Shareholding (including through companies and related parties): 809,640 shares and 2,000 options.

Helena Häger

Acting CFO*

Born: 1977

Education: MSc in Business Administration, Jönköping International Business School

Previous assignments: Biltema, Specialplast, NYK Logistics.

Shareholding (including through companies and related parties): 11,975 shares and 700 options.

Carina Lööf

Global Sourcing and Sustainability Director

Born: 1969

Education: Degree in chemical engineering, Växjö University

Previous assignments: Trioplast, Cargotec Corporation.

Shareholding (including through companies and related parties): 145,690 shares and 4,500 options.

Johan Sandberg

Group Director UK & Ireland and Global Business Development Director

Born: 1971

Education: MSc in Business Administration, Linköping University.

Previous assignments: Hiab, Cargotec, Volvo Group, General Motors and Saab Automobile.

Shareholding (including through companies and related parties): 136,715 shares and 4,000 options.

Jörn Maurer

Group Director Europe West

Born: 1974

Education: BA in Business Administration and Operations & Industrial Mechanic Field, CCI Darmstadt

Previous assignments: Mitsubishi Polyester Film; Tartler Group

Shareholding (including through companies and related parties): 250,000 shares and 0 options.

Urban Bülow

Group Director Americas

Born: 1965.

Education: MSc in Electrical Engineering from Chalmers University of Technology

Previous assignments: Latour Group, Kapsch TrafficCom, SAAB and Electrolux.

Shareholding (including through companies and related parties): 20,415 shares and 0 options.

Mathias Torstensson

Group Director Asia-Pacific

Born: 1972

Education: High School

Previous assignments: GBP Ergonomics, ROL Inredning.

Shareholding (including through companies and related parties): 60,065 shares and 11,000 options.

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*Pär Ihrskog stepped down from his role as CFO in October 2025. Marcus Söderberg has been appointed as the new CFO and will assume his position in March 2026. Helena Häger was serving as acting CFO.

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General Disclosures

Bufab publishes a sustainability statement for the Group annually. Its purpose is to reinforce Bufab's commitment to transparency and accountability, thereby ensuring that our investors, customers and other stakeholders are well informed about our impacts, as well as the risks and opportunities associated with sustainability and the value that may potentially be generated. In the reporting, we strive to provide a transparent and balanced account that includes the material parts of our value chain and operations.

In the statement, we aim to present a complete and accurate description of our key figures, commitments, and impacts, risks, and opportunities. If information from any of our companies is missing, we have used estimates to fill these gaps. Whenever extrapolations or estimates have been applied, the precautionary principle has been used.

The sustainability statement has been prepared at Group level and covers all companies and employees within the Bufab Group, in accordance with the Swedish Annual Accounts Act (ÅRL) and the European Sustainability Reporting Standards (ESRS) as well as the EU Taxonomy. All data and information presented in the report refers to the calendar year 2025 and covers the same scope as the financial report, including the entire value chain, encompassing both upstream and downstream activities.

Being transparent regarding our policy commitments, our impacts on people and the environment, and the company's risks and opportunities is a key component in maintaining long-term trust among our stakeholders.

During the year, Bufab expanded its operations through the acquisition of Novia Group, a leading German supplier of global sourcing solutions. Novia Group reported net sales of approximately EUR 50 million, strengthening Bufab's existing position in the European market. As a result of this acquisition, the company has adjusted its baseline data (2021) for carbon emissions and energy in order to provide a more accurate representation of Bufab's current carbon performance.

The sustainability statement covers Bufab's value chain both upstream and downstream, in accordance with ESRS 1, section 5.1. This means that the reporting includes relevant sustainability aspects relating to suppliers and other upstream actors (such as the sourcing of raw materials and services), as well as customers and partners downstream (such as distribution, use, and end-of-life treatment of Bufab's products or services). The scope is defined based on the areas where the company's operations have material impacts, risks or opportunities from a sustainability perspective.

Bufab has not made use of the option to omit information related to intellectual property, know-how or innovation outcomes under ESRS 1 section 7.7. All relevant information has therefore been disclosed in the sustainability statement.

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Disclosures in relation to specific circumstances

Disclosure on measurement uncertainty
Certain reported quantitative KPIs and monetary amounts are subject to a high degree of measurement uncertainty. This mainly applies to indicators based on estimates, extrapolations or spend-based calculations, such as Scope 3 emissions, waste volumes in countries with limited data availability. Primarily, Scope 3 data is considered to involve a higher degree of uncertainty, as the climate calculation is based on purchase value and general emission factors.

Sources of uncertainty include limited access to and quality of data from companies, variations in suppliers' reporting practices, the use of spend based or extrapolated data, and the use of generic emission or conversion factors where specific values are unavailable-based or extrapolated data, and the use of generic emission or conversion factors where specific values are unavailable.

Phase-in provisions
Bufab applies the transitional provisions set out in Chapter 10 of ESRS 1. These provisions allow certain disclosure requirements and datapoints to be phased in during the first years of applying ESRS.

In this report, Bufab has applied relevant transitional provisions where permitted under the standards. Disclosure requirements and datapoints subject to these transitional provisions are presented in the ESRS index in the Appendix.

Changes in the preparation or presentation of sustainability information
In the event of structural changes within the Group, such as acquisitions and divestments, acquired companies are included in the reporting with full-year figures for the financial year in which the acquisition takes place. Divested companies are fully excluded from the reporting as of the reporting year.

During the year, Bufab acquired Novia Group. Climate data for Novia Group has been integrated into Bufab's climate targets retroactively from the base year 2021 onwards. During the year, Bufab also divested a small manufacturing unit within its U.S. operations.

With regard to climate data, Bufab has in previous years only reported adjusted climate figures for the base year and historical years.

In this year's reporting, both adjusted and original (unadjusted) base year figures are presented in order to enhance transparency and enable comparison between historical and recalculated values.

Reporting errors from previous periods
The company has a routine for correcting material errors identified from previous reporting periods. Minor errors that are not deemed material or likely to influence stakeholders' perception of Bufab's sustainability performance may be excluded from correction. As a general rule, inaccuracies greater than 5 percent must always be corrected. In 2025, the company has not detected any inaccuracies exceeding 5 percent.

Areas with measurement uncertainty

Metric	Uncertainty	Reference
Scope 3	Spend based calculations lack a direct link to actual material consumption and may therefore provide an uncertain estimate of real emissions. Variations in purchase prices, exchange rates and tariffs can influence results.	E1-6
	Spend data are inflation adjusted annually. Differences between actual price developments for purchased goods and the inflation factor used may affect accuracy.	
	Source inflation correction: https://www.in2013dollars.com/countries	
Waste data	Companies report waste data annually. In some countries, access to reliable data is limited. For consistent reporting and full coverage, average values are therefore extrapolated based on the available data from each company.	E5-5
Personnel data	The company currently lacks a central system for storing personnel data. In some cases, data are extrapolated between fulltime equivalents (FTE) and headcount to enable comparability and complete reporting coverage. time equivalents (FTE) and headcount to enable comparability and complete reporting coverage. Bufab lacks a centralized overview of local training activities, which introduces a degree of uncertainty in the reported figures. Local training activities are reported on an annual basis.	S1, G1

Cross-references outside the ESRS section

ESRS	Topic	Section	Page
ESRS 2 GOV-1	The administrative, management and supervisory bodies' responsibilities, composition, roles and independence	Corporate Governance report	40-46
ESRS 2 GOV-3	Remuneration policies for members of the administrative, management and supervisory bodies (AMSB)	Corporate Governance report	38
ESRS 2 SBM-1	Operating segments	Financial statements	133

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GOV-1

Role of administrative, management and supervisory bodies

Bufab conducts an annual materiality assessment of the entire value chain, with particular focus on areas where purchasing volumes are high (steel and stainless steel) or where risks are known (e.g., forest-based products and conflict minerals). This assessment, together with identified risks and opportunities, is presented to the Board of Directors, which decides on and approves further actions. The Board has ultimate responsibility for the company's materiality, which is based on impact – how Bufab's operations affect the outside world and vice versa – as well as financial materiality, reflecting a double materiality perspective.

For the composition, competencies and responsibilities of the Board of Directors and executive management, see the Corporate Governance Report. There are no employee representatives on Bufab's Board of Directors.

Bufab evaluates sustainability risks, opportunities and impacts across all ESRS areas on an annual basis and presents the results to the Board of Directors, which approves actions, the materiality assessment and related policies. See Governance Policy, page 102. Bufab's process for identifying material topics is structured and inclusive, with each level of the organisation contributing to ensuring that relevant stakeholder- and policy-related issues are identified, addressed and implemented in a way that benefits the company as a whole. By working through local, regional and group-wide forums ("circles"), and with the support of the Best Practice Committee, the Executive Management Team and the Board of Directors, Bufab ensures that decisions are well-founded and anchored throughout the organisation.

The Board of Directors approves and follows up on targets and KPIs twice per year. Monitoring performance-related KPIs plays an important role in Bufab's strategy and enables the company to carefully monitor and evaluate its sustainability performance. Progress is presented under: E1-4, E1-6, E5-3-5, S1-9, S1-13-14, S2-5, G1-1 and G1-3.

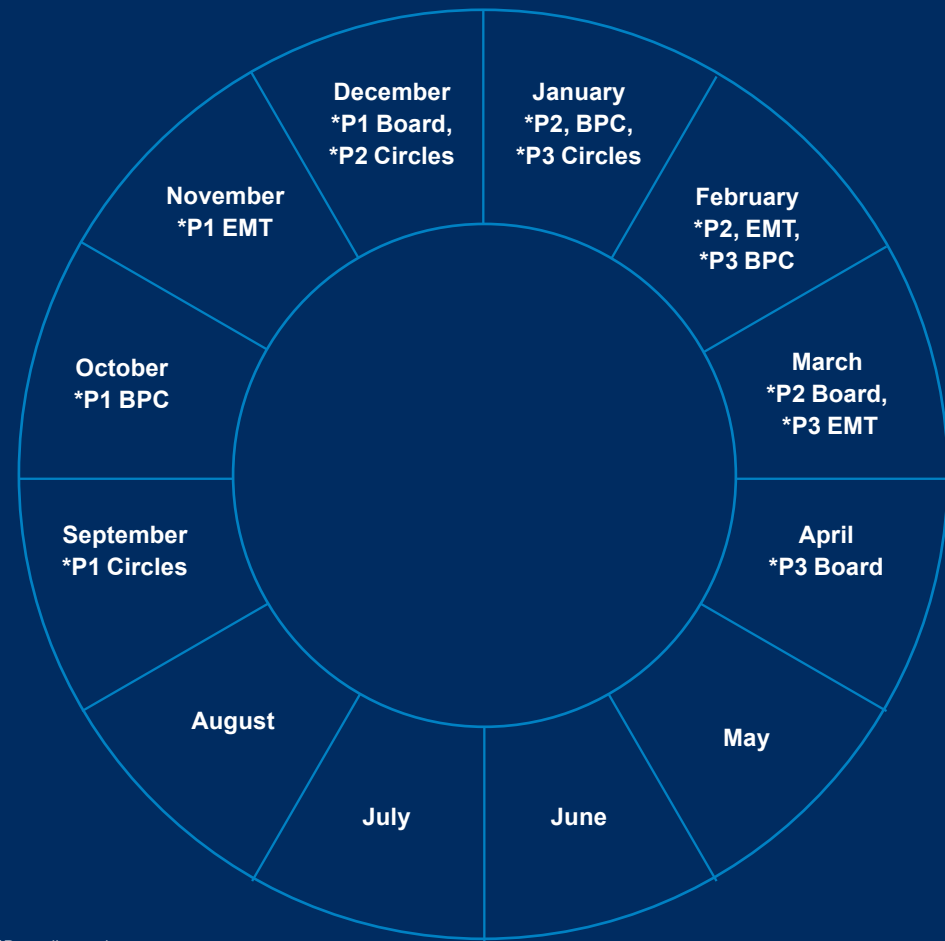
This approach is supported by a centralised management system containing procedures and guidelines, with a strong focus on continuous improvement. This culture of continuous improvement is further strengthened through regular internal audits.

Group Management is responsible for day-to-day operations and strategy execution, implements policies, monitors company performance and takes corrective actions where necessary. The environmental, sustainability and business ethics policies established by Group Management and the Board serve as guidelines for all Group companies and regions, in line with international standards and principles. These include, among others, environmental management, human rights, labour conditions, business ethics, anti-corruption, compliance, sanctions management and whistleblowing.

Targets, guidelines and standards adopted at Group level apply to all companies within the Group and are followed up through internal controls, training and reporting processes. sustainability and business ethics policies established by Group Management and the Board serve as guidelines for all Group companies and regions, in line with international standards and principles. These include, among others, environmental management, human rights, labour conditions, business ethics, anti-corruption, compliance, sanctions management and whistleblowing.

Policy Implementation & Review Cycle

- Month 1**
Input from the Circles regarding policy updates
- Month 2**
Input from the Bufab Best Practice Committee
- Month 3**
EMT review and approval
- Month 4**
Board approval and communication of updates



*P1 - policy package 1
*P2 - policy package 2
*P3 - policy package 3

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GOV-1 – Role of administrative, management and supervisory bodies

Targets, guidelines and standards adopted at Group level apply to all companies within the Group and are followed up through internal controls, training and reporting processes.Group companies and regions, in line with international standards and principles. These include, among others, policies relating to environmental matters, human rights, working conditions, business ethics, anti-corruption, regulatory compliance, sanctions management and whistleblowing.

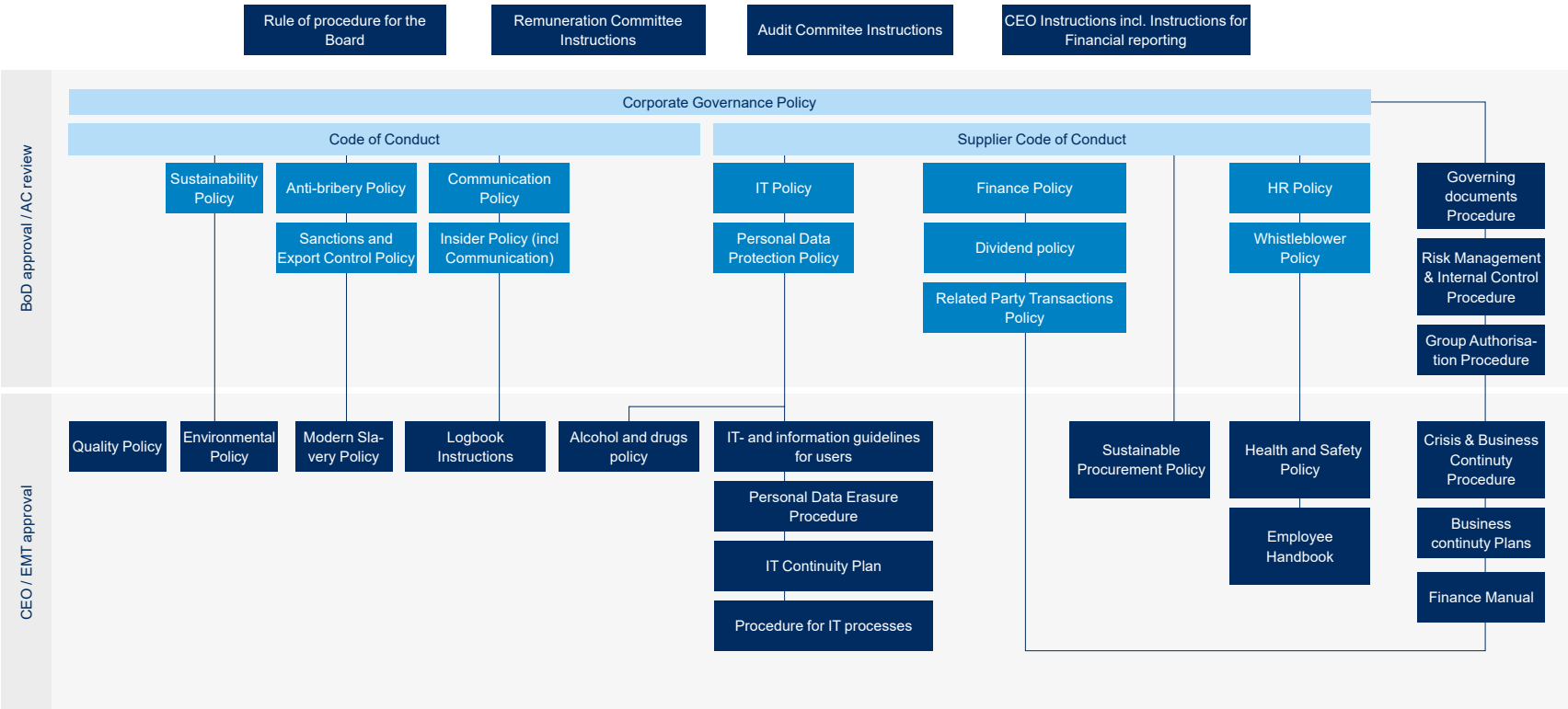
Globally adopted goals, guidelines and standards apply to all companies within the Group and are followed up through internal controls, training and reporting processes.

Actions and Resources

Bufab has a global and regional sustainability organisation with relevant expertise in climate, environmental matters, human rights and business ethics. The global sustainability function is responsible for supporting the implementation of material matters in the operations and is represented in the Group’s administrative management.

The Board of Directors and Group Management receive regular reporting on material sustainability matters and have access to internal specialist expertise as well as external expertise when needed. Competence in the sustainability area is ensured through training initiatives, continuous professional development and targeted recruitment. Through these measures, Bufab assesses that the Board of Directors and Group Management have sufficient competence to oversee and manage the material matters identified in section IRO-2, page 64.

All regions have sustainability expertise that supports local implementation and execution of sustainability-related work. This includes ensuring reporting in accordance with the Swedish Annual Accounts Act (ÅRL), the ESRS standards and the EU Taxonomy, as well as meeting quantitative and qualitative targets for each subsidiary.



Material matters are managed through due diligence activities and processes, including supplier programmes, sustainability audits, conflict minerals assessments and sanctions screenings.

A key component of the approach is the requirement that all facilities implement all Group-wide policies and targets in their local management systems. This enables both overall consistency and local adaptation of sustainability matters across the Group. To further strengthen engagement and continuous improvement, Bufab promotes the exchange of best practices and their integration into local

management systems through its “sustainability circles”, supporting a collaborative approach to sustainability.

Despite a centralised framework, Bufab operates according to a decentralised model, which gives each company and business unit the ability to conduct operations in line with Bufab’s policies, targets and stakeholder commitments. The model promotes local accountability and is aligned with Bufab’s values, which emphasise entrepreneurship and individual responsibility.

Bufab assesses impacts, risks and opportunities in accordance with ESRS-defined time horizons (short-, medium- and long-term).

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GOV-2

Information provided to, and sustainability matters Addressed by, the Company’s Administrative, Management and Supervisory Bodies

During the year, the Board of Directors and Group Management updated and adopted Bufab’s double materiality assessment. These bodies have also reviewed and revised the company’s policies and carried out a follow-up of the sustainability work. Bufab has further defined which policies require approval from the Board of Directors and which require approval from Group Management.

During the year, Group Management and the Board of Directors addressed all material matters within the framework of the company’s regular governance and follow-up processes. In connection with acquisitions, a sustainability review covering all ESRS areas is conducted. The results are presented to Group Management and the Board prior to decision-making. An external legal due diligence review is also performed in connection with acquisitions. See further GOV-1, page 51.

	Policy	Materiality assesment	Targets including progress in actions & due diligence	Whistle-blower
Management	See annual wheel	Annually	Quarterly	Montly
Board	See annual wheel	Annually	Bi-annually	On-demand, Bi-annually

GOV-3

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

Remuneration to the CEO and Group Management
Guidelines for remuneration to the CEO and senior executives were adopted at the Annual General Meeting on 24 April 2025. See page 38 for further informatio on remuneration guidelines for senior executives.

Climate-related targets are included in the remuneration model for all members of Group Management, strategic functions and local Managing Directors. They are covered by a short-term variable incentive programme (STI) linked to a selected sustainability target relating to the implementation of Bufab’s Sustainable Supplier Engagement Program (SSEP).

Members of Group Management may receive a maximum of 6.25 percent of their base salary upon full achievement of the sustainability target.

Integration of sustainability-related performance in incentive schemes

The KPI for the STI is the share of the Group’s purchasing volume covered by suppliers that have reached Step 3 in the SSEP. Full STI outcome is achieved when at least 70 percent of the purchasing volume has reached Step 3 by the end of 2025.

Share of incentive programme

	Share of base salary (max STI)	Share of total STI related to sustainability targets (max)
Board of directors	0%	0%
CEO and president	60%	10%
Group managment	50%	10%*

*One member has 30%

GOV–4

Statement on due diligence

Bufab supports the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. This means that we are committed to respecting employee rights, regardless of background or position within the company.

Bufab conducts systematic due diligence and risk management to promote a sustainable and responsible value chain. Our focus is to identify and manage material risks, particularly those related to sustainability matters connected to human rights, working conditions, anti-corruption and environmental impacts. Through a risk based process, we review our supplier base to ensure compliance with our requirements, with the goal that 80 percent of our purchasing volume is assessed by 2026. The initial screening takes place through questionnaires to suppliers. Depending on country risk and level of certifications, physical onsite audits are also carried out. This risk based approach strengthens our commitment to building a supply chain that is aligned with and adapts to sustainability requirements. See page 124 for more information.

To support compliance and accountability, all suppliers and distributors are required to sign Bufab’s Supplier Code of Conduct, which includes guidelines on both labor conditions, anti-corruption, human rights and environmental considerations.

Our Code of Conduct and Anti-corruption Policy also include training requirements to assure that our values and standards are implemented and followed throughout the organisation. All Managing Directors are furthermore expected to sign an annual confirmation regarding the implementation of these policies.

Bufab does not have a formal internal audit function. However, internal reviews and follow-ups are conducted within the framework of the Group’s management system to ensure compliance with Bufab’s policies, customer requirements and other internal guidelines.

Bufab has adopted KPIs and targets for tracking results and driving improvements within our operations and value chain. This includes KPIs linked to our due diligence processes.

Deviation follow-up is reported and escalated to Group Management when necessary. For severe deviations, Bufab has a “Red Flag” process to ensure that effective actions are taken.

See Table GOV 4 in the Appendix section for further details.

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GOV–5

Risk management and internal controls over sustainability reporting

The objective of the internal control framework for sustainability reporting within Bufab is to ensure that the sustainability information reported is accurate, complete, comparable and reliable, and that it complies with applicable legal requirements and reporting standards, including the CSRD and ESRS. Internal control also supports effective governance and follow-up of sustainability related impacts, risks and opportunities, and contributes to well-founded decision making by management and the Board of Directors. up of sustainability related impacts, risks and opportunities, and contributes to well founded decision making by management and the Board of Directors.

Control environment

The foundation of internal control relating to sustainability reporting is based on Bufab's overall control environment. This is built on the company's values, sustainability strategy, leadership philosophy, organisational structure and clear division of responsibilities. Bufab's policies, guidelines and governing documents - including sustainability related policies, the Code of Conduct, Supplier Code of Conduct and relevant process descriptions - guide employees and business partners in their sustainability work.

The control environment also includes compliance with applicable laws and external regulations relating to sustainability, such as environmental, labour and corporate governance legislation, as well as regulations linked to sustainability reporting. The Board establishes overarching frameworks and objectives for the sustainability agenda, while the President & CEO is responsible for ensuring that appropriate processes and internal controls exist for managing and reporting material sustainability matters across the daily operations.

Governance and responsibilities

A clear allocation of roles and responsibilities is ensured through established rules of procedure for the Board and its committees, as well as instructions for the President & CEO. This includes follow-up of material risks, objectives and outcomes related to environmental, social and governance matters.

The operational responsibility for sustainability reporting is organised through the Group Sustainability function in collaboration with the Finance, Sourcing, HR and operational functions at local, regional and Group level. This setup enables coordinated and consistent handling of sustainability data throughout the company.

Risk assessment and control activities

Risks of material misstatements in sustainability reporting may arise due to insufficient data quality, incomplete reporting, differing interpretations of requirements or changes in external regulations. Bufab conducts regular risk assessments of sustainability reporting, including identification of risks associated with data collection, consolidation, calculations and reporting of sustainability information.

Control activities include reasonableness checks, reconciliations, reporting instructions, training, standardised definitions and follow-up of deviations. Each level (company, region, Group) is responsible for verifying and signing off that submitted information is accurate and complete. The purpose of these control activities is to prevent, detect and correct errors or deficiencies in sustainability reporting. The most material identified risks are managed through established control instructions and regular follow-up against set objectives, indicators and requirements.

Information and communication

Accurate and transparent information, both internally and externally, is a central part of the internal control over sustainability reporting. Bufab ensures that relevant sustainability information is communicated effectively across the organisation through established reporting channels, internal meeting forums and the Group intranet. Policy documents and guidelines are used to secure a common understanding of requirements, definitions and reporting principles.

External reporting is carried out in accordance with applicable regulations and Bufab's internal guidelines for disclosure. Special consideration is given to requirements related to accuracy, the prudence principle, transparency and the handling of sensitive information.

Monitoring and continuous improvement

The company continuously evaluates the need for further strengthening of internal control over sustainability reporting. Bufab works continuously to develop and improve processes, system support and controls in line with increasing regulatory requirements and business developments. The need for dedicated internal review of sustainability reporting is assessed regularly within the framework of the company's overall governance and control structure.

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SBM-1

Market position, strategy, business model(s) and value chain

Bufab is a trading company that offers its customers a complete solution as a Supply Chain Partner for sourcing, quality assurance, sustainability, and logistics of C-parts. Bufab’s customers operate within the manufacturing industry, where C-parts are used as input materials in their own products.

A key challenge for customers is that managing sustainability and regulatory compliance requirements for C-parts often results in disproportionately high indirect costs relative to the articles’ low unit value, especially compared with A and B-parts. Bufab’s business model is therefore built on taking full responsibility for the customer’s C-parts sourcing, including supplier management, sustainability related data collection, quality assurance, and logistics. This reduces customers’ administrative burden and complexity and enables them to focus on their core business.

Bufab supplies products to customers in 77 countries and across more than 30 industry segments, including general industry, construction, furniture, energy, defence, automotive, medical technology, and pharmaceuticals. During the year, approximately 175,000 different articles were delivered from around 8,000 suppliers to meet customer requirements. The primary material in Bufab’s articles is steel, which accounts for more than 90 percent of total material volume. Customers are geographically diverse, with a strong presence in the Nordics, the rest of Europe, Asia, and North America.

The group consists of 65 companies in 31 countries and is organised into five geographical regions. Sales are conducted through Bufab’s own sales channels in each company. Bufab’s operations include both traditional trading companies and niche companies with more

specialised offerings. The trading operations accounted for approximately 60 percent of net sales in 2025. All regions offer the same types of products and work towards shared carbon reduction targets. Operating segments are reported in accordance with IFRS 8 (see Note 5).

Bufab had 1,853 employees as of 31 December 2025. Larger employee groups are located in the United Kingdom, Sweden, North America, Denmark, the Netherlands, Poland, France, Austria, China and Finland.

Because Bufab primarily relies on external suppliers, the business model is highly dependent on a well functioning supply chain. Through industry expertise, global presence, and investments in systems and resources, Bufab - together with its established supplier network - can consolidate volumes with suitable manufacturers, thereby improving supply chain efficiency. This enables more cost efficient, robust, and traceable sourcing where handling costs can be shared between customers.

As part of the business model, Bufab supports customers in managing sustainability and compliance requirements related to C-parts. This includes, for example, collecting and providing supplier data, assessments and reports on conflict minerals, managing chemical and product requirements, supporting CBAM related data collection, reducing the carbon footprint of articles, and conducting supplier audits. Through these services, Bufab helps reduce customers’ sustainability related costs and risks.

Value Chain

Bufab’s mapping of the value chain has been carried out through the collection and analysis of information from several different sources. The work has been based on both internal data and the extensive knowledge within the organisation, which together form the foundation for describing our value chain. The process has been conducted in close collaboration with all business regions and relevant expert functions, such as sales, quality, sustainability, sourcing, supplier audit, and HR. Where external information has been required, external reports, industry descriptions, and available databases have mainly been used as complementary sources. All collected data has been reviewed by responsible functions to ensure relevance and reliability.

The value chain starts with the extraction and processing of both recycled and virgin material, followed by manufacturing and surface treatment. Bufab has direct contact primarily with manufacturers and surface treatment providers. Through coordinated transport and controlled flows to Bufab’s warehouses, quality, traceability, and reduced environmental impact are ensured. Products are then distributed to customers for use in the customer’s product.

1. Extraction of Raw Materials

The illustration on page 56 shows Bufab’s value chain from raw material extraction to recycling. Our products mainly consist of steel, stainless steel, and other metal alloys, but smaller volumes of plastics, electrical components, and wood and rubber products also occur. See also ESRS E54. Most materials originate from mining, primarily iron ore for steel, but aluminum, copper, and brass are also used. Plastics are produced from crude oil, and some articles contain wood.

Certain sensitive minerals may be present in alloys. The following have been identified as carrying sustainability related risks:

- Tin
- Tungsten
- Tantalum
- Gold
- Cobalt
- Mica
- Nickel
- Copper
- Lithium
- Graphite

2. Processing of Materials

Materials are mainly produced through metallurgical processes in smelters, where metals are alloyed and refined into materials such as steel, aluminum, and other metal alloys. Materials are further processed, for example through drawing and rolling, ahead of subsequent manufacturing steps. Smaller volumes of plastic and wood based materials also occur. based materials also occur. Both the steel and aluminium industries generate significant greenhouse gas emissions. Both categories are identified in the EU Taxonomy with threshold values linked to transition activities.

3. Manufacturing of products

The majority of our product range consists of steel components, such as fasteners. To a lesser extent, the assortment also includes products made of aluminium, wood and plastic.

cont.
SBM-1 – Market position, strategy, business model(s) and value chain

Metal processing is primarily carried out through plastic deformation and heat treatment, where shape and material properties constitute the primary function. A limited share of the assortment also consists of basic electrical components.

4. Transport from Supplier to Bufab

Articles are transported from manufacturers to Bufab's warehouses. Land transport takes place mainly by truck, while intercontinental deliveries – primarily from Asia to Europe and the USA – are mainly carried out by sea freight.

5. Storage and distribution from Bufab

The articles are handled in Bufab's local warehouses for onward distribution. We are responsible for quality assurance, warehousing and efficient handling of customer orders.

6. Transport to customer

Deliveries from Bufab's warehouses usually take place by truck from a local warehouse to the customer locally. In most cases, the customer is responsible for the freight from our warehouse.

7. The product's role in the customer's application

Bufab's products are primarily components used for assembly, joining and fastening of modules and systems. They rarely have a primary function in the final product, but they are important for structure, function and quality.

8. Product use

Our products are static and consume no energy during use. The function is essentially defined by the product's shape and material properties. They are often simple in design and generally do not significantly affect the lifetime, safety or functionality of the final product.

9. End of life (EOL) and recycling

Bufab's products are disposed of together with the customer's final product. A large share of the materials, especially steel and aluminum, is recyclable. What happens at the end of the life cycle depends on the customer's product design, business model and the recycling systems in the relevant market.

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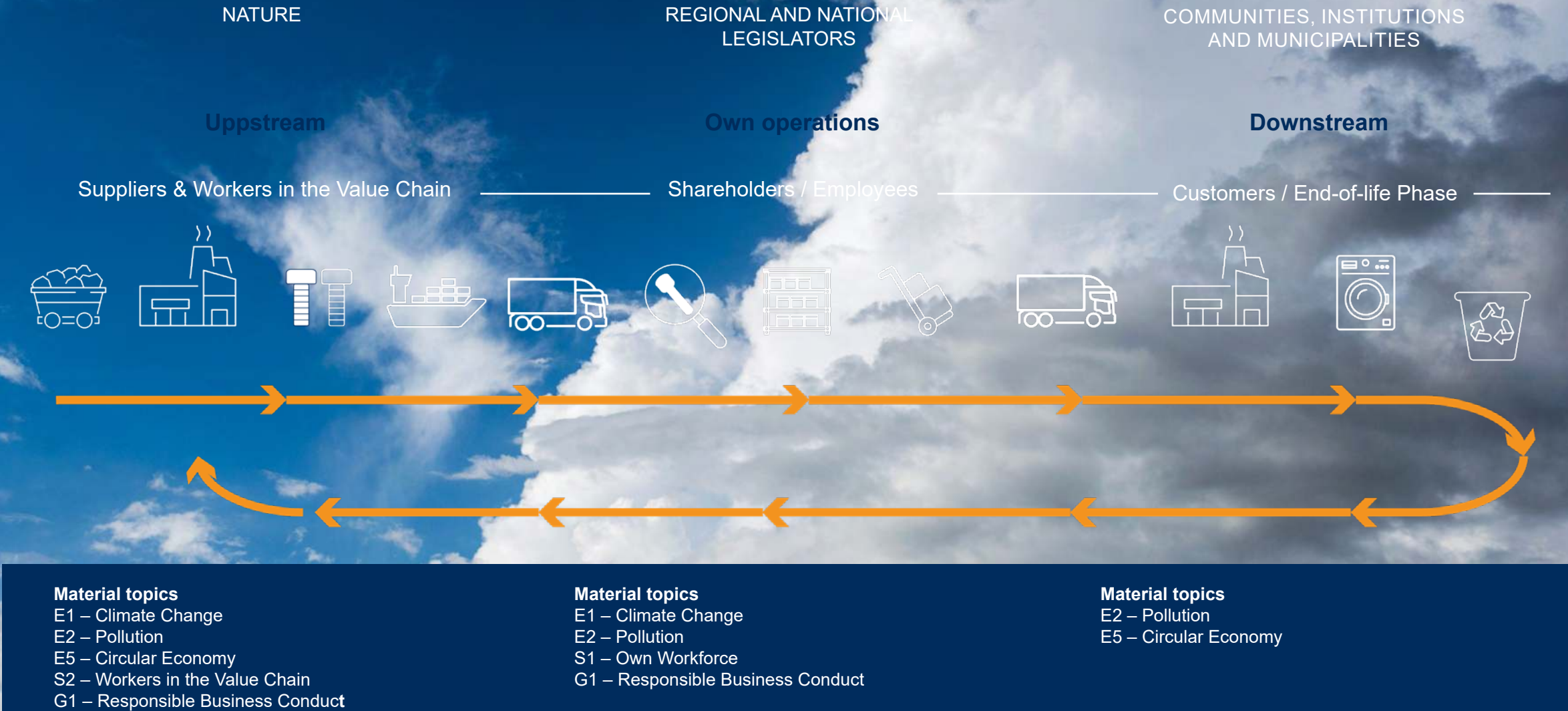
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Value chain

Bufab’s value chain covers the entire chain from upstream suppliers of materials and components, through its own operations, to customers and the end-of-life phase of products. Along the value chain, impacts, risks, and opportunities related to the environment, people, and business conduct arise.



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SBM-2

Interests and views of stakeholders

Bufab recognises the importance of maintaining strong relationships with its stakeholders in order to achieve long-term success. Our success is built on effective sourcing, reliable quality assurance, high delivery precision and long-term customer relationships.

Identification of stakeholders

Bufab has identified the most significant stakeholders:

- Customers
- Suppliers
- Employees
- Shareholders
- Institutions and municipalities
- National and regional legislators
- Nature

Stakeholder dialogue

Our stakeholder dialogues help us communicate business decisions, activities, and outcomes. By actively listening to stakeholders' opinions and giving them the opportunity to contribute views on activities that affect them, the company strengthens its relationships while developing its business operations. This supports mutual understanding

and creates a foundation for long-term, sustainable relationships.

To collect stakeholder input, various channels are used in which employees serve as an important link to information from other stakeholders. For example, customers and suppliers rely on Bufab's employees to forward their views to relevant colleagues. Stakeholder interests and feedback form part of the materiality analysis and the establishment of policies.

Methods for collaboration

Collaboration with stakeholders mainly takes place through physical or virtual meetings as part of day-to-day work. Dialogue between stakeholders and relevant employees' enables adjustment of work methods in line with stakeholder needs and expectations.

Between 2023–2025, Bufab conducted both employee surveys and customer surveys. The customer surveys showed that Bufab is working on the right issues and that there is substantial interest from customers regarding sustainability. Sustainability information is addressed within

the established governance structures in the companies, Group Management and the Board, through established processes and structures. See also GOV1-1.

Use of stakeholder dialogue in the DMA process

The results from stakeholder dialogues are systematically used as input in Bufab's double materiality assessment. Stakeholder views and expectations are collected and analysed annually. These are weighed together with internal risk assessments, business data and regulatory requirements in the evaluation of impacts, risks and opportunities.

Stakeholder perspectives therefore constitute a central decision-making basis when prioritising material sustainability matters and when determining the Group's strategic focus areas.

The outcome of stakeholder dialogues has contributed to concrete adjustments to Bufab's business model, strategic priorities and ways of working. Increased customer requirements regarding climate performance, traceability and transparency have, among other things, led to further development of supplier engagement, data collection and sustainability-related services.

Dialogues and feedback from customers, employees and legislators have also influenced the Group's work on risk management, working conditions and business ethics. These insights are continuously integrated into business planning, sustainability targets, internal governance documents and management processes.

When establishing the Group's goals and policies, Bufab has taken into account relevant legal requirements, customer requirements, owner expectations and the perspective of employees and employees in the value chain. The work has also been based on the UN's Sustainable Development Goals (SDGs) and the Paris Agreement and its goal of limiting global warming. The Group's climate targets are thus adapted to a long-term transition towards climate-neutral operations. For both employees and employees in the value chain, the strategy and business model have taken into account international standards regarding human rights. Through this consolidated analysis, Bufab aims to ensure that its targets are business-relevant, sustainable in the long term and aligned with both external and internal expectations.

Stakeholder	Channel for dialogue	Sustainability Topics in Focus for the Stakeholder Group	Our response
Customers	Surveys, customer service, social media, sustainability reports	Environmental impact of products, ethics in the supply chain, transparency and accountability	We work continuously to reduce the environmental impact of our products, ensure ethics and transparency in the supply chain, and take responsibility by providing sustainability reports and maintaining open dialogue with our customers
Suppliers	Codes of Conduct, audits, meetings, supplier portals	Working conditions, environmental impact, business ethics, sustainable purchasing	Bufab has succeeded in consolidating 80 percent of purchases to approximately 550 suppliers that comply with Bufab's requirements
Employees	Employee surveys, union meetings, internal news updates	Work environment, equality, competence development, corporate culture	We work to maintain low staff turnover and increase engagement through regular surveys and dialogue
Shareholders	Annual General Meeting, investor presentations, sustainability reporting	Financial sustainability, risk management, long-term value creation, ESG performance term value creation, ESG performance	We ensure long-term value creation through transparency, sustainability reporting and risk management
Institutions and municipalities	Consultations, meetings, referral procedures	Environmental impact, societal benefit, local employment, infrastructure investments	We participate in consultations and referral processes to contribute to societal benefit and local development
National and regional legislators	Public consultations, dialogue through industry organisations	Regulatory compliance, climate adaptation, social responsibility	We comply with laws and regulations, participate in industry dialogues, and work actively with climate adaptation
Nature	Environmental analyses, biodiversity reporting, climate data	Climate impact, resource use, biodiversity, ecosystem services	We conduct environmental analyses, report on biodiversity and work to reduce climate impac

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SBM-3

Material Impacts, Risks and Opportunities and their relationship to strategy and business model

Bufab’s material Impacts, Risks and Opportunities

Bufab’s material impacts, risks and opportunities are identified through an assessment based on the principles of double materiality. The analysis covers both actual and potential impacts on people and the environment, as well as financial effects on the Group.

The materiality assessment encompasses the entire Group, including all companies, employees and business relationships across the full value chain – from suppliers to customers – and all ESRS topical areas.

For each material topic, the identified impacts, risks and opportunities are summarised, including the expected time horizon and where in the value chain they occur.

The material topics identified reflect Bufab’s business model with its global supplier network and strong reliance on external production partners. Of particular importance are climate impact, resource use, working conditions in the value chain, and business ethics. The analysis

also highlights potential negative impacts on Bufab’s own workforce linked to working conditions and equal treatment.

Furthermore, a significant need for climate related measures is identified, as well as measures for due diligence relating to human rights and working conditions. These areas constitute central focus areas in Bufab’s sustainability work and are integrated into the Group’s governance.

The tables on pages 59–60 present material impacts, risks and opportunities related to each ESRS sub-topic. The tables also provide a description of why the issue has been assessed as material and its location in the value chain.

In addition to the description in this section, each material ESRS section provides a more detailed description of impacts, risks and opportunities in the introduction to the respective topic.

Links to business model and strategy

Bufab’s double materiality assessment (DMA) shows that the Group’s business model and strategy give rise to material impacts, risks and opportunities related to how value is created through material flows, energy use, and a global operation with both own activities and business partnerships.

The material impacts, risks and opportunities identified and presented in the tables mainly relate to:

- climate change and energy,
- pollution (SVHC substances),
- circular economy and resource use,
- working conditions and occupational health and safety for Bufab’s own workforce, and
- working conditions and human rights in the supply chain.

Material

ESRS E1 – Climate change, see further page 65

- Mitigation of climate change
- Energy

ESRS E2 – Pollution, see further page 65

- Substances of Very High Concern (SVHC)

ESRS E5 – Resource use and circular economy, see further page 65

- Resource inflows
- Resource outflows related to products and services
- Waste

ESRS S1 – Own workforce, see further page 65

- Working conditions
- Equal treatment

ESRS S2 – Workers in the value chain, see further page 65

- Working conditions
- Equal treatment
- Other workrelated rights related rights

ESRS G1 – Business conduct, see further page 65

- Corruption and bribery
- Corporate culture

For these areas, actual or potential impacts have been assessed as material, and/or associated risks and opportunities are considered financially material.

Climate related impacts and risks are structurally linked to energy use, transport and material use throughout the value chain and may affect the company’s cost base and profitability, including through energy prices and carbon related costs. Exposure to substances of very high concern (SVHC) in products entails significant impacts as well as regulatory and commercial risks.

The large material flows inherent in the business model give rise to material impacts and risks within the circular economy and resource use - for example, related to resource extraction, waste and access to recycled materials. At the same time, these areas create opportunities for improved efficiency and strengthened competitiveness over time.

Bufab’s extensive and geographically diversified supplier network also entails material risks related to working conditions and human rights in the supply chain. Noncompliance among business partners may lead to negative effects for affected individuals as well as commercial impacts for Bufab, such as supply disruptions, legal risks or loss of confidence among customers and investors. For Bufab’s own operations, occupational health and safety and working conditions have been identified as material, since adverse outcomes can affect employee wellbeing as well as operational stability and delivery capability.

The identified impacts, risks and opportunities continue (see full SBM 3 section in the report).

Double Materiality Matrix

Impact on People and the Environment	Material	E2 – Substances of Very High Concern (SVHC) E5 – Resource outflows E5 – Waste	E1 – Mitigation of climate change E1 – Energy E5 – Resource inflows S1 – Working conditions S2 – Working conditions S2 – Equal treatment S2 – Other work-related rights G1 – Corruption and bribery G1 – Corporate culture
	Not material	E3 – Water and Marine Resources E4 – Biodiversity and Ecosystems S3 – Affected Communities S4 – Consumers and EndUsers Users	E1 – Climate Change Adaptation S1 – Equal Treatment G1 – Supplier Relationships G1 – Whistleblower Protection
		Not material	Material
		Financial Impact	

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Material impact

Topic	ESRS subtopic	Reason for materiality	Type of impact	Value chain location	Time horizon	ESRS disclosure requirement or entity-specific disclosure
E1 – Climate Change	E1 – Climate change mitigation	Direct and indirect contribution to climate change from own operations and upstream value chain. Bufab's warehousing, transport and incoming materials contribute to climate impact.	Actual negative	↑ ↻	Medium-term	Disclosure under ESRS
	E1- Energy	Impact from own operations and upstream in the value chain due to use of nonrenewable energy, contributing to climate change.renewable energy, contributing to climate change.	Actual negative	↑ ↻	Medium-term	Disclosure under ESRS
E2 – Pollution	E2 – Substances of Very High Concern (SVHC)	Some of Bufab's products contain SVHC substances (primarily lead in steel, aluminium and copper alloys, as well as DEHP in certain plastic products).	Actual negative	↑ ↓	Medium-term	Disclosure under ESRS
E5 – Circular Economy	E5 – Resource inflows, including resource use	Bufab purchases approximately 100,000 tonnes of steel products. Some proportion is recycled steel. Material use contributes to climate change, resource extraction, pollution, land degradation, etc. Increased recycled content is important for reducing Bufab's climate impact.	Actual negative	↑	Medium-term	Disclosure under ESRS
	E5 – Resource outflows related to products and services	Bufab supplies approximately 100,000 tonnes of steel products. Some proportion is recycled steel. Material use contributes to climate change, resource extraction, pollution, land degradation, etc. Increased recycled content is important for reducing climate impact for Bufab and customers.	Actual negative	↓	Medium-term	ESRS disclosure + entity-specific disclosure
	E5 – Waste	Waste occurs throughout the value chain, from supplier operations and packaging to hazardous slag in mining and inefficiencies in steel mills. Defective products, chemical use and material/water losses further contribute to landfill and pollution.	Actual negative	↑ ↻ ↓	Medium-term	Disclosure under ESRS
S1 – Own Workforce	S1 – Working conditions	Imbalance between work and private life constitutes a potential risk for the individual employee. Although Bufab works actively with health and safety, work-related risks may occur, particularly in warehouse operations where certain tasks may involve physical strain.	Potential negative	↻	Medium-term	Disclosure under ESRS
	S1 – Equal treatment and opportunities for al	Unequal treatment or discrimination may result in negative impacts at the individual or group level.	Potential negative	↻	Medium-term	Disclosure under ESRS
S2 – Workers in the Value Chain	S2 – Working conditions	Workers in the supply chain can be exposed to significant negative consequences linked to employment conditions, such as precarious employment, inadequate wages, long working hours, work-life imbalance. Limited access to social dialogue, restricted freedom of association and weak collective influence make it difficult for them to push for fair working conditions. Health and safety are also a concern, especially in high-risk sectors such as mining, where workers are exposed to hazardous working conditions without adequate protection. The risks are particularly high in regions with weak labour laws, a lack of enforcement of occupational safety and health rules and a high proportion of informal employment (including migrant workers).	Actual negative	↑	Medium-term	Disclosure under ESRS
	S2 – Equal treatment and opportunities for all	Potential negative impacts include discrimination or unequal treatment if gender equality and equal pay are not upheld, skills shortages if training and skills development are inadequate, exclusion of people with disabilities if accessibility is not ensured, and harassment and violence if workplace policies and procedures are weak. The risks are particularly high in regions with weak labour laws, limited enforcement of workplace rules and high levels of informal employment.	Actual negative	↑	Medium-term	ESRS disclosure + entityspecific disclosure specific disclosure
	S2 – Other workrelated rights-related rights	Potential impacts include serious human rights violations, such as child labor and forced labor, which can lead to exploitation and deprivation of education. Inadequate housing conditions, as well as lack of access to clean water and sanitation, can lead to health risks, poor living conditions and increased social inequality. The risks are particularly high in regions with weak labor laws, limited enforcement of workplace regulations and high levels of informal employment, including migrant workers.	Actual negative	↑	Medium-term	Disclosure under ESRS
G1 – Business Conduct	G1 – Business culture / corruption and bribery	Risk of bribery and corruption in international trade. These can cause financial loss and significant reputational damage.	Potential negative	↻	Medium-term	Disclosure under ESRS
	G1 – Corruption and bribery	No confirmed cases, but risk exists in certain markets. Corruption can lead to legal consequences and undermine trust.	Potential negative	↻	Medium-term	Disclosure under ESRS

↑ Upstream ↻ Own operations ↓ Downstream

cont.
SMB-3 – Material Impacts, Risks and Opportunities and their relationship to strategy and business model

Material financial impact

Topic	ESRS subtopic	Reason for materiality	Type of impact	Value chain location	Time horizon	ESRS disclosure requirement or entity-specific disclosure
E1 - Climate change	E1 - Climate change mitigation	Extreme weather events may disrupt Bufab's supply chain. The main risks are seen in intercontinental transport between Asia and Europe/USA.	Risk	↑	Long-term	Disclosure according to ESRS
	E1 - Climate change adaptation	The company and its customers and suppliers need to relate to and adapt to new regulations and customer behaviours in the area.	Risk	↑ ↻	Short	Disclosure according to ESRS
	E1 - Climate change adaptation	A high degree of flexibility and redundancy in the supply chain can create opportunities in the form of growth.	Opportunity	↑ ↻	Medium-term	Disclosure according to ESRS
E5 - Circular economy	E5 - Resource flows, including resource use	The negative effects of increased regulation on the circular economy may lead to higher costs and administrative burdens for companies. Regulation may result in shortages, restrictions, and/or cost increases for key materials (including recycled materials).	Risk	↑ ↻	Medium-term	Disclosure according to ESRS and entity-specific disclosures
S1 - Own work-force	S1 - Working conditions	Imbalances between work and private life pose a potential risk to individual employees, and incidents may continue to shift focus toward health and safety. Incidents among staff may negatively affect Bufab's financial performance.	Risk	↻	Medium-term	Disclosure according to ESRS and entity-specific disclosures
G1 Business conduct	G1 - Corruption and bribery	Potential incidents related to corruption within Bufab's own operations may lead to negative financial consequences, for example in the form of increased costs for investigations, legal proceedings, compliance measures and internal control actions, as well as potential fines and business disruptions.	Risk	↻	Medium-term	Disclosure according to ESRS
	G1 - Whistleblower protection	Deficiencies in the protection of whistleblowers or in the handling of whistleblowing cases may lead to negative financial consequences for Bufab, for example through increased costs for internal investigations, legal proceedings and compliance measures, as well as potential fines, reputational damage and business disruptions.	Risk	↻	Medium-term	Disclosure according to ESRS
	G1 - Corporate culture	A clear and positive corporate culture, characterised by ethical business conduct and responsible governance, can strengthen compliance with internal guidelines and reduce the risk of irregularities within the company's own operations. This can in turn contribute to increased engagement, improved collaboration and higher productivity, while also strengthening Bufab's attractiveness to both employees and customers. Overall, this creates conditions for lower recruitment costs, more stable business relationships and supports long-term growth and profitability.	Opportunity	↻	Medium-term	Disclosure according to ESRS
	G1 - Supplier relationship management	Bufab's structured work with supplier engagement through the Sustainable Supplier Engagement Program (SSEP), combined with requirements for suppliers to accept the Supplier Code of Conduct before starting collaboration, strengthens the company's ability to meet increasing customer demands for sustainability in the supply chain. Since a significant proportion of Bufab's customers integrate sustainability criteria when choosing business partners, this creates the conditions for strengthened competitiveness, long-term customer relationships and continued business growth by enabling Bufab to offer products and supplier relationships that are aligned with customers' sustainability expectations.	Opportunity	↑	Medium-term	Disclosure according to ESRS

↑ Upstream ↻ Own operations ↓ Downstream

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Management of impacts, risks and opportunities

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IRO-1

Description of the processes to identify and assess material impacts, risks and opportunities

Bufab's materiality assessment is updated annually and covers all steps in the value chain, with particular focus on value chains with high purchasing volumes (steel and stainless steel) and value chains with known risks (e.g., forest products and conflict minerals). The materiality assessment includes impacts, risks and opportunities. The analysis considers impacts on people and nature as well as stakeholder input from across the value flow.

The materiality analysis covers all employees and all activities within Bufab, as well as employees and activities linked to Bufab's business relationships throughout the entire value flow. A larger number of individuals are affected in Bufab's upstream value flow. In addition to the annual update, a new assessment is performed in the event of material changes to the business, regulatory frameworks, or the external environment.

Clear criteria are used during the assessment to ensure that no material aspect is overlooked. These criteria include:

- Location: Where the operation or transaction takes place, taking into account local legislation, cultural norms and potential risk zones.
- Activity: The type of activity carried out, its scale, and its effect on the surrounding environment.
- Sector: The industry or sector to which the activity belongs, including sector specific risks and opportunities.
- Transaction structure: How business arrangements are set up, for example whether they concern direct investments, partnerships or supply chains.

Foundation for establishing materiality

Bufab's double materiality process is based on the collection and analysis of information from several different sources, in order to build a complete picture of impacts, risks and opportunities across the entire value flow and for all companies in the Group. The work has been carried out in close collaboration with all business regions and relevant expert functions such as Quality, Purchasing, Supplier Auditors and HR.

Impact materiality is assessed through a model where severity and likelihood are assessed and multiplied to determine the degree of impact. Severity is determined using three parameters:

- How severe or advantageous the effect is
- How widespread the effect is
- Degree of restorability (if negative)

Bufab has used established frameworks such as SBTi and the Paris Agreement as guidance when assessing the severity of impacts linked to economic activities in the value chain. The spread of the effect is based on the number of impacted individuals or the size of the affected geographic area. The scale may range from a single individual or local community to global effects.

To provide a more relevant perspective, the impact assessment is calibrated against Bufab's stakeholder analysis to verify alignment with stakeholder expectations and requirements. If an issue has not been raised by any stakeholder, it may be weighted down. Conversely, the impact materiality is increased where Bufab is aware of stakeholder requirements or questions.

Financial materiality is analysed using the Group's enterprise risk management framework, where a model based on defined thresholds is applied. The analysis is based, among other things, on financial reports, internal management reports, as well as knowledge of the industry and the company. Assessments are carried out over the short, medium and long-term, and climate analyses also apply scenarios for both rapid and slow transitions.

A broad set of information is used to strengthen the assessment: previous and updated risk analyses, sustainability reports, human rights assessments, audit results, EcoVadis and CDP reports, and other public information. Dialogue with external stakeholders is a central element of the process.

All ESRS areas are evaluated, including stakeholder viewpoints, from a double materiality perspective to define and prioritise the most material sustainability topics. The analysis also identifies needs for further activities or actions to better understand, manage or implement measures related to impacts, risks and opportunities. The results of the materiality assessment are reviewed and approved by Group Management before being established by the Board of Directors. See the annual cycle in (MDRP GOV1).

Assessment of financial materiality

Bufab collects and analyses information from various sources, including companies, suppliers and external stakeholders, to identify and weigh impacts, dependencies, risks and opportunities.

Financial materiality within Bufab's materiality assessment is analysed based on the Group's enterprise risk management framework. In this process, defined thresholds-SEK 30 million of EBITA-form the basis for identifying and assessing which risks and opportunities may have a significant financial effect on the business. Potential growth linked to sustainability related offerings may have a positive long-term impact on cash flow. related offerings may have a positive long-term impact on cash flow.

The same thresholds and criteria used for other risk types are applied to sustainability related risks. This means sustainability risks are assessed and managed as an integrated part of the company's overall risk management process, using Bufab's established risk assessment tools to ensure a consistent and uniform approach. Risks and opportunities are analysed across different time horizons-short (<1 year), medium (1–5 years) and long (>5 years)-to provide a complete view of potential effects. Climate scenarios are also applied, considering both rapid and slow transitions, to evaluate how different transition pathways may affect the business financially.

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IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities

Assessment of impact materiality
Impact materiality is determined based on the severity, scope and irremediability of impacts and is adjusted in relation to stakeholder requirements and expectations. In parallel, financial materiality is analysed using the Group's risk management framework. The analysis is based on an assessment of severity, likelihood, scale and irremediability. These factors are multiplied to generate a score that is assessed against a predefined threshold. The assessment also considers reports from stakeholders as well as the occurrence of historical incidents and events.

To strengthen the analysis, it is supplemented with inputs from previous and current risk assessments, sustainability reports, human rights assessments, audit results, and public sources such as EcoVadis and CDP. Dialogue with external stakeholders is also an important part of the process and contributes to identifying relevant financial risks and opportunities from a double materiality perspective. Bufab's materiality assessment and climate related analysis explicitly consider the connections between the company's impacts on the environment and society, its dependencies-such as natural resources, supply chains and labour-and the risks and opportunities that may arise as a result of these factors. The assessment is conducted through an annual, systematic process covering the entire value chain, with particular emphasis on areas with high purchase volumes and recognised risks, such as steel, stainless steel, forest products and conflict minerals. Forest products and conflict minerals represent a small share, less than one percent, of Bufab's total net sales. For transportation, we work actively to introduce biofuels.

Through this double materiality analysis, Bufab clearly sees how its impacts and dependencies can give rise to both risks and opportunities. For example, dependency on fossil based raw materials or inadequate working conditions among suppliers may pose risks such as supply chain disruptions, increased costs or negative brand impact. At the

same time, proactive efforts in energy efficiency, transition to renewable energy and circular solutions can create new business opportunities, strengthen competitiveness and attract customers and investors that prioritise sustainability.

Bufab also recognises that negative impacts often occur further upstream in the supply chain, where dependencies are greater and the impacts on people and the environment may be more complex. Therefore, the company has implemented dedicated supplier engagement and due diligence programs to ensure that indirect risks and opportunities are also addressed. Stakeholder dialogue and ongoing monitoring of external developments support the identification of new dependencies and impacts, ensuring that the company's risk and opportunity landscape is continuously updated as the operating environment evolves.

Finally, all analyses are reviewed and approved by Group Management and the Board of Directors, ensuring that the interlinkages between impacts, dependencies, risks and opportunities are integrated into Bufab's strategic decisions and long-term planning. In this way, Bufab can both prevent negative impacts and harness the opportunities arising from the transition to a more sustainable economy.

Assessment of impacts, risks and opportunities

Environment
Bufab collects data from the companies and the value chain to identify environmental impacts, risks and opportunities (IROs). We also monitor and consider the external context in our assessments, such as stakeholder feedback, changes in legislation, trends, new research findings and other information relevant to the evaluation. In the review, we have taken into account that all sites within Bufab must have a management system in accordance with ISO 14001 and comply with local regulations for pollution and waste

management. Bufab also uses insights from horizon scanning and stakeholder feedback as part of the assessment.

E1 – Climate Change
The assessment of actual and potential impacts, risks and opportunities is carried out within the framework of Bufab's overall sustainability risk process (ESRS 2 IRO1).

Bufab's climate impact has been assessed through an inventory of the Group's emissions in Scope 1, 2 and 3. Bufab has also evaluated climate-related impacts, risks and opportunities over the short, medium and long-term. The company has identified risks, opportunities and impacts through, among other things, workshops, analysis of external and internal context (including legal and customer requirements), geographical footprint, and Bufab's climate impact across the value chain.

All material climate-related risks have been included in the scenario and resilience analysis. The scenario analysis is based on consolidated information gathered through workshops and internal meetings with relevant Group functions and compiled and analysed by the Group sustainability function.

The analysis was performed using the IPCC Sixth Assessment Report (AR6) and based on scenarios SSP11.9 and SSP24.5. The analysis covered the entire value chain and included both physical risks and transition-related risks and opportunities over the short, medium and long-term.

In assessing physical risks, temperature-related, wind-related, water-related and land-related risks were considered, including both chronic and acute effects. The company's key assets and activities have been screened in accordance with this methodology.

The results were compiled and assessed based on potential impact on operations, delivery capability, cost structure and competitiveness. A resilience analysis was then conducted to evaluate the robustness of the business model and identify priority actions and strategic opportunities.

Bufab's financial climate risks related to physical assets are assessed as limited. The company's business model and strategy are based on not owning properties or vehicles, which reduces exposure to physical risks. Furthermore, the financial planning horizon is short, and the company benefits from flexibility related to facilities (typically 5–10year leasing terms) and the supply chain (through external suppliers). Bufab notes that the frequency of extreme weather events has already increased and is expected to continue increasing. As climate-related changes occur gradually compared to the company's flexibility and planning horizon (1–3 years), developments are continuously monitored and integrated into planning processes. At present, Bufab sees no need for a deeper analysis of physical climate risks over longer time horizons, as these lie outside the company's current planning horizon and are assessed as having limited relevance to Bufab's business model over the medium term.

The majority of emissions arise in Scope 3, primarily from purchased goods and services and transport. Data is presented under disclosure E16. Climate risks and opportunities have been analysed based on two main scenarios:

- Rapid transition (SSP1 1.9) → reduced physical risks, increased transition risks, but also increased demand for products with low climate impact.
- Slow transition (SSP2 4.5) → increased long-term physical risks, but lower transition risks in the short and medium term.

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IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities

Bufab notes that climate change is a gradual development. Based on Bufab's business model, planning horizon and strategy, the company has strong flexibility as it has low ownership of fixed assets and a broad geographical spread and flexibility in the supplier base.

E2 – Pollution

The assessment of actual and potential impacts, risks, and opportunities is carried out within the framework of Bufab's overarching sustainability risk process (ESRS 2 IRO1). ¹

Pollution affecting air, water and soil has been assessed by conducting an inventory of impacts throughout the value flow. Bufab has also assessed impacts, risks and opportunities over the short, medium and long-term. Bufab assesses the impact as moderate within the value flow. Bufab further bases its assessment on the assumption that the Group has no emissions under Annex II to Regulation (EC) No 166/2006, other than the greenhouse gas emissions reported under E1 – Climate Change.

Bufab has not conducted any systematic consultation related to pollution. The company has also not received stakeholder feedback related to actual pollution impacts, apart from the occurrence of SVHC substances. The main potential pollution related risks are considered to be linked to the use of certain chemical substances in articles sold to customers. Bufab supplies articles where, for instance, lead is included in certain steel, aluminium and copper alloys. Lead is listed on the REACH Candidate List (SVHC).

E3 – Water and marine resources

The assessment of actual and potential impacts, risks and opportunities is carried out within the framework of Bufab's overarching sustainability risk process (ESRS 2 IRO1).

Waterrelated risks in Bufab's own operations are assessed using the WWF Water Risk Assessment. Bufab's own operations use small amounts of water (Xxx m³) and are not located in highrisk areas. The greatest risks lie within the supplier base (mining, metal production, surface treatment, paper and textile industries). Bufab intends to gradually expand data collection and conduct a systematic mapping of suppliers' water dependency and geographic exposure in risk areas. The greatest risks lie within the supplier base (mining, metal production, surface treatment, paper and textile industries).

E4 – Biodiversity and ecosystem

The assessment of actual and potential impacts, risks and opportunities is carried out within the framework of Bufab's overarching sustainability risk process (ESRS 2 IRO1).

WWF's risk filter is used to assess biodiversity related risks. The largest risks lie in the supply chain and are associated with carbon footprint, pollution, water use and deforestation. Bufab uses wood in products and packaging, and smaller amounts of rubber, which makes the EUDR relevant. Bufab plans to develop action plans and ensure increased traceability and certification (e.g., FSC) for risk materials.

E5 – Resource use and circular economy

The assessment of actual and potential impacts, risks and opportunities is carried out within Bufab's overarching sustainability risk process in accordance with ESRS 2 IRO1.

Bufab has conducted a systematic screening of its assets, activities and value flows to identify impacts, risks and opportunities related to pollution, resource use and circularity. The assessment covers both Bufab's own operations and the upstream and downstream value chain, with a special focus on materials used in products and their end-of-life handling.

Bufab's assessment focuses on resource use and related risks (including dependencies), as well as opportunities linked to resource efficiency and circularity throughout the value flow. Steel and aluminum, which make up the majority of Bufab's products, have high recycling rates, and the company is gradually evaluating opportunities to increase the share of recycled material. Bufab also works on improved waste management and reduced use of materials containing substances of very high concern (SVHC).

The assessment is based on a combination of supplier data, product data at article and material level, consumption data, and internal knowledge. Bufab has not conducted external consultation but monitors the external context and collects information from external sources.

Social Topics

Bufab bases its assessments on international frameworks such as the ILO Core Conventions and the International Bill of Human Rights. The assessments are carried out from both an organisational and an individual perspective

S1 – Own Workforce

The assessment is based on employee surveys, performance reviews, workforce data, internal audits, and incident reporting. Key indicators include accident frequency, sick leave and gender equality.

S2 – Workers in the value chain

Bufab has strong insight into working conditions at direct suppliers through due diligence and audits, in line with the OECD Guidelines for Responsible Business Conduct. Material risks are managed within the framework of responsible sourcing processes.

S3 – Affected Communities (not material)

Bufab assesses, based on the scope and type of operations, that it has limited impact on local communities where it operates. Further upstream in the value chain, impacts on local communities may occur. Bufab has strong insight into direct suppliers through due diligence and audits, in line with the OECD Guidelines. Although visibility is more limited further upstream, Bufab has identified risk areas such as conflict minerals. Bufab is a member of the Responsible Minerals Initiative (RMI) and has an established conflict minerals program. Bufab's supplier sustainability program (SSEP) also addresses climate impact in the value chain.

S4 – Consumers and End Users (not material)

Bufab considers product quality and safety, as well as compliance with relevant product standards (e.g., RoHS, REACH). The assessment also considers how potential issues could affect consumers and end users.

Governance (G-1)

Bufab's sustainability governance is integrated into the Group management system. The Board of Directors has ultimate responsibility for sustainability and approves the materiality assessment. Group Management is responsible for implementation and follow up, while specialised functions (procurement, quality, HR, sustainability) support execution, while specialised functions (procurement, quality, HR, sustainability) support execution.

Governance is based on the Code of Conduct, Supplier Code of Conduct, and policies for ethics, human rights and anti-corruption. Compliance is ensured through internal controls, audits and external assessments (e.g., EcoVadis, customer audits). Compliance is ensured through internal controls, audits and external assessments (e.g. Ecovadis, customer audits).

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IRO-2

Disclosure Requirements in ESRS
Standards Covered by the Company's
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The identification of material impacts, risks and opportunities has been carried out through a double materiality assessment covering both own operations and the upstream and downstream value chain.

Based on this analysis, the company has determined which topic-specific ESRS standards are material and which disclosure requirements are applicable and to be included in the sustainability statement.

The assessment of information materiality and the disclosures to be included in the reporting is based on the materiality of identified IROs, stakeholders' information needs, and applicable regulatory requirements. Decisions regarding the scope of reporting are made within the framework of the company's governance and management structure.

The reference table in the Appendix section contains a complete list of the disclosure requirements in the ESRS standards that are covered.

Environmental Information

E1 Climate Change

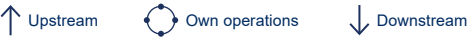
Bufab’s strategy

Bufab has a clear strategy to address climate challenges and reduce its environmental footprint. The company actively works to reduce greenhouse gas emissions by optimising the logistics chain, selecting suppliers with high environmental standards and investing in energy-efficient solutions within its operations. In addition, Bufab aims to increase the share of sustainable products and collaborates with partners to promote circular business models. By integrating climate considerations throughout the value chain, Bufab seeks to contribute to more sustainable development and meet increasing customer demand for climate responsibility.

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Material impacts, risks and opportunities

Description of material impacts, risks and opportunities		Sub topic	Position in the value chain
	Risk: Extreme weather events may cause disruptions in Bufab’s supply chain. The main risks are seen in intercontinental transports between Asia and Europe/USA.	E1 – Adaptation to climate change	↑
	Actual impact: Direct and indirect impact on climate change from own operations and upstream.	E1 – Climate change mitigation	↑ ↻
	Opportunity: A high degree of flexibility and redundancy in the supply chain can create opportunities in the form of growth.	E1 – Climate change mitigation	↑ ↻
	Risk: The company and its customers and suppliers need to relate to and adapt to new regulations and customer behaviours in the area.	E1 – Climate change mitigation	↑ ↻
	Actual impact: Impacts from own operations and upstream in the value chain, through the use of non-renewable energy, contribute to climate change.	E1 – Energy	↑ ↻



SBM

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

Strategy, business model and resilience

Bufab’s climate impact originates mainly from purchased goods and services and from transports in the value chain, with particularly significant emissions linked to the production of steel and metal products in the supplier chain.

Direct emissions from the company’s own operations are limited and relate primarily to fuel for leased vehicles and energy used for warehouses and office buildings.

Against this background, the Group’s most material climate-related impacts, risks and opportunities are concentrated in the upstream value chain.

Identified impacts, risks and opportunities

The double materiality assessment and climate scenario analysis have identified the following material climate-related impacts, risks and opportunities.

Negative impact – Climate impact in the value chain
Bufab’s warehousing, transports and purchasing of materials give rise to both direct and indirect greenhouse gas emissions. The largest share of the Group’s climate footprint occurs in the supplier chain through the manufacturing of steel and metal products, as well as transports in the value chain. This impact contributes to climate change and creates a responsibility for the Group to work systematically with emission reductions, transparency and supplier engagement.

Planning Horizon

Topic	Time horizon
Strategy	3 years (medium-term)
Budget	3 years (medium-term)
Depreciation period	5–10 years (long-term)
Property lease agreements	5–10 years (long-term)
Property rental agreements	<1 year (short-term)
Vehicle lease agreements	3–5 years (medium to long-term)

Physical risk – Disruptions in the supply chain
Extreme weather events may cause disruptions in global transport flows and supply chains, especially for intercontinental routes between Asia, Europe and North America. Such events may lead to delivery delays, increased logistics costs, the need for alternative sourcing solutions, and temporary loss of sales. In the case of more extensive and prolonged disruptions, the financial impact is assessed as potentially material (>30 SEK million in earnings impact).

Transition risk – Regulations and changing market conditions
Changes in climate related regulations, particularly the introduction of CBAM from 2026, changes in the EU ETS, and the introduction of the EU ETS 2 for transports and fuels, will drive higher costs for purchased products, transports and energy. Approximately 50 percent of the Group’s purchases are from non EU countries, which results in relatively high exposure to CBAM.

The combined transition risks are assessed as potentially leading to material cost increases (exceeding 30 SEK million). Bufab intends to integrate these costs into its costing models and adjust pricing accordingly.

At the same time, increasing customer requirements for sustainable products and suppliers necessitate adjustments in purchasing strategies, offerings and business models.

Opportunities – Differentiation and competitiveness
A high degree of flexibility and redundancy in the supplier chain creates opportunities for growth through improved delivery reliability, reduced vulnerability to disruptions and an enhanced ability to meet shifting customer needs. By reallocating purchases between suppliers and regions, the Group can maintain competitiveness, strengthen customer relations and capture market share.

Time dimension and planning horizon
The identified climate related risks and opportunities are expected to affect the Group over different time horizons:

Short term (0–3 years): Indirect cost increases linked to CBAM, EU ETS and transport related emission requirements.

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

Medium term (3–10 years): Increased expectations for climate performance in the supplier chain, changes in purchasing patterns and integration of climate data in business processes.

Long term (>10 years): Growing physical risks with potential impact on global supply chains.

The planning horizon serves as a basis for strategic planning, risk management and prioritisation of actions.

Other risks and opportunities (non material)

Bufab has identified several risks that are currently assessed as non-material. For example, the company notes an increasing demand for products with a lower climate footprint. Bufab's climate efforts may over time create opportunities to strengthen the company's market position, develop long-term customer relationships and differentiate its offering.

Through systematic supplier engagement and increased transparency in the value chain, the Group can contribute to customers' climate objectives and generate long-term business value. At the same time, limited availability of

“green” or recycled steel represents a risk of increased purchasing costs and price premiums. (See table “Risks and opportunities” below.)

Scenario Analysis

Bufab has conducted a climate scenario analysis based on the IPCC's Sixth Assessment Report (AR6) and the scenarios SSP1-1.9 (1.5°C) and SSP2-4.5. The analysis covers the entire value chain and assesses climate-related risks and opportunities in the short, medium and long term.

In a rapid transition scenario (SSP1-1.9), stricter regulations and increasing carbon prices are expected to result in significant transition risks, primarily through increased purchasing and transportation costs.

In a scenario with continued temperature increase (SSP2-4.5), physical risks and geopolitical impacts on the supply chain are expected to increase over time.

Resilience and Adaptive Capacity

Based on the climate scenario analysis, a resilience assessment has been conducted to evaluate how robust

Bufab's business model and strategy are in relation to identified climate related risks.

The Group's resilience is strengthened by:

- a global and diversified supplier network and flexible warehouse and logistics structure,
- experience managing significant disruptions, such as the pandemic and the 2021 Suez Canal blockage,
- experience in operational adaptation,
- imited ownership of production facilities, which enables flexible sourcing,
- limited ownership of properties and vehicles.

These factors reduce vulnerability to short-term supply disruptions and enable relatively rapid adaptation to changing conditions. At the same time, the reliance on external suppliers entails a structural exposure to climate related risks.

To manage this, Bufab has collected extensive climate data at supplier and product level. These data are gradually being integrated into Group systems and form a basis for future governance, monitoring and reporting, although they have not yet been fully validated for climate reporting purposes.

Overall, Bufab's business model is assessed to have strong resilience to both transition related and physical climate related risks.

Integration into the Business Model and Strategy

The results from the double materiality assessment and the climate scenario analysis are integrated into the Group's strategy, risk management and business model.

Climate related risks and opportunities are considered in:

- supplier selection and follow-up,
- pricing and business calculations,
- product and assortment development, customer dialogues, the Supplier Sustainability Engagement Program (SSEP).

Related risks and opportunities are considered in:

- By combining flexibility in the value chain with a structured and data driven sustainability approach, Bufab strengthens its ability to manage current and future climate related challenges.

Climate related Risks and Opportunities (Aligned with ESRS E1)

Category	Description of risk	Type of risk	Time horizon	Part of the value chain
Technology and regulation	Cost risks associated with new or changing climate related pricing of steel and metal products. Impacted by the introduction of CBAM from 2026 and changes in the EU ETS (EU ETS2). Risks are higher under a rapid transition scenario (material).	Transition risk	Short	- Upstream (supplier network)
Technology and regulation	Cost risks linked to new technologies aimed at reducing emissions in the steel industry (non-material).	Transition risk	Long-term	- Upstream (supplier network)
Technology and regulation	Increased transportation costs as a result of EU ETS for sea freight and road transport, including requirements for renewable fuels and electrification (material).	Transition risk	Medium-term	- Transport (upstream and downstream)
Market	Limited access to “green” steel or scrap to meet customer needs and climate commitments. Possible price premium for steel with lower climate impact (non-material).	Transition risk	Medium and long-term	- Upstream (supplier network)
Market	Access to renewable energy may be affected by new regulations or increased demand (non-material).	Transition risk	Long-term	- Own operations (Scope 2)
Market	Increased demand for green products and services strengthens customers' climate commitments and creates opportunities for differentiation and market positioning.	Opportunity (Transition)	Medium and long-term	- Downstream (customer)
Physical risks	Disruptions in the supply chain between Asia and Europe/USA as a result of acute weather events. A flexible supplier network is assessed to reduce long-term risk, but short-term disruptions may occur (material).	Physical risk	Short and long-term	- Upstream (supply chain)
Actual impact	Indirect impact on climate change through the purchase of goods and transportation (material).	Actual impact	Short and long-term	- Downstream and upstream (supplier- and transport)
Actual impact	Direct impact on climate change through emissions from our own operations (material).	Actual impact	Short and long-term	- Own operations

E1-1

Transition Plan for Climate Change Mitigation

Bufab’s climate transition plan is integrated into the Group’s overall strategy and is formally approved by Group Management and the Board of Directors. The plan aims to ensure that Bufab’s operations and value chain are aligned with the Paris Agreement objective of limiting global warming to 1.5 °C and achieving net-zero emissions no later than 2050.

The transition plan is based on Bufab’s science-based climate targets, validated by the Science Based Targets initiative (SBTi), and covers the full value chain. Bufab is not subject to exclusion under the EU climate-related benchmark criteria.

The plan is structured around three principal transition pathways:

Reduced emissions in the supply chain (Scope 3)
The focus is on purchased goods and inbound/outbound transport by setting requirements, engaging suppliers, and gradually shifting toward materials and suppliers with lower climate impact.

Carbon neutral in Bufab’s own operations (Scope 1 and 2)
The transition includes electrifying the vehicle fleet, increasing the share of renewable energy, and improving energy efficiency in buildings.

Integration into business decisions and resource allocation
Climate impact is considered in sourcing strategies, investment decisions, and three-year planning, with a gradual integration of internal carbon pricing and climate scenarios into decision making.

The transition plan is fully integrated into Bufab’s business model and governance structure. Group Management is responsible for implementation and follow-up, with regular reporting to the Board. Regional organisations report quarterly progress toward climate targets. Sustainability performance is continuously followed up within the company’s ordinary governance processes. Climate-related targets are linked to management incentive structures.

Execution and progress are measured through established targets and KPIs, including shortterm targets for 2030–2031 and the longterm target of achieving net-zero emissions across the entire value chain by 2050. Further details on targets, actions, investments, and progress monitoring are found in sections E1-3, E1-4, E1-5, and E1-6.

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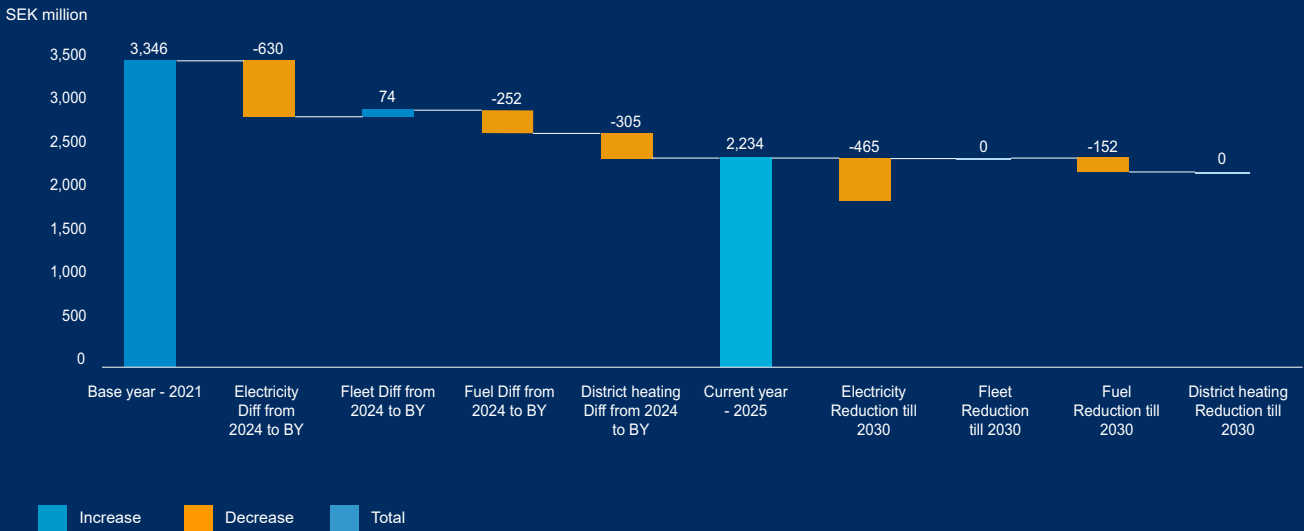
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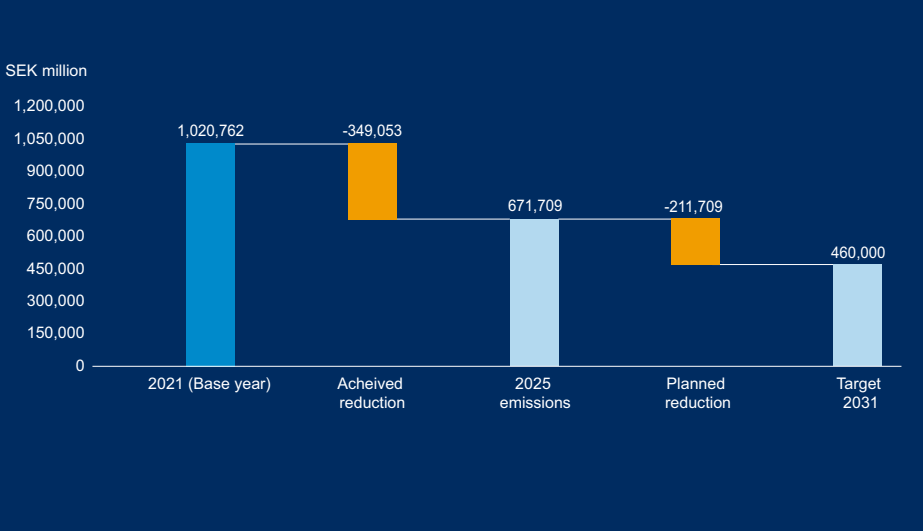
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Carbon neutral in Bufab’s own operations (Scope 1 and 2)



Reduced emissions in the supply chain (Scope 3)



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E1-2

Policies related to climate change mitigation and adaptation

Bufab has adopted policies for climate change mitigation, energy efficiency and the use of renewable energy. Our policies set out targets and commitments related to the environment and climate, including netzero emissions by 2050 and a reduction of Scope 3 emissions by 2031 (base year 2021).

All targets for Scope 1, 2 and 3 are aligned with the 1.5°C pathway of the Paris Agreement and have been validated by the Science Based Targets initiative (SBTi). For Scope 1 and 2, Bufab aims to be climate neutral by 2030 at the latest.

Our Environmental Policy also includes our ambition to continuously improve energy efficiency and increase the share of renewable energy used in our operations, with a target to use 100 percent renewable energy by 2030.

When establishing the Group's targets and policies, Bufab has taken into account relevant legal requirements, customer requirements, shareholder expectations and employee perspectives.

At present, Bufab does not have separate policies or targets specifically related to climate adaptation, as physical climate risks are currently managed through the Group's business model, geographical diversification and the high adaptability of its supplier network. The selection of suppliers and sourcing regions is continuously adjusted based on the prevailing risk landscape, including climate-related factors.

Should circumstances change and climate adaptation be assessed as material within our planning horizon, governance, policies and action plans will be developed in line with the new risk context.

The Group's policies apply to all business regions, subsidiaries and employees within the Group. Compliance is monitored through the Group's management structure, governance documents, internal audits and systematic follow-up of relevant KPIs and indicators.

- Key focus concerned
- Commitments aligned with the 1.5°C target of the Paris Agreement
 - Short- and long-term ambitions for Scope 1, 2 and 3
 - Programmes and actions across the value chain

Policy

ESRS sub-section	Review frequency	Bufab Group Policy	Alignment to standards
E1 Climate change adaptation			- N/A
E1 Climate change mitigation	*Quarterly at BU level	Sustainability Policy A Environmental Policy B	- OECD Guidelines for Multinational Enterprises on Responsible Business Conduct - UN Global Compact - ISO 14001 - ISO 50001 - 1.5°C ambition expressed in the Paris Agreement
E1 Energy	*Quarterly on BU level	Sustainability Policy*A Environmental Policy*B	- OECD Guidelines for Multinational Enterprises on Responsible Business Conduct - UN Global Compact - ISO 14001 - ISO 50001 - 1.5°C ambition expressed in the Paris Agreement

*A – Owner: Bufab Board of Directors *B – Owner Bufab CEO

E1-3

Actions and resources in relation to climate change policies

Bufab has established science-based climate targets to reduce emissions in line with the 1.5°C target. Scope 1 and 2 emissions are to be reduced in absolute terms by 46.2% by 2031. For Scope 3, the target is to reduce emissions intensity by 55% by 2031 (base year 2021).

Reduced emissions in the supply chain (Scope 3)

Bufab conducts a structured and systematic approach to reducing its climate impact across the entire value chain, with a particular focus on Scope 3 emissions through its Sustainable Supplier Engagement Program (SSEP).

The purpose of the program is to support suppliers in reducing their greenhouse gas emissions, while providing training and tools to enable structured follow-up and continuous improvement.

Within the SSEP, Bufab collects climate-related data from prioritised suppliers. The work covers both supplier level and product (article) level and includes the collection of data on suppliers' greenhouse gas emissions (Scope 1 and 2), as well as product-related information such as steel mills used, material grades and recycled content.

Suppliers are also expected to set climate targets aligned with Bufab's science-based targets and to identify and implement emission reduction measures. At present, suppliers' ability to provide reliable climate data and to meet Bufab's future requirements is considered particularly critical. As the collected climate data is validated and integrated into Bufab's internal data warehouse, climate performance will increasingly form part of the decision-making basis in supplier selection.

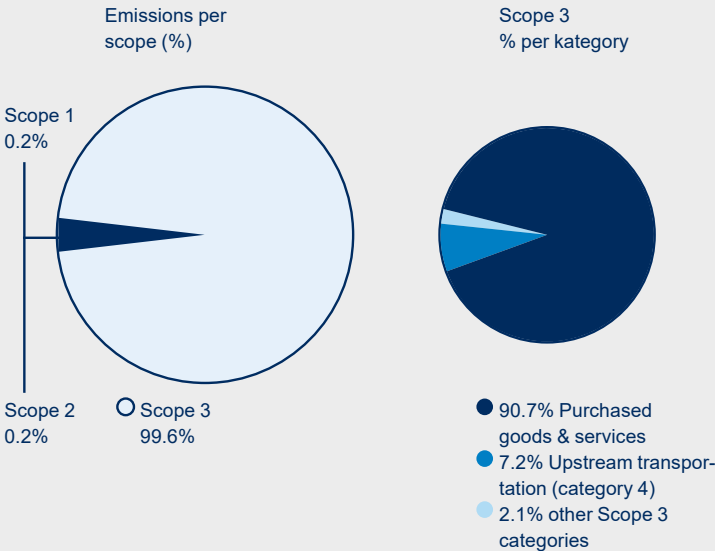
Bufab has set a target that, by 2025, 70% of its suppliers will have established climate targets aligned with Bufab's science-based targets. The program focuses both on reducing emissions from direct suppliers through the transition to renewable energy and energy efficiency measures, and on reducing upstream emissions arising from material production.

As approximately 80% of Bufab's total value chain emissions originate from embedded emissions in materials, this part of the value chain is particularly significant. Since around 90% of Bufab's material volumes consist of steel, the choice of suppliers and production processes for steel procurement is a key factor in reducing climate impact. See further E5-4.

A key element of Bufab's climate transition is therefore to increase the share of sourcing from steel mills with documented lower carbon intensity, contributing to the achievement of Bufab's near-term climate targets and supporting the transition towards more sustainable material flows.

The program also includes transport service providers, where emission reductions are enabled through increased use of biofuels and electrification.

Breakdown of total emissions by scope and Scope 3 category



Bufab's Scope 1, 2 & 3 emissions:

Scope 1: Direct emissions from own operations.

Scope 2: Indirect emissions, for example, from the purchase of energy, heating and cooling.

Scope 3: All other direct and indirect emissions. Most of it comes upstream from our suppliers, but a minor part is downstream from transports.

Calculations are made according to the standardised framework for measuring and managing greenhouse gas emissions from the Greenhouse Gas Protocol. The % number is based on the greenhouse gas inventory made for the base year 2021

We engage our suppliers to reduce our emissions

We drive change and reduce emissions through our Sustainable Supplier Engagement Program, where we provide knowledge and guide our suppliers

Prepare

Step 1: Data collection in energy, transport, materials, and waste, as well as providing feedback.

Engage

Step 2: Knowledge building, agreeing on guidelines and action plans, and determining the supplier's base year based on the collected data.

Step 3: Set goals in line with the Paris Agreement and with Bufab's goal of reducing CO2-eq by 55% by 2031.

Implementer

Step 4: Annual follow-up of the suppliers' activities and that they achieve improvements according to agreements.

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E1-3 – Actions and resources in relation to climate change policies

Responsibility for the implementation of the SSEP is integrated into the line organisation and ultimately rests with each subsidiary and the responsible key account purchaser. In total, Bufab has more than 60 key account purchasers driving the implementation of the programme in close collaboration with local organisations and regional sustainability managers.

In 2025, 70% of Bufab’s order volume was sourced from suppliers that had set climate targets in line with Bufab’s expectations. To support the implementation of the company’s climate policy, targeted training initiatives have been conducted for prioritised suppliers.

Within the SSEP, climate data is collected on an ongoing basis, including suppliers’ Scope 1 and 2 emissions as well as product-related information. During the year, approximately 70% of the purchasing volume had reached Step 3 of the programme and committed to working towards emission reduction targets.

The work is supported by internal systems for data collection and monitoring, as well as dedicated resources within the Group’s sustainability function.

Climate neutrality in own operations (Scope 1 and 2)

Responsibility for reducing Bufab’s Scope 1 and 2 emissions is delegated to each region. Each company within the Group has established a plan to achieve climate neutrality by 2030, including targets and actions related to energy efficiency, increased use of renewable energy and the transition to electrified vehicles.

The main focus areas for reducing Scope 1 and 2 emissions include:

- transition to 100% renewable electricity
- phase-out of fossil fuels for heating, and
- electrification of the vehicle fleet.

Remaining emissions may be offset using carbon credits until further emission reductions have been achieved. At present, the company has no plans to introduce such offsetting before 2030.

Investments related to the EU Taxonomy are reported in the Taxonomy section. During the year, CapEx mainly related to vehicles and properties. For example, 68% of CapEx associated with activity 6.5 met the threshold for substantial contribution to climate change mitigation. Investments related to properties have also contributed to improved energy performance. For instance, when relocating to new premises within the subsidiary Rudhälls, energy consumption was estimated to decrease by more than 50% compared with previous facilities.

For reporting of results and absolute emissions, see ESRS E1-4 and E1-5.

Integration into business decisions and resources

At present, the primary focus is on suppliers’ ability to provide relevant data and to meet Bufab’s future targets. As climate data collected from suppliers is validated and integrated into Bufab’s internal data warehouse, climate performance will increasingly form part of the decision-making basis in supplier selection.

Climate-related actions within Bufab are primarily linked to the resources required to manage the company’s supply chain. Based on the current assessment, these actions are not expected to have a material financial impact on Bufab, nor to affect its existing financing.

Should the implementation of the initiatives described in this plan require additional resources or investments, these will be integrated into Bufab’s ordinary financial planning processes. Any material effects on the financial statements will, where relevant, be identified and

disclosed in accordance with established financial reporting principles and applicable standards.

For information on investments and classification under the EU Taxonomy, see the Taxonomy section.

Opportunities related to climate actions

During the year, Bufab has taken further steps to integrate sustainability into its customer offering and external communication. The increasing costs related to CBAM highlight the economic value of working strategically with the supply chain to reduce climate-related and financial risks.

As access to more detailed product-level data improves, Bufab’s ability to differentiate its offering is strengthened, enabling the company to support customers’ sustainability targets and contribute to more transparent and competitive supply chains.

Climate change adaptation

Material risks related to acute weather events may arise within Bufab’s value chain, primarily in the supply

chain. To manage these risks, technological solutions are applied, including digital mapping and monitoring of supplier locations as well as real-time event tracking.

In addition, Bufab works with inventory strategies and dual sourcing to reduce supply chain risks. Short-term planning for acute climate-related events is managed within the framework of the company’s business continuity and crisis management plans.

Within its own operations, Bufab conducts climate- and nature-related risk assessments using tools such as the WWF Water Risk Filter and WWF Biodiversity Risk Filter. These tools are used to identify geographical areas with elevated risks of water scarcity, flooding, and impacts on biodiversity.

Nature-based solutions are supported indirectly through requirements related to deforestation, as well as sourcing of FSC-certified wood and rubber, contributing to climate-adapted and more sustainable procurement.

Actions in own operations

Type	Historical actions	Actions in the reporting year	Reference
Electricity	Procurement of renewable electricity, energy efficiency measures, installation of solar panels	Purchase of renewable electricity. Energy efficiency improvements, including relocation to more energy-efficient facilities. Approximately 68% of the year’s additional CapEx related to electric passenger vehicles	See ESRS E1-4 for energy mix
District heating	Renewable district heating	-	See ESRS E1-4 for energy mix
Fuel for heating	Renewable district heating	-	See ESRS E1-4 for energy mix
Fuel for vehicles	Electrification and renewable fuels	Electrification of vehicles. Increased customer visits drive a higher usage level.	See ESRS E1-4 for energy mix

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Targets related to climate change mitigation and adaptation

In 2021, Bufab signed the Science Based Targets initiative (SBTi) as part of its continued efforts to reduce greenhouse gas emissions. In 2022, the company's targets were validated and approved. This means that Bufab has committed to setting targets and implementing actions in line with the Paris Agreement, which aims to limit global warming to 1.5°C.

Bufab has adopted a net-zero target for 2050. For its own operations, this involves a gradual transition to renewable energy in facilities, as well as electrification and the use of renewable fuels in the vehicle fleet. As the majority of Bufab's climate impact arises in the value chain, actions directed towards suppliers and purchased materials are crucial to achieving the target. Bufab therefore actively engages suppliers through its Sustainable Supplier Engagement Program (SSEP), where suppliers are encouraged to set science-based climate targets, report emissions and implement emission reduction measures.

In addition, Bufab works to gradually increase the share of materials with lower climate impact, for example steel produced with a higher share of recycled content or fossil-free energy, as well as the procurement of transport solutions with lower climate impact from logistics partners. These measures aim to reduce Scope 3 emissions over time and are central to achieving the Group's net-zero target.

Targets for Climate Change Mitigation

Description	Target	Outcome / Progress 2025	Scope / Coverage
Scope 1 + 2 Absolute reduction target Market-based Scope 2 Reporting in accordance with GHG Protocol Base year 2021	46.2% reduction in absolute emissions within Scope 1 and 2 (by 2031). Climate offsetting of residual emissions after 2030.	-33%	All subsidiaries. More than 95% of the company's Scope 1+2 emissions are included.
Scope 3 Validated by SBTiBase year 2021Reporting in accordance with GHG Protocol Intensity target relative to net revenue	55% reduction (by 2031)	-41%	Emissions related to purchased goods and services and upstream and downstream transportation. More than 90% of Scope 3 emissions are included.
Entire value chain Definition according to SBTi	Net zero (by 2050)	See E1-6	Entire value chain, corresponding to more than 90% of the company's total emissions.
Supplier engagement Share of purchasing covered by suppliers' climate commitments	More than 70% of suppliers to have their own climate targets (by 2025)	70%	Approximately 70% of the company's Scope 3 emissions are covered by suppliers' reduction commitments.

For the reporting of absolute emissions, please refer to ESRS E1-3 and E1-5. The target boundary includes land-related emissions and removals from bioenergy feedstocks.

Under its validated target, Bufab commits to reducing absolute greenhouse gas emissions in Scope 1 and 2 by 46.2 percent by 2031, using 2021 as the base year.

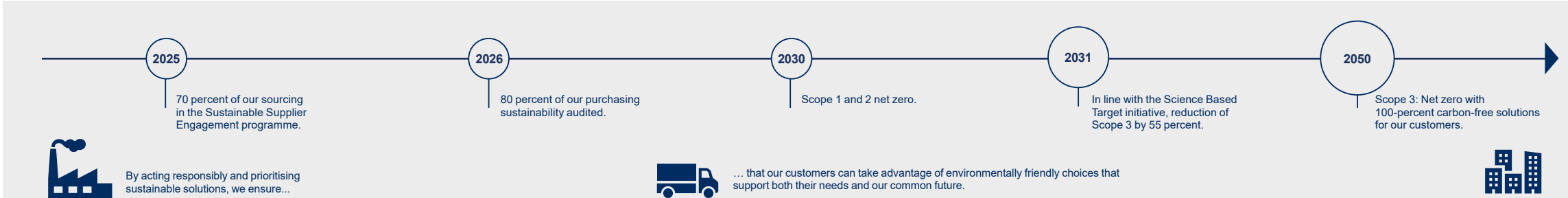
In addition to the validated target, Bufab has set an ambition to achieve climate neutrality by 2030 within Scope 1 and Scope 2. Any remaining emissions may be compensated through carbon credits. The company currently has no plans to introduce such compensation before 2030.

All Scope 2 targets are measured using the market-based method. The baseline value is not normalised for years with unusually high or low temperatures, as Scope 1 and Scope 2 emissions represent a minor share of total emissions (0.4 percent).

Bufab has also committed to reducing greenhouse gas emissions in Scope 3 – from purchased goods and services as well as upstream and downstream transportation – by 55 percent per SEK value added by 2031, with 2021 as the base year.

During 2025, Bufab continued to reduce greenhouse gas emissions both in its own operations and in the value chain. Emissions in Scope 1 and 2 have decreased by 33 percent compared to the base year, primarily through the transition to renewable electricity and improved energy efficiency. Emission intensity in Scope 3 has decreased by 41 percent compared to the base year, largely driven by increased supplier engagement and a shift towards materials with lower climate impact. By the end of 2025, approximately 70 percent of Bufab's purchasing volume was covered by the supplier engagement programme related to climate.

During 2025, Bufab continued to reduce greenhouse gas emissions both in its own operations and across the value chain. Emissions in Scope 1 and 2 have decreased by 33 percent compared with the base year, primarily through the transition to renewable electricity and improvements in energy efficiency. Scope 3 emission intensity have decreased by 41 percent since the base year, largely driven by an increased focus on supplier engagement and efforts to source materials with lower climate impact. At the end of 2025, 70 percent of the purchasing volume was covered by Bufab's supplier engagement program related to climate.



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Energy consumption and mix

Energy consumption in own operati		
Energy consumption and mix (MWh)	2025	2024
Fuel consumption from coal and coal products	0	0
Fuel consumption from crude oil and petroleum products	5,779	6,910
Fuel consumption from natural gas	1,061	1,609
Fuel consumption from other fossil sources	0	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	2,047	2,641
Total fossil energy consumption	8,886	1,1161
Share of fossil sources in total energy consumption (%)	53%	60%
Consumption from nuclear sources*	0	0
Share of consumption from nuclear souces in total energy consumption (%)	0%	0%
Fuel consumption for renewable sources, including biomass	296	162
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	7,261	6,835
The consumption of self-generated non-fuel renewable energy	468	444
Total renewable energy consumption	8,025	7,441
Share of renewable sources in total energy consumption (%)	47%	40%
Total energy consumption	16,911	18,602

Not 1*: Electricity not contractually controlled through market instruments is reported as fossil electricity. Since Bufab only signs contracts for renewable electricity (and not “fossilfree” electricity), the share of nuclear power in the remaining electricity mix is reported as fossil energy consumption.

Not 2: Purchases linked to market instruments such as Guarantees of Origin (GOs), renewable energy certificates (RECs), or other contractbased instruments.

Bufab has a programme in place to improve its energy performance. Over the past year, the company has improved its energy performance and increased the share of renewable energy in its energy mix. Fossil fuels are primarily used as fuel in Bufab’s vehicle fleet.

The company has no energy use associated with sectors with high climate impact. Accordingly, there is no energy intensity (total energy consumption per net revenue) to report that relates to activities with significant climate impact.

E1-6

Gross Scopes 1, 2, 3 and Total GHG emissions

Bufab conducted a comprehensive mapping of its greenhouse gas emissions in 2021 in accordance with the Greenhouse Gas Protocol and its classification into Scope 1, 2 and 3 categories. The analysis shows that Purchased goods and services as well as Upstream transportation and distribution account for approximately

98 percent of the Group’s total emissions. Other Scope 3 categories, such as Business travel and Waste generated in operations, have therefore been excluded from reporting as they are assessed to be non-material. Bufab’s total carbon footprint is primarily driven by purchased goods (Category 1) and services, as well

as transportation (Category 4), with a significant share related to the steel and metal content of the products sold (Scope 3).

Emissions within Scope 1 mainly originate from the use of fuel in vehicles and fuels for heating of properties. Scope 2 emissions are primarily linked to the consumption of purchased electricity and district heating in the compa-ny’s own operations. The company primarily purchases renewable electricity from energy suppliers that ensure the origin through the cancellation of Guarantees of Origin (GOs). A smaller share of the consumption is supported by international certificates (I-RECs). For district heating, the renewable share is based on data collected from the district heating supplier.

Accounting Principles and Recalculations

The Bufab Group and its subsidiaries follow the Green-house Gas Protocol Corporate Standard and the Green-house Gas Protocol Scope 2 Guidance when calculating and reporting greenhouse gas emissions. As the Group has adopted science-based targets, the applicable rules and guidance for tracking and monitoring these targets are also applied.

Bufab’s emissions reporting covers all fully consolidated subsidiaries. The operational control approach is applied; however, at present this does not result in any extension of the reporting boundary beyond the legal Group structure.

Scope 1 and Scope 2 emissions are based on actual con-sumption data reported by each Group company. Data collection includes energy carriers such as petrol, diesel, oil, natural gas, electricity and district heating. Scope 3 emissions are currently calculated based on spend data for purchased goods and transportation. These two categories account for approximately 98 percent of Bufab’s total greenhouse gas emissions. The company is currently working to gradually transition to a methodology based on weight and material consumption, which will allow for increased calculation accuracy and improved monitoring of emission reductions at product

level. Category 5 (waste generated in operations) is included in the reporting, but not in the company’s targets.

Bufab’s emission reduction targets are based on the same organizational and operational boundaries as the Group’s greenhouse gas inventory under the GHG Pro-tocol. In the event of structural changes, such as acqui-sitions, the base year for climate targets is recalculated to ensure that the targets continue to reflect the Group’s current structure. Emissions are reported both in their original and recalculated form to ensure transparency. Emissions are calculated using reliable and verified emission factors from recognised sources (e.g., IEA, Defra, and supplier-specific data). For electricity, both location-based and market-based emission factors are applied in accordance with the GHG Protocol Scope 2 Guidance. Purchases of electricity linked to market-based instruments such as Guarantees of Origin (GOs), Renewable Energy Certificates (RECs), or other contractual instruments are reported with zero emission factors in the market-based accounting.

Bufab has minor biogenic CO2 emissions from the combustion of biodiesel (162 MWh), calculated using emission factors from Defra (see E1-6).

The company does not have any Scope 1 greenhouse gas emissions covered by regulated emissions trading systems, nor does it have investment entities such as associates, joint ventures or non-consolidated subsidiar-ies that are not fully consolidated in the Group’s financial statements.

Update of Emissions Data and Base Year

Emissions data is corrected when material errors are identified or when significant changes occur in underlying data or methodology. The company’s policy is to correct all errors exceeding 5 percent.

In the event of structural changes within the Group, such as acquisitions and divestments, acquired companies

cont.
 E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions

Greenhouse Gas Emissions

Greenhouse Gas Emissions (tCO ₂ e)	Retrospective				Milestone and target years					
	Base year (2021)	Base year adjusted (2021) ¹⁾	2024	2025	Procent 2025/2024	2025 adjusted ⁷⁾	2030 ²⁾	2031	2050	Annual % target / base year
Scope 1 GHG emissions										
Gross Scope 1 GHG emissions (tCO ₂ eq)	1,742	1,808	1,936	1,571	19%	1,630	CN ²⁾	973 ⁴⁾	NZ ³⁾	4.2% ⁴⁾
Scope 2 GHG emissions										
Gross location-based Scope 2 GHG emissions (tCO ₂ eq)	2008	1,876	1,765	1,525	14%	-	-	-		-
Gross market-based Scope 2 GHG emissions (tCO ₂ eq)	1,398	1,538	807	590	27%	604	CN ²⁾	827 ⁴⁾	NZ ³⁾	4.2% ⁴⁾
Significant Scope 3 GHG emissions										
Total Gross indirect (Scope 3) GHG emissions (tCO ₂ eq)	742,212	1,020,762	676,227	628,485	9%	671,709	-	460,000	NZ ³⁾	5.50% ⁵⁾
Purchased goods and services	678,552	922,609	620,776	578,588	9%	-	-	N/A ⁶⁾	NZ ³⁾	-
Upstream transportation and distribution	62,976	97,538	54,981	48,993	11%	-	-	N/A ⁶⁾	NZ ³⁾	-
Total GHG emissions										
Total gross emissions (location-based) (tCO ₂ eq)	745,817	1,024,446	679,928	631,581	9%	-	-	-	-	
Total gross emissions (market-based) (tCO ₂ eq)	745,351	1,024,108	678,970	630,646	9%	673,943	-	461,800	NZ ³⁾	5.50% ⁵⁾

Greenhouse gas intensity

Greenhouse gas intensity per net sales (tCO ₂ e / SEK million)	2024	2025	2024 vs. 2025%
Total gross emissions (locationbased) (tCO ₂ e) based) ⁷⁾	84.6	78.2	-7.5%
Total gross emissions (marketbased) (tCO ₂ e) based)	84.5	78.1	-7,5%

GHG Intensity

Net turnover for calculating intensity (SEK million)	2025	2024	2023	2022	2021
Adjusted Net sales used for target calculation	8,188	8,853	8,853	9,335	7,307
Net sales according to the financial statements	8,072	8,035	8,602	8,453	5,878

1) The company continuously recalculates its emissions baseline to reflect acquisitions and divestments. As a result, figures may differ from those reported in previous reporting periods. The company's targets are measured on a market-based basis against this baseline.

2) The company has a climate-neutral target for 2030, including use of carbon offsets for residual emissions.

3) NZ = Net Zero.

4) The company has a single consolidated emissionsreduction target covering Scope 1 and Scope 2.

5) The company does not have an absolute emissionsreduction target for Scope 3 (marketbased).

6) Scope 3 categorylevel baselines were not available at the time of reporting-neutral target for 2030, including use of carbon offsets for residual emissions.Reduction target covering Scope 1 and Scope 2-reduction target for Scope 3 (market-based)-level baselines were not available at the time of reporting.

7) Restated emissions based on the current industrial footprint, meaning acquired companies are included with full-year data and divested companies are excluded. The company's targets are measured against these emissions in relation to the adjusted baseline with the same industrial footprint.

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 E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions

Emission factors for Scope 1 and 2

Category	Type of emission factor	Data source	Comment / Calculation principle
Scope 2	Purchased electricity (marketbased)	IEA – Emissions from Fuel Combustion, REDISS – Residual European MixDISS – Residual European Mix DISS – Residual European Mix	Calculated based on residual mix or procurementspecific data. Emission factors are updated annually with a twoyear delay. Renewable electricity is defined using an emission factor of zero. specific data. Emission factors are updated annually with a twoyear year delay. Renew-able electricity is defined using an emission factor of zero.
Scope 2	Purchased electricity (locationbased)	IEA – Emissions from Fuel Combustion	Emission factors are based on geographic location and updated annually with a twoyear delay. year delay.
Scope 1 and 2	Fuel combustion (diesel, gasoline, oil, natural gas, district heating)	Defra – UK Government GHG Conversion Factors for Company Reporting (latest available version)	Calculated according to Defra. Renewable district heating is assumed to correspond to combustion of wood chips. Emission factors updated annually with a oneyear delay. year delay.
Scope 3	Costbased emission factorsbased emission factors based emission factors	Quantis – Scope 3 Evaluator (incl. WIOD data)	Used when primary data for categories is missing. Adjusted annually for inflation based on 2021
Scope 3	Weight-based average emission factors per material type.	Multiple verified data sources (e.g. IEA, Defra, Ecoinvent, Quantis).	Used for material- and article-based calculations where weights are known. Data is updated continuously when source data changes.

E1-8

Internal Carbon Pricing

are included in the reporting with full-year figures from the financial year in which the acquisition takes place. Divested companies are fully excluded from reporting as of the reporting year.

For the purpose of tracking Bufab's climate targets, acquired companies are included retroactively from the base year onwards. This means that historical emissions for the acquired company are added to the base year and subsequent years. During the year, Bufab acquired Novia Group. During the year, the company also divested a smaller manufacturing unit within Component Solutions Group in the United States.

In the event of divestments, corresponding historical emissions are removed from the base year and subsequent years, ensuring that targets and performance continue to reflect the Group's current structure. In case of significant structural or methodological changes (e.g., changes in data quality, improved emission factors, or consolidation principles), base year emissions are recalculated and updated to ensure the comparability of targets over time.

The company uses internal carbon pricing as a tool to assess risks and opportunities related to carbon emissions with the support of the EU ETS. The pricing has been applied, among other things, to analyse the consequences of CBAM (Carbon Border Adjustment Mechanism). In this work, the point of departure has been the EU ETS (the EU Emissions Trading System):

- Forecasts for EU ETS prices have been simulated and used as a basis for assessing potential future costs and form part of the 3year budget (80, 100 EUR). Potential savings have been calculated in connection with our sustainability programme for suppliers (SSEP). year budget (80, 100 EUR). Potential savings have been calculated in connection with our sustainability programme for suppliers (SSEP).
- Sensitivity analyses have been conducted to evaluate how different scenarios are affected by variations in:
 - current CN codes and determination of the corresponding benchmark
 - the plan for the gradual phasein of CBAM in of CBAM
 - price developments within the EU ETS

As the company increasingly needs to purchase CBAM certificates to cover embedded direct emissions in imported articles to the EU, systems will be adapted to support actual EU ETS pricing for all EUbased companies. Additionally, increased consideration must be given to climate prices already paid in third countries, in accordance with the CBAM regulation. This ensures that calculations reflect both the prevailing EU market situation and any deductions for costs that have already impacted the supply chain outside the EU. We follow the EU ETS pricing and the EU's CBAM calculation methodology. based companies. Additionally, increased consideration must be given to climate prices already paid in third countries, in accordance with the CBAM regulation. This ensures that calculations reflect both the prevailing EU market situation and any deductions for costs that have

already impacted the supply chain outside the EU. We follow the EU ETS pricing and the EU's CBAM calculation methodology.

The results of these analyses have been used as input to this year's budgeting process as well as in establishing costing parameters. Internal carbon pricing will continue to be used more strategically in procurement and supplier decisions. By highlighting the actual climate-related costs of different suppliers and production countries, the company can better compare alternatives, make more wellfounded decisions and drive reduced climate impact across the entire value chain. related costs of different suppliers and production countries, the company can better compare alternatives, make more well founded decisions and drive reduced climate impact across the entire value chain.

Sensitivity Analysis – EU ETS Pricing

EU ETS	EU ETS 90 Euro / tonne CO ₂ e	EU ETS 160 Euro / tonne CO ₂ e
Year 1 (2.5% phase in)	112 SEK m	199 SEK m
Year 2 (5% phase in)	113 SEK m	201 SEK m
2034 (100% phase in)	155 SEK m	275 SEK m

Calculation based on the EU default value.
 Analysis based on weights from 2025. Inflation assumed to be fixed in the calculation. Conversion has been made using an exchange rate of 10.81 SEK per EUR.

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E2 Pollution

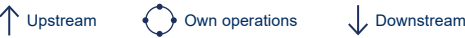
Bufab’s strategy

Bufab aims to reduce its environmental impact across the entire value chain, with a particular focus on the management of SVHC substances. In recent years, the company has defined a list of substances that are prohibited, restricted or considered substances of concern. This list forms the basis for informing companies and suppliers of the applicable status. The list is integrated into our Supplier Code of Conduct.

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Material impacts, risks and opportunities

Description of Material Impacts, Risks and Opportunities		Sub-topic	Position in the Value Chain
 Actual impact: Some of Bufab’s products contain SVHC substances above 0.1% (mainly lead in steel, aluminium and copper alloys, as well as DEHP in certain plastic products).		E2 – Substances of concern (SVHC substances)	↑ ↓



SBM-3

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

Bufab’s environmental impact arises primarily in the value chain through purchased goods and services as well as transportation, particularly in upstream stages. At Bufab’s own sites, no significant local pollution has been identified. The company also has no emissions of the pollutants listed in Annex II to Regulation (EC) No 166/2006 (the European Pollutant Release and Transfer Register, EPRTR) to air, water or soil, other than the greenhouse gas emissions disclosed in accordance with ESRS E1. PRTR) to air, water or soil, other than the greenhouse gas emissions disclosed in accordance with ESRS E1.

Certain Bufab products contain Substances of Very High Concern (SVHC) above the threshold of 0.1 percent (weight/weight). This primarily concerns lead in steel, aluminium and copper alloys, but also DEHP in some plastic products. In these cases, lead is firmly bound in the metal and is therefore not considered to be accessible to users under normal use of the product. Nevertheless, endoflife treatment, such as waste handling or recycling of steel parts containing lead, may give rise to environmental and health risks, mainly due to the toxicity and longterm persistence of lead in the environment. of life treatment, such as waste handling or recycling of steel parts containing lead, may give rise to environmental and health risks, mainly due to the toxicity and long term persistence of lead in the environment.

Although Bufab is not directly covered by certain productspecific legislation such as RoHS, the company is strongly affected by customer requirements and demand for information regarding chemical content. A significant proportion of Bufab’s customers require compliance with applicable chemicals legislation and transparency regarding substances in delivered products. specific legislation such as RoHS, the company is strongly affected by customer requirements and demand for information regarding chemical content. A significant proportion of Bufab’s customers require compliance with applicable chemicals legislation and transparency regarding substances in delivered products.

Bufab has also identified that transportation and manufacturing processes, particularly further upstream in the value chain, may give rise to negative environmental effects and risks related to pollution (nonmaterial). These impacts, risks and opportunities are managed through the company’s governance of the supplier chain, chemical requirements and followup activities as part of Bufab’s sustainability work. material). These impacts, risks and opportunities are managed through the company’s governance of the supplier chain, chemical requirements and follow up activities as part of Bufab’s sustainability work.

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E2-1

Policies related to pollution

Through its Environmental Policy, Bufab has committed to protecting the environment by preventing pollution and reducing and mitigating the negative impacts of resource consumption and waste generation across its operations and value chain. As part of this commitment, all Group companies are required to implement an environmental management system in accordance with ISO 14001. Bufab does not consider its direct operations to have a material impact in relation to pollution.

When establishing Group targets and policies, Bufab takes into account relevant legal requirements, customer requirements, shareholder expectations and employee perspectives.

- Key points concerned
- Prevention of pollution
 - Implementation of environmental management systems
 - Management of restricted substances and chemicals

Bufab monitors the regulatory landscape and applies, as a minimum requirement, compliance with REACH, RoHS, POPs and other applicable legal requirements, regardless of where it operates.

To support this, Bufab has established a list of substances that are prohibited, restricted or of concern. This list is included as an appendix to the Supplier Code of Conduct. The purpose is to avoid and limit substances that may be harmful to human health or the environment.

Through its supplier policies, Bufab requires suppliers to declare substances that are restricted or of concern and encourages them to work proactively towards their phase-out.

Group policies apply to all business regions, subsidiaries and employees within the Group. Compliance is monitored through the Group's management structure, governing documents, internal audits, and systematic follow-up of relevant KPIs and indicators.

E2-2

Actions and resources related to pollution

Through its environmental policy, Bufab has committed to protecting the environment by preventing pollution and reducing the negative effects of resource use and waste generation within our operations and value chain.

To meet legal and customer requirements, we have implemented internal procedures to assess risks and take appropriate precautionary measures to ensure regulatory compliance. Bufab has also invested in systems for compliance management.

Local companies work to identify and manage substances on the EU Candidate List of Substances of Very High Concern (SVHC). Bufab has invested in a central system that supports local companies. We prioritise the phaseout of substances with particularly high risk and require suppliers to actively work on replacing them. As part of supplier audits and capability assessments, the supplier's ability and compliance are followed up. out of substances with particularly high risk and require suppliers to actively work on replacing them. As part of supplier audits and capability assessments, the supplier's ability and compliance are followed up.

Our purchasing activities are guided by the principle of continuous improvement, and we provide guidance and training to suppliers regarding new substance classifications, risk assessments and documentation requirements. For transport providers, Bufab places requirements such as the use of vehicles with Euro 6 or higher. Furthermore, the company requires suppliers to communicate onward the requirements in our Code of Conduct.

Bufab currently has no direct key performance indicators or targets for reducing pollution. However, we do have indirect activities and indicators that are reported within other areas, such as an increased share of recycled and renewable resources in our products, and increased use of renewable fuels by our transport fuel suppliers. Internally,

we also work to improve loadfactor efficiency and select more sustainable transport methods. factor efficiency and select more sustainable transport methods.

The Group works to support our companies in improving their systems for monitoring and information gathering.

As part of our chemicals management responsibility, we continuously map materials and components together with our suppliers. Where required, suppliers are obligated to report the presence of SVHC substances above 0.1 percent (w/w).

Bufab reports the presence of Substances of Very High Concern (SVHC) in accordance with the requirements of the EU Waste Framework Directive (WFD) and the REACH Regulation. Components or articles supplied by Bufab that contain SVHC substances listed on the REACH Candidate List in concentrations above 0.1 percent (w/w) are reported to the Substances of Concern in Products (SCIP) database.

Internal resources collaborate to monitor regulatory developments, update requirement documents, and ensure transparent information about SVHC substances is provided to our customers in accordance with Article 33 of the REACH Regulation. Bufab obtains information from technical data and suppliers regarding the presence of SVHC substances in articles in line with Article 33. This reporting enables transparency and traceability for articles containing SVHC substances throughout their entire life cycle, and supports Bufab's commitment to meeting legal requirements and promoting the substitution of hazardous substances where technically and economically feasible.

Policy

ESRS sub-section	Bufab Group Policies	Alignment to standards
E2 Substances of very high concern	Supplier Code of Conduct*A Procurement Policy*B Environmental Policy*B Quality Policy*B	- OECD Guidelines for Multinational Enterprises on Responsible Business Conduct - UN Global Compact - ISO 14001

*A – Owner Bufab Board of Directors

*B – Owner Bufab CEO

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The measures are primarily linked to the resources required to manage Bufab's supply chain. According to our current assessment, these measures do not entail any material financial impact for Bufab nor any impact on existing financing. Should implementation of the initiatives described in this plan require additional resources or investments, this will be integrated into our ordinary financial planning. Any material effects on the financial statements will, when relevant, be identified and reported in accordance with our established financial reporting principles and applicable standards.

Completed actions

- Global system for registering articles in the SCIP database.
- Global system for understanding material risks and compliance with chemical requirements based on material specification.
- Establishment of a list of prohibited and restricted substances.
- Inclusion of the prohibited and restricted substances list in supplier communication and requirements.
- Inclusion of chemical requirements in the audit process and in evaluations of supplier capability.

Planned actions

- Globally coordinated campaigns to proactively screen supplier and article status.
- Further development of system support and integration with existing article systems.

E2-3

Targets related to pollution

Through its Environmental Policy, Bufab has committed to protecting the environment. As part of this commitment, all Group companies are required to implement an environmental management system in accordance with ISO 14001. This is intended to ensure that each company identifies and manages its significant environmental aspects and continuously improves its environmental performance.

At present, Bufab has not established formalised Group-wide targets related to these areas. Instead, the work is governed through policies, management systems and follow-up at company level.

Furthermore, all companies within Bufab are required to comply with Bufab's Restricted Materials and Substances List (RMSL). The list specifies substances that are prohibited, restricted or of concern. These requirements are communicated by each company to its suppliers, who confirm compliance by signing the RMSL.

Bufab also requires all suppliers to sign the Supplier Code of Conduct. Any identified gaps are continuously followed up within the framework of Bufab's supplier engagement activities.

E2-5

Substances of concern and Substances of Very High Concern (SVHC)

Bufab has identified the presence of substances included on the REACH Candidate List (SVHC). The presence mainly refers to lead contained in certain metal products, primarily in steel, aluminium, and copper alloys. In some cases, the lead content in these products may exceed the threshold of 0.1 percent (w/w).

In addition, DEHP (di(2ethylhexyl)phthalate), which is also an SVHC substance, occurs in certain plastic products.

Bufab is dependent on information from suppliers in the value chain to identify and quantify the presence of substances of concern in products and materials. Access to updated and detailed quantity data is currently limited. Some standards specify fixed material compositions, for example regarding lead, while others allow variation within specified limits, which may differ between suppliers. The company therefore reports the information currently available. During the phase-in period, the transitional provisions set out in Appendix C to ESRS 1 are applied.

Hazard class – Substances

GHS Hazard Class	Category	Sub-stance	Delivered weight*
Reproductive toxicity	1A	Lead	-
Reproductive toxicity	1B	DEHP	-

*Under phase-in due to limited availability of reliable data.

SVHC Products as a Share of Sales

KPI description	Outcome 2025	Outcome 2024
Sales volume in % of products containing SVHC substances	2%	2%

E5 – Circular Economy

Bufab’s strategy

Bufab’s strategy for circular economy focuses primarily on increasing the share of recycled material in the articles we purchase, reducing waste and landfill from our own operations, and ensuring that the materials used in our products are recyclable.

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Material impacts, risks and opportunities

Description of Material Impacts, Risks and Opportunities		Sub-topic	Position in the value chain
	Risk: The negative effects of increased regulation on the circular economy may lead to higher costs and administrative burdens for companies. Regulation may result in shortages, restrictions, and/or cost increases for key materials.	E5 – Resource inflows, including resource use	
	Actual impact: Bufab purchases approximately 100,000 tonnes of steel products. Some proportion is recycled steel. Material use contributes to climate change, resource extraction, pollution, land degradation, etc. Increased recycled content is important for reducing Bufab’s climate impact.	E5 – Resource inflows, including resource use	
	Actual impact: Bufab purchases approximately 100,000 tonnes of steel products. Some proportion is recycled steel. Material use contributes to climate change, resource extraction, pollution, land degradation, etc. Increased recycled content is important for reducing Bufab’s climate impact.	E5 – Resource outflows related to products and services	
	Waste occurs throughout the value chain, from supplier operations and packaging to hazardous slag in mining and inefficiencies in steel mills. Defective products, chemical use and material/water losses further contribute to landfill use, pollution and cost.	E5 – Waste	

 Upstream  Own operations  Downstream

SBM-3

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

Raw materials and natural resources used in Bufab’s products impact resource extraction as well as greenhouse gas emissions, pollution, water resources, biodiversity, and people and local communities. A more circular use of natural resources can significantly reduce these impacts across all areas. Bufab’s operations and supply chain are subject to regulations related to the circular economy, contributing to increased sustainability and more efficient resource use.

Bufab’s products mainly consist of technical materials such as steel, aluminium, and copper, which have high recycling rates. The company continuously evaluates opportunities to increase the share of recycled materials and reduce waste in both production and the supply chain. Biological materials, such as natural rubber and wood used in certain components, are also subject to sustainability assessments focusing on traceability and responsible sourcing (e.g. FSC certification and compliance with the EU Deforestation Regulation (EUDR)).

As a trading company with a downstream position in the value chain, Bufab has limited ability to directly influence material efficiency in manufacturing. However, we can contribute indirectly by promoting high product quality, reducing claims, and preventing obsolescence.

Bufab has identified that certain alloying metals (e.g. nickel, chromium, and molybdenum in stainless steel), as well as neodymium used in magnetic materials, may be included in the EU list of Critical Raw Materials. These materials may entail supply risks and increased requirements for transparency and substitution efforts.

Bufab’s own operations generate a limited amount of waste, with a larger impact arising from the supply chain, end customers, and the handling of end-of-life products. Downstream impacts are increasingly governed by regulations on extended producer responsibility (EPR), which make manufacturers responsible for the entire lifecycle of their products, including recycling and disposal.

As a large share of our products is recyclable, the actual recycling outcome is largely determined by how the customer designs the final product, as well as the performance of the recycling systems in the country where the product is disposed of. Furthermore, many of the materials used in Bufab’s products, such as steel and aluminium, can be produced using recycled content. Increasing the use of recycled materials reduces the extraction of natural resources and can contribute to lower impacts on climate, pollution, and biodiversity.

Bufab’s facilities must also comply with various national and regional regulations on waste management. These requirements influence how Bufab manages waste and resources in its processes.

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SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

In terms of product design, Bufab is affected by standards that require durability, reparability, and recyclability of products, as well as restrictions on the use of hazardous materials. Bufab places strong emphasis on quality and chemical compliance to meet customer requirements. Furthermore, the company focuses on increasing the use of recycled materials and improving recyclability. The choice of fastening methods is essential to support circular design, particularly as most of Bufab's products are made of steel and other metals that are recyclable when properly integrated into customer applications.

With the growing interest in the circular economy among customers, Bufab has the opportunity to leverage its sustainability engagement as an important competitive advantage. This focus on environmentally responsible practices can differentiate Bufab in the market and appeal to the increasing number of customers who prioritize sustainability in their purchasing decisions (non-material opportunity).

E5-1

Policies related to resource use and circular economy

Bufab has committed in its Environmental Policy to protect the environment by preventing pollution and reducing the negative effects of resource consumption and waste generation in its operations and value chain.

In the policy, the company has defined an ambition to increase the share of recycled material in its products. The first step in this process is to collect data to establish the current baseline. The company has also set an ambition for overall recyclability to exceed 90 per cent in sold products.

The Group's policies apply to all business regions, subsidiaries and employees within the Group. Compliance is monitored through the Group's management structure, governance documents, internal audits and systematic follow-up of relevant KPIs and indicators.

Bufab also aims to reduce waste to landfill and to decrease total waste generated in its operations. Operational waste forms part of the local companies' environmental management strategies, while the inclusion of recycled content is an integrated part of the company's Sustainable Supplier Engagement Program.

When establishing the Group's targets and policies, Bufab has taken into account relevant legal requirements, customer requirements, shareholder expectations and employee perspectives.

- Key points concerned
- Waste and waste management
 - Use of recycled materials
 - End-of-life treatment of products

E5-2

Actions and resources related to resource use and circular economy

Bufab works systematically to optimize its resource use and promote a circular economy, in line with the company's sustainability policy and environmental objectives. The company prioritizes the use of recycled materials, the management and minimization of waste both within its own operations and for products, and ensures that products meet the required quality standards.

As part of the company's Sustainable Supplier Engagement Program (SSEP), Bufab collects data on the use of recycled materials and encourages suppliers to gradually increase the share of recycled content in their products. During the year, Bufab has obtained available supplier data regarding recycled steel within its systems. This work contributes to increased transparency and future opportunities for more informed decision-making.

At the same time, the company maintains a strong focus on product quality. As Bufab supplies many customers with high technical requirements, where components often constitute a small but critical part of the customer's

final product, the articles must not limit reliability or lifespan. Bufab therefore continuously invests in quality assurance, testing, and product follow-up to ensure the right quality and reduced resource use over time.

Operational waste is managed within the framework of each subsidiary's environmental management system, where prevention, reuse, and recycling are prioritized in accordance with the EU waste hierarchy. Bufab has set a target to reduce total waste from its facilities and increase the share of waste that is recycled.

As the majority of Bufab's products consist of pure materials and clearly defined material fractions, such as steel, copper, and aluminium, a large share of the products is recyclable. However, Bufab has limited ability to influence how products are integrated into the customer's product design and thereby the recyclability of the final product. To contribute to a more circular economy, Bufab has therefore established an enabling target: that its products should be more than 90 percent materially recyclable.

Policy			
ESRS sub-section	Performance review	Bufab Group Policies	Alignment to standards
E5 Resources inflows, including resource use	* Annual group * Quarterly on BU	Procurement Policy*B Supplier Code of Conduct*A Environmental Policy*B	- UN Guiding Principles on Business and Human Rights - OECD Guidelines for Multinational Enterprises on Responsible Business Conduct - UN Global Compact - 1.5°C ambition expressed in the Paris Agreement
E5 Resources outflows related to products and services	* Annual group * Quarterly on BU	Procurement Policy *A Supplier Code of Conduct*B Environmental Policy*B	- UN Guiding Principles on Business and Human Rights - OECD Guidelines for Multinational Enterprises on Responsible Business Conduct - UN Global Compact - 1.5°C ambition expressed in the Paris Agreement
E5 Waste	* Annual on group	Environmental Policy*B	- ISO 14001 - 1.5°C ambition expressed in the Paris Agreement

*A – Owner Bufab Board of Directors *B – Owner Bufab CEO

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E5-2 – Actions and resources related to resource use and circular economy

The inclusion of recycled materials and the minimization of hazardous substances are also integrated parts of Bufab’s sustainability work in the supply chain.

To ensure transparency and compliance with regulatory requirements, Bufab has implemented a process and system for registering substances of very high concern (SVHC) in the SCIP database in accordance with the EU Waste Framework Directive (2008/98/EC). This enables the tracking and reporting of substances of concern in products throughout the value chain and supports Bufab’s efforts towards safe and circular material flows.

The measures are mainly related to the resources required to manage Bufab’s supply chain. Based on the current assessment, these measures do not result in any material financial impact on Bufab nor any impact on existing financing. Should the implementation of the initiatives described in this plan require additional resources or investments, these will be integrated into the company’s regular financial planning. Any material effects on the financial statements will, where relevant, be identified and reported in accordance with established financial reporting principles and applicable standards.

Actions implemented

- Collection of data on recycled materials in purchased items as part of the Sustainable Supplier Engagement Program (SSEP).
- Global system to assess material-related risks and compliance with chemical requirements based on material specifications.
- Investments in quality and strengthening of the quality organization.
- Global system for registration of SVHC articles in the SCIP database.

- Establishment of a list of prohibited and restricted substances.
- Launch of a Zero Landfill program and related training.
- Mapping of global steel mills based on scrap-based production (EAF).

Planned actions

- Increase the share of recycled materials in Bufab's products.

E5-3

Targets for resource use and circular economy

Bufab’s own operations generate a relatively limited amount of waste, with a greater impact arising from the supply chain, Bufab’s end customers and the handling of customers’ end-of-life products. Within its own operations, the objective is to reduce total waste as well as waste sent to landfill.

Furthermore, many of the materials used in Bufab’s products can be manufactured from recycled materials, such as steel and aluminium. Bufab therefore focuses on increasing the use of recycled materials and enhancing product recyclability.

Downstream impacts are increasingly governed by extended producer responsibility (EPR) regulations, which make manufacturers responsible for the entire life cycle of their products, including recycling and disposal. As a large share of Bufab’s products are recyclable, the actual recycling outcome largely depends on how the

customer designs the final product and on the efficiency of the recycling system applied in the country where the product is ultimately treated as waste.

Bufab therefore focuses on a target of at least 90 per cent material recyclability to enable circular design and increased recycling across the value chain, thereby reducing the extraction of natural resources while also contributing to reduced impacts on climate, pollution and biodiversity.

The waste targets are based on international circular economy guidelines, the EU waste hierarchy and established environmental management standards. The target of a 20 per cent reduction and zero landfill is based on analyses of historical data, identified efficiency opportunities and industry practice.

During the year, Bufab updated its measurement methodology and base year. The target is now defined as total waste weight in relation to net sales. The updated base

year is 2023. The reduction compared to the base year is largely explained by the divestment of manufacturing entities during 2024.

In order to increase the share of recycled materials, and thereby reduce the need for virgin material extraction, the company needs to understand the current material content in its products. Mapping of the baseline has therefore been integrated into the SSEP programme.

In 2025, the company adopted a target that 80 per cent of its purchasing volume shall consist of recycled material by 2031. The established target is intended to support Bufab’s climate targets for 2031. Reporting on the outcome of this target has not yet commenced.

Waste ladder

Step waste ladder	Objectives ¹⁾	Outcome 2025
Minimize	20 per cent reduction in operational waste (base year 2023), measured as weight in relation to net sales. Base year 2023. ²⁾	54%
Recycle materials	Zero waste to landfill by 2030 (base year 2021) ³⁾	8%
Recycle materials	Recyclability of at least 90 percent ⁴⁾	97%

1) The above targets have been established on a voluntary basis and are not subject to any binding legal requirements.

2) The ratio between waste intensity in the reporting year (total waste generated divided by net sales) and waste intensity in the base year 2023.

3) Total amount of waste sent to landfill during the reporting year divided by total reported waste generated during the reporting year.

4) Total order volume during the reporting year for materials that are recyclable divided by total order volume during the reporting year.

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E5-4, E5-5

Resource Inflows and Resource Outflows

Bufab purchases items primarily consisting of technical materials such as steel, aluminium, copper, and other metals. The company also purchases and sells a smaller share of products consisting of electrical and electronic components as well as plastics. A limited portion of the products also contains biological materials in the form of wood and natural rubber (<1 percent).

The share of biological materials and bio-based materials used for non-energy purposes in Bufab’s products and services, including packaging materials, is limited. These materials mainly consist of wood or rubber components, as well as packaging made of paper and cardboard.

All such materials shall be sustainably produced in accordance with Bufab’s Supplier Code of Conduct and Sustainable Procurement Policy. All wood and rubber materials must comply with the requirements of the EU Deforestation Regulation (EUDR). Bufab encourages the use of materials certified according to FSC® or PEFC™.

For wood- and rubber-based products, the cascading principle is applied where relevant, meaning that reuse and recycling are prioritized over energy recovery or incineration. In particular, wooden pallets are reused.

As Bufab is primarily a trading company, the volume of materials entering its warehouses is in principle the same as the volume leaving them. However, a certain amount may become obsolete and is then reported as waste. No significant resource inflows are therefore consumed in the company’s own processes. Outgoing materials

together with the company’s waste thus represent resource outflows. The company does not identify any risk of double counting of incoming materials in the reporting.

In general, the products consist of a single input material and are mechanically processed such that the shape of the product constitutes its function. The main processes for input materials are presented below.

Bufab has established targets and works to reduce the amount of waste generated from its operations, as well as to reduce the amount of waste sent to landfill.

Bufab is working to increase the share of recycled materials in its products. At present, the company does not have full access to the data required to provide a complete and accurate representation of performance. Work is ongoing to collect this data from suppliers and integrate it into the company’s systems.

Bufab is dependent on information from the value chain to assess and quantify the share of virgin and recycled materials in products and materials. The availability of reliable and detailed data is currently limited. The company therefore reports the information that is currently available. For the reporting year 2025, the company applies the phase-in provisions set out in Appendix C of ESRS 1.

Material Inflows

Material outflow	Unit	2025	2024
Share recycled as % of total ¹⁾	%	-	-
Share virgin as % of total ¹⁾	%	-	-

1) The Group collects data on recycled material through the SSEP program. The Group is currently working to integrate data on recycled material into its data warehouse. Bufab will begin reporting the amount of recycled material once verified data becomes available.

Total weight	Unit	2025	2024
Material outflow (total weight delivered in metric tonne)	Number	104,275	109,815

Share of material in outflow material	Unit	2025	2024
Steel (%)	%	76%	83.20%
Stainless steel (%)	%	10%	10.00%
Plastics (%)	%	3%	2.30%
Aluminium (%)	%	2%	1.80%
Brass (%)	%	<0,5%	0.50%
Zink (%)	%	<0,5%	0.50%
Wood (%)	%	<1%	0.40%
Other- (%)	%	8%	1.30%

Product recovery	Unit	2025	2024
Material recyclability rate (%)	%	97	96%
Share of articles containing SVHC substances that are registered in SCIP (%)	%	100%	100%

Note 1: Amounts of biological material consist of wood or fibrebased packaging materials and natural rubber. These make up a small share of Bufab’s total sales and purchasing (<1%).

Note 2: Material recyclability rate is estimated based on spend data.

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Waste Outflow

Waste outflow (total weight metric ton)	Unit	2025	2024
Waste outflow (total weight metric ton)	Number	2190	2644

Hazardus waste (total weight metric ton)	Unit	2025	2024
Diverted from disposal - Preparation for reuse	Number	0	0
Diverted from disposal - Recycling	Number	8	82
Diverted from disposal - Other recovery operation	Number	61	1
Directed to disposal - Landfill	Number	0	4
Directed to disposal - Incineration	Number	4	2
Directed to disposal - Other disposal operation	Number	2	1
Total amount of hasardus waste	Number	75	90

Non-hazardus waste (total weight metric ton)	Unit	2025	2024
Diverted from disposal - Preparation for reuse	Number	0	0
Diverted from disposal - Recycling	Number	1592	2058
Diverted from disposal - Other recovery operation	Number	217	21
Directed to disposal - Landfill	Number	166	126
Directed to disposal - Incineration	Number	115	268
Directed to disposal - Other disposal operation	Number	25	81
Total amount of hasardus waste	Number	2116	2554

Summary	Unit	2025	2024
Total share recovered	%	86%	82%
Total share directed to disposal	%	14%	18%
Total amount recovered (metric ton)	Number	1878	2168,08
Total amount directed to disposal (metric ton)	Number	312	475,92

- Not 1:**
Hazardous waste is waste that possesses any of the characteristics listed in Annex III of the Basel Convention or is classified as hazardous under national legislation.
- Not 2:**
Extrapolation is applied for companies without complete access to waste data.
- Not 3:**
Waste at Bufab's facilities mainly consists of packaging materials such as plastic, paper and wood from warehouse operations, and office waste including outofuse phones, computers and paper. Obsolete or discarded articles may also become waste-typically in the form of metal scrap. of use phones, computers and paper. Obsolete or discarded articles may also become waste-typically in the form of metal scrap.

Critical Materials and Substances

Material Type	Main Manufacturing Process	Raw Material Extraction	Critical Substances / Risks
Aluminium	Aluminium production – smelter	Bauxite mining	Lead
Steel	Steel production – BOF or EAF	Iron ore mining and alloying	Lead
Stainless steel	Stainless steel production – EAF, BOF and alloying	Iron ore mining and chromium alloys	Lead, nickel
Plastic	Petrochemical processes	Oil extraction	Potential presence of several SVHC substances poses a risk
Synthetic rubber	Polymerisation	Oil extraction	Potential presence of several SVHC substances poses a risk
Natural rubber	Tapping and coagulation	Rubber trees and plantations	Timber product (deforestation)
Other metals	Smelting	Mining operations	Depending on the metal, risks mainly relate to the presence of tin (e.g., in bronze) and lead in brass
Electrical/Elec-tronics	Assembly of components	Combination of several supply chains	Potential presence of several SVHC substances poses a risk
Wood	Processing and sawing	Forestry	Timber product (deforestation)
Surface treatment	Coating, anodising, galvanising	Chemicals, electrolytic processes	Potential presence of PFAS, lead and cobalt constitutes risks.

Data sources and assumptions

Since Bufab is primarily a trading company, the incoming materials are essentially the same as the outgoing materials (with the exception of the waste generated in the operations). As waste represents a small share, only outgoing materials (resource outflows) and purchased packaging materials are reported. Together, these constitute the outgoing materials.

Data concerning material content is based on article weights, material classifications, and purchase and sales volumes. The total incoming weight is assumed to approximately equal the total outgoing weight plus waste. The percentage distribution of incoming and outgoing weight per material category is assumed to be the same.

Estimates of recyclability are based on theoretical recycling potential per material type, drawing on established material flows and recycling systems.

Information regarding the share of recycled material is based on data provided by suppliers, collected through Bufab's Sustainable Supplier Engagement Program (SSEP). In cases where data is missing, the precautionary principle is applied and the material is assumed to be virgin. However, Bufab recognises that a certain proportion of recycled material is likely included even in these cases.

Because detailed waste data is missing for several countries, Bufab has made an estimate based on the composition from markets where detailed data is available.

EU Taxonomy

Bufab is a trading company that offers its customers a complete solution as a Supply Chain Partner for purchasing, quality assurance, sustainability and logistics of CParts. Parts.

Bufab has analysed the Group’s net sales, capital expenditures (CapEx) and operating expenses (OpEx) in order to assess applicability under the EU Taxonomy Regulation. Based on the analysis performed, no part of the Group’s net sales is considered to be taxonomyeligible. eligible.

Eligible CapEx relates mainly to IFRS 16 leases of buildings and vehicles, and to a limited extent to the installation of energy-efficient equipment. efficient equipment.

Operating expenses as defined by the taxonomy are assessed not to be material for Bufab’s operations. The disclosures in this appendix aim to provide transparency regarding assessments, boundaries and reported applicability under the Taxonomy Regulation.

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Budget year					Breakdown by environmental objectives of Taxonomy aligned activities										
KPI (1)	Total (2)	Proportion of Taxonomy eligible activities (3)	Taxonomy aligned activities (4)	Proportion of Taxonomy aligned activities (5)	Climate change Mitigation (6)	Climate change Adaptation (7)	Water (8)	Circular Economy (9)	Pollution (10)	Biodiversity (11)	Proportion of enabling activities (12)	Proportion of transitional activities (13)	Not assessed activities considered nonmaterial (14)	Taxonomy aligned activities in previous financial year (N-1) (15)	Proportion of Taxonomy aligned activities in previous financial year (N-1) (16)
	SEK million	%	SEK million	%	%	%	%	%	%	%	%	%	%	SEK	%
Turnover	8072	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CapEx	373	63	0	0	0	0	0	0	0	0	0	0	0	0	0
OpEx	28	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Contextual information and reporting for 2025

Bufab is primarily a trading company offering customers comprehensive solutions within C-parts, including sourcing, quality control, and logistics. In addition to its trading operations, Bufab also conducts limited manufacturing of technically advanced C-parts.

The EU Taxonomy Regulation aims to promote sustainable development within the European Union. During the year, the taxonomy has been expanded to include additional environmental objectives. As the regulatory framework evolves, Bufab's reporting also continues to develop.

The Taxonomy Regulation constitutes the EU's common classification system for defining environmentally sustainable economic activities across six environmental objectives. For the financial year 2025, the report-

ing requirements include both taxonomy-eligible and taxonomy-aligned activities related to all environmental objectives.

The framework covers sectors and activities considered to have the greatest potential to prevent and reduce environmental impact and to contribute to the EU’s climate and environmental objectives, including the goal of climate neutrality by 2050.

Compliance with the EU Taxonomy Regulation

Bufab applies the EU Taxonomy Regulation in its sustainability reporting in accordance with the new delegated act (EU 2026/27).

With respect to revenue and CapEx, Bufab has screened its economic activities against the descriptions set out in the delegated acts. During the reporting

period, the Group did not generate any revenue that is taxonomy-eligible or taxonomy-aligned. As Bufab considers OpEx to be non-material in accordance with the taxonomy definition, the taxonomy reporting primarily relates to the share of investments (CapEx) associated with the purchase of taxonomy-covered products and services.

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Turnover Bufab has analysed the Group's economic activities in order to identify revenue-generating activities covered by the EU Taxonomy Regulation. Based on the analysis performed, Bufab currently assesses that it does not conduct any revenue-generating economic activity covered by the delegated acts adopted under Regulation (EU) 2020/852. Own manufacturing of C-parts is currently not included among the economic activities defined within the EU Taxonomy. Other sales within the Group are likewise not covered by the activities, including enabling activities, specified in the Taxonomy delegated acts. On this basis, no part of Bufab's turnover is considered taxonomy-eligible. Capital expenditure (CapEx) As Bufab does not have taxonomy-eligible turnover, the Group's reporting under the EU Taxonomy relates solely to the acquisition of taxonomy-eligible products and services. The Group's CapEx mainly consists of IFRS 16 leasing of buildings under activity CCM 7.7, as well as IFRS 16 leasing of vehicles under activities CCM 6.5 and CCM 6.6. A minor share of CapEx (less than 1 per cent) is attributable to activity CCM 7.3. Although these investments may meet the criteria for substantial contribution to the EU environmental objectives, Bufab has, based on available information during the 2025 financial year, not been able to verify that the “Do No Significant Harm” (DNSH) criteria are fulfilled. For example, 68 per cent of capital expenditure within category CCM 6.5 met the threshold for substantial contribution, but reliable information to assess DNSH was lacking. The capital expenditures have therefore not been classified as taxonomy-aligned.	
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For activity CCM 6.5, it is primarily difficult to obtain information related to DNSH criteria concerning pollution and circular economy. For activity CCM 7.7, information relating to climate change adaptation may be limiting. Operating expenditure (OpEx) Operating expenditure falls within the scope of the Taxonomy Regulation. However, Bufab assesses that the OpEx items defined under the Taxonomy are not material to the Group, as operations primarily consist of trading activities and only to a limited extent include short-term lease contracts and repair and maintenance of tangible fixed assets. Accounting principles Turnover Turnover under the Taxonomy Regulation corresponds to the Group's net sales in accordance with the Annual Report for the 2025 financial year. See net sales on page 161 in the Directors' Report. Capital expenditure (CapEx) Capital expenditure refers to investments in tangible and intangible fixed assets during the financial year, including investments through business combinations, before depreciation, impairment and revaluations. Goodwill is not included in CapEx, as goodwill does not constitute an intangible asset under IAS 38. See changes in acquisition values in Notes 16, 17, 18 and 19 in the Financial Statements section. Operating expenditure (OpEx) OpEx includes non-capitalised costs for repair and maintenance of tangible fixed assets as well as costs for short-term lease contracts during the financial year. The Group has no research and development expenses or other costs classified as OpEx under the Taxonomy Regulation.	
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Comparison with previous year Taxonomy-aligned turnover and operating expenditure (OpEx) remained unchanged between 2024 and 2025, with all figures amounting to zero. Total CapEx increased slightly during the year to MSEK 373 compared to MSEK 353 in 2024. The share of taxonomy-eligible CapEx increased slightly to MSEK 236 from MSEK 218 the previous year. The operating expenditures (OpEx) during the year remained immaterial. The share of taxonomy-aligned capital expenditure (CapEx) remained zero in 2025, largely due to limited availability of information related to the DNSH criteria. The assessment of DNSH criteria is performed within the business regions. Bufab does not collect specific data from subsidiaries regarding which DNSH criteria are not fulfilled. Minimum social safeguards Bufab ensures compliance with the EU Taxonomy minimum safeguards requirements through Group-wide governance documents and processes aligned with the International Labour Organization (ILO) core conventions, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. These principles are integrated into the Group's Code of Conduct, Supplier Code of Conduct and relevant policies and procedures. Compliance is monitored through risk assessments, supplier audits, due diligence processes and the management of non-conformities. In cases where potential or actual breaches are identified, corrective actions are taken in dialogue with the relevant parties.	
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The assessment of minimum safeguards constitutes an integrated part of the Group's sustainability governance and is considered when evaluating economic activities in relation to the EU Taxonomy criteria.

Social information

S1: Own workforce

Bufab’s strategy

Bufab’s work with our employees is based on the conviction that they are the key to our success. We have groupwide policies that guide our efforts to ensure a safe, fair, and inclusive working environment, where human rights are respected, safety is prioritised, there is a balance between work and private life, and every employee is given the opportunity to develop. Through clear guidelines, continuous followup, and strong managerial accountability, we work systematically to create a sustainable and highperforming workplace for everyone.

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Material impacts, risks and opportunities related to own workforce

Description of material impacts, risks and opportunities		Sub topic (ESRS S1)	Position in the value chain
	Risk: Imbalances between work and private life pose a potential risk to individual employees, and incidents may still occur despite focus on health and safety.	S1 – Working Conditions	
	Potential impact: Imbalance between work and private life constitutes a potential risk for the individual employee. Although Bufab works actively with health and safety, work-related risks may occur, particularly in warehouse operations where certain tasks may involve physical strain.	S1 – Working Conditions	
	Potential impact: Unequal treatment or discrimination may result in negative impacts at individual or group level	S1 – Equal Treatment and Equal Opportunities	

 Upstream  Own operations  Downstream

SBM-3

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

The physical and mental wellbeing of employees is essential to Bufab’s success. The risks include imbalance between work and private life and constitute a potential risk for the individual employee but should be regarded as isolated incidents. In warehouse operations in particular, there are work-related risks. By promoting an inclusive work environment, investing in employee development, and implementing robust health and safety programmes, we can reduce risks for employees while strengthening our ability to retain talent that contributes to achieving our business and sustainability objectives.

Both employees and non-employees may be negatively affected with respect to working environment, health and safety. Employees are primarily affected through the physical and psychosocial working environment, which can partly be mitigated through training related to safety risks and psychosocial work environment factors. These risks include, more specifically, workplace accidents in warehouse operations and imbalance between work and private life for individual employees across the organisation. Furthermore, potential unequal treatment or

discrimination can have a significant impact on individual or group level. These potential risks may stem from unjustified pay gaps or favouritism. Negative impacts may also arise through harassment of individual employees in the workplace. Through our culture, routines and leadership, we seek to prevent these risks.

Non-employee workers, such as temporary staff or consultants, face similar risks of potential negative impact, particularly regarding working conditions and the working environment. Bufab requires that these workers are covered by Bufab’s Code of Conduct through requirements placed on their employer.

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S1-1

Policies related to own workforce

Our Group policies apply to all employees and to all Bufab companies. Each company has either implemented our HR policy or applied a similar policy that is at least equally stringent.

Bufab has established policies for identifying, assessing and managing the consequences that affect our workforce, including risks and opportunities related to their wellbeing, worklife balance, development and working environment. These policies cover the entire Bufab workforce with the aim of creating a safe, fair, inclusive and developmental workplace for all employees.

As a minimum, Bufab adheres to the UN Guiding Principles on Business and Human Rights, the ILO Core Conventions and internationally recognised standards relating to fundamental freedoms and human rights, including the right to privacy, freedom of expression

and peaceful assembly. These principles guide how the company identifies, prevents and manages risks related to human rights in its own operations and in relevant parts of the value chain. The work aims to contribute to respect for employees’ rights, regardless of background or position within the company, and within the framework of applicable legislation and local conditions.

Bufab’s HR policy and recruitment procedures stipulate zero tolerance for forced labour and child labour. These principles apply within our own operations and are also communicated to suppliers and relevant business partners.

The work to prevent workplace accidents and work-related ill health is an integrated part of Bufab’s overall management system. The company has established policies that set requirements for local management systems for working environment and safety. The aim is to

create a safe working environment and reduce the risk of work-related accidents and illnesses. The work environmental efforts cover the entire workforce and are carried out as part of the ongoing operational management.

To promote an inclusive working environment, Bufab has adopted a policy for inclusion and diversity aimed at preventing discrimination and promoting equal opportunities. The policy covers grounds of discrimination such as ethnicity, skin colour, gender, sexual orientation, gender identity, disability, age and religion. The work is supported by routines for preventing, identifying and managing discrimination, as well as promoting diversity within the organisation.

Bufab’s HR Policy emphasises that qualifications, skills and experience shall constitute the fundamental criteria for recruitment, placement, training and promotion at all levels of the company. Selection and decisions are made through a fair and transparent process where competence is the primary consideration, ensuring that all employees are given equal opportunities to develop and advance within the organisation. By combining objective selection principles with tailored support measures, Bufab aim to ensure that processes related to recruitment, training and promotion are not only merit-based but also fair and inclusive for all employees.

Bufab strives, where relevant and consistent with applicable regulations, to create conditions that support the inclusion of individuals from particularly vulnerable groups. This may include initiatives related to education and skills development for affected individuals, as well as measures aimed at promoting gender equality at managerial and leadership levels.

Policy			
ESRS sub-section	Review frequency	Bufab Group policies	Alignment to standards
S1 Working conditions	* Annual per company	Code of Conduct Policy *A HR Policy *A Health & Safety Policy*B GDPR Policy*A IT Policy*A Quality Policy *B Sanctions and Export Control Policy*A	- UN Guiding Principles on Business and Human Rights - OECD Guidelines for Multinational Enterprises on Responsible Business Conduct - ILO core conventions - UN Global Compact - Universal Declaration of Human Rights – Declaration on Fundamental Principles and Rights at work
S1 Equal treatment and opportunities for all	* Annual per company	Code of Conduct Policy *A HR Policy *A GDPR Policy *A IT Policy*A	- UN Guiding Principles on Business and Human Rights - OECD Guidelines for Multinational Enterprises on Responsible Business Conduct - UN Global Compact - Universal Declaration of Human Rights – Declaration on Fundamental Principles and Rights at work

*A – Approved by Bufab’s Board of Directors

*B – Approved by Bufab’s CEO

cont.

SBM 3 – Material impacts, risks and opportunities and their interaction with strategy and business model

Followup processes and skillsenhancement initiatives are used to support compliance with the company’s policies and guidelines. Employees are offered regular training in Bufab’s Code of Conduct, with a focus on ethics, fair working conditions and responsible behaviour. The training is provided through the company’s Learning Management System (LMS) and is monitored annually. In addition, annual documented performance and development reviews are conducted to support employees’ development and ensure alignment between individual goals and Bufab’s overall direction.

Through these policies and procedures, Bufab strive to ensure a work environment that is both inclusive and sustainable, while actively working to prevent potential risks and manage consequences that may affect the company’s own workforce.

At the same time, we recognise that certain individuals, for example, people with disabilities or those belonging to particularly vulnerable groups-may face greater challenges in acquiring certain qualifications, skills or experience. Bufab has therefore introduced targeted measures, such as dedicated training and development programmes, to support these groups and create

conditions that enable equal participation. This approach permeates the entire HR function and contributes to an inclusive work environment where diversity is regarded as a strength.

At the highest management level, Bufab has clearly allocated responsibility for equal treatment and equal opportunities by integrating these matters into the assignments of Group Management and the HR function. This means that managers and HR are responsible for ensuring that the principles of equal opportunities and fairness are upheld throughout the organisation, from strategic decisions to daytoday routines. Bufab has also adopted companywide policies and procedures that clearly guide all employees on fair employment practices, where for example the Code of Conduct and HR Policy emphasise the importance of objective selection principles and transparent processes.

To support the health and safety of employees, customers and other visitors with disabilities, Bufab works actively to adapt to the physical work environment. This includes ensuring that facilities and shared spaces are designed and equipped to be accessible for everyone, regardless of ability. Examples of such measures include installation of ramps, automatic door openers, clear signage and access to adapted sanitary facilities.

- Key Points Concerned
- Work-life imbalance
 - Health and Safety
 - Unequal treatment and discrimination

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S1-2

Processes for engaging with own workers and workers’ representatives about impacts

Direct engagement with employees mainly takes place at the local level and is adapted to the conditions and needs of each region. To ensure that all employees have access to relevant information and the opportunity to participate in dialogue, Bufab offers training and information materials in several languages.

Because Bufab's operations are globally distributed and local conditions-such as the number of employees, applicable legislation and established labourmarket traditions-vary between countries and regions, the degree of worker organisation differs across the Group. Bufab has a positive approach to freedom of association and the right to collective bargaining, and respects local forms of worker representation in accordance with applicable legislation.

In several countries, there are legal requirements regarding health and safety committees or similar forums. With respect to health and safety, we have policy requirements to actively involve our employees to facilitate a safe working environment.

Bufab also has policies that counter discrimination and promote gender equality, which help reduce inequalities in gender and power. By highlighting the importance of diversity and inclusion in recruitment processes and internal procedures, Bufab strengthens the conditions for all employees to interact on equal terms and feel safe within their teams. To follow up on how well our policies are implemented in the operations, Bufab conducts regular audits. The results of these audits and any deviations are managed centrally by a dedicated function within Bufab, enabling structured and efficient followup of our sustainability objectives and policy requirements.

Bufab identifies and manages potential conflicts of interest through clear internal guidelines and a well-established and respected Code of Conduct. If a conflict of interest arises, it must be reported immediately to the nearest manager or the HR department. Bufab has routines to evaluate and manage such situations, which may include reallocating work tasks, taking specific decisions to avoid impact on operations, or providing additional guidance to the individuals concerned. During the year, we have not had any material conflicts of interest to report. established and respected Code of Conduct. If a conflict of interest arises, it must be reported immediately to the nearest manager or the HR department.

Bufab has global procedures for performance and development reviews. The aim is that all employees should have an annual development dialogue. As part of our commitment to employee development and wellbeing, we also conduct an annual global employee survey to collect feedback, identify improvement areas and assess the effectiveness of our improvement efforts. Each organisational level within the Group develops its own action plans based on its specific results. The results of the survey are presented under S1-15.

Bufab evaluates the effectiveness of its engagement with the workforce through several methods, of which the annual global employee survey plays a central role. The survey results are thoroughly analysed to identify strengths and improvement areas, enabling an assessment of how well cooperation and dialogue function between management and employees. The high response rate, the overall index and the eNPS score indicate that employees are engaged and that Bufab succeeds in creating a work environment where employees feel involved and heard.

S1-3

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

Bufab has a whistleblowing policy that enables employees to report misconduct, including serious incidents that may have negative consequences for the workforce. Through this channel, the company can take action to remediate and resolve potential issues. Each reported case is carefully evaluated, and Bufab takes the necessary measures to ensure that remediation is adequate and effectively addresses the underlying causes.

Employees have access to Bufab's whistleblowing channel, which has been established in accordance with the EU Whistleblowing Directive. The channel is available to all employees, including volunteers and temporary staff, and can be used to report concerns anonymously via a webbased platform, telephone, email, or by requesting a physical meeting. The channel is managed by an external provider, SpeakUp, which guarantees anonymity and security for users.

Bufab also has a clear complaints-handling mechanism integrated into the whistleblowing channel. This mechanism provides a structured process for investigating reported concerns and offering feedback to the reporting individual. To ensure that all employees are aware of and have access to the whistleblowing channel, information is published on internal platforms such as SolutionNET, on the company's websites and in printed materials available at the workplace.

The Whistleblowing team within Bufab is responsible for reviewing and following up on reported cases and for ensuring that the channels operate effectively. The company provides feedback to the reporting individuals within a reasonable timeframe and collaborates with relevant

stakeholders to optimise the processes. To strengthen awareness and trust in these reporting structures, Bufab regularly conducts communication initiatives. Bufab also protects employees from retaliation when they use these channels in good faith.

Remediation may include several different actions depending on the nature of the issue. Examples include organisational changes, correcting incorrect decisions, offering support or compensation to affected individuals, or ensuring that necessary policies and procedures are amended to prevent similar issues from arising again. If personal distress has occurred, support services such as counselling or other healthpromoting measures may be offered. Bufab has not provided any material remediation during the past year.

An important part of the process is ensuring that the reporting individual receives feedback on the actions taken, to the extent possible while respecting confidentiality. Additionally, Bufab protects anyone who uses the whistleblowing channel in good faith from retaliation, which is essential in creating trust and safety in the reporting system.

By providing anonymous reporting channels and ensuring that all employees can raise concerns without risk of retaliation, Bufab fulfils key requirements derived from international instruments. Regular training of leaders and recurring evaluations of the work environment further strengthen the company's commitment to respecting and promoting human rights within the organisation.

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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

Bufab's strategies and actions to manage material impacts on its own workforce focus particularly on risks related to work–life imbalance and incidents that may have financial and reputational consequences. By analysing existing measures and evaluating their effectiveness, the company creates a basis for further development and continuous improvement.

Two central risk areas have been identified. The first is the risk of work–life imbalance, which can negatively affect employee wellbeing. Persistent imbalance may lead to reduced motivation, increased sick leave and weakened engagement. Despite a strong focus on health and safety, work-related incidents can still occur. These may have negative financial effects and harm Bufab's reputation.

Bufab works both proactively and reactively to manage these risks. Preventive measures include the implementation of global routines and policies for workplace health and safety, adapted locally to regional conditions. The company promotes a culture where work–life balance is valued, for example through flexible working hours and opportunities for remote work. Training initiatives strengthen understanding of Bufab's values and expectations, helping to reduce stress and create clarity.

Bufab has developed and implemented specific policies and procedures to address potential negative effects. These include crisis management plans, mental health and wellbeing support programmes, and mechanisms to support fair and ethical treatment of all employees (including non-employees). The company has also established guidelines on the payment of living wages. Data is handled in accordance with applicable legislation and the company's data protection policy to safeguard personal

information and prevent misuse. To ensure compliance, regular audits are conducted. Local Managing Directors are responsible for implementing policies, legal requirements and best practice. In procurement processes, Bufab also places requirements on suppliers concerning working conditions and human rights.

Bufab has local, BU, regional and global circles to drive continuous improvement and share best practice, including a "People Circle" focused on HR matters.

Reactive measures include rapid handling and reporting of incidents, supported by clear processes for investigation and corrective actions, as well as offering support to affected employees through occupational health services and counselling.

Progress on identified initiatives is followed through regular reviews and evaluations. Both quantitative and qualitative data are used to assess the effects and identify areas for improvement. Relevant targets are reported under ESRS S1-5. Targets have been established through industry or multistakeholder initiatives.

Employees and, where applicable, worker representatives are given opportunities to contribute feedback and participate in the development of processes and ways of working. This aims to promote transparency and inclusion and facilitate that operational experience is incorporated into continuous improvements.

Through this approach, employees are not only recipients of actions but active participants in the development and implementation of relevant initiatives.

Bufab has no known history of incidents related to child labour or forced labour within its own workforce. The company conducts continuous risk assessments and follow-ups to prevent and identify potential risks of negative impacts in its operations and value chain.

The measures implemented have contributed to greater awareness and an improved working environment. Preventive work has reduced the number of reported incidents and strengthened employees' perception of work–life balance. However, challenges remain, particularly in regions with limited legal protection. In these areas, further development of local initiatives and increased follow-up of results are required. Bufab's global framework provides a stable foundation, but flexibility and local anchoring are essential for long-term success.

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S1-5

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

The process for target setting within Bufab is based on an assessment of the Group's operational needs, relevant industry practice, and internationally recognised guidelines within occupational health and safety, gender equality and ethics.

Initially, material areas are identified through risk assessments and dialogue with employees and, where applicable, worker representatives, including trade unions. This dialogue takes place through established cooperation forums and staff meetings, where comments and proposals can be submitted.

This input is used to ensure that the targets formulated take into account identified risks, actual challenges and opportunities within the organisation.

Thereafter, internal needs and ambitions are compared with external requirements, such as sector initiatives and global goals including the UN Sustainable Development Goals. The targets are defined to be measurable, timebound and relevant for the organisation. Examples include setting a target that all employees shall have annual performance reviews, eliminate work-related injuries, or achieving gender balance among managers by a specific year.

When the targets are set, they are anchored within the organisation through communication and training, so that all employees and leaders understand their purpose and expectations. Follow-up and evaluation are carried out on an ongoing basis using both quantitative and qualitative methods, where outcomes are analysed and fed back into the organisation. In this way, targets can be adjusted and developed over time, in line with evolving needs and newly identified challenges or opportunities.

Bufab actively works towards the following targets:

- Appraisals with 100 percent of the workforce (ambition for the current reporting year). Outcome 2025 was 82 percent.
- Zero workplace-related accidents (ambition for current reporting year). Outcome in 2025 was 11 workplace related accidents. The company is aware that the target is challenging in the short term.
- Zero work-related diseases (ambition for reporting year). Outcome 2025, one related case.
- Gender balance among managers by 2030. See S1-g for outcome.
- Code of Conduct and anti-corruption training every third year. See outcome page 105.

Bufab has additional targets linked to the development and implementation of initiatives aimed at contributing to positive effects for its own workforce, based on identified needs and aspects of employee wellbeing.

Examples of such initiatives include recurring employee surveys, leadership development efforts, and activities focused on health and the work environment. The design of these initiatives is often carried out in dialogue with employees and, where applicable, worker representatives, for example through staff meetings and collaboration with trade unions.

This dialogue is used as input to assess the relevance and direction of the initiatives, with the purpose of tailoring them to actual needs and conditions within the organisation.

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S1-6

Characteristics of the undertaking’s employees

This information includes data combining region, country and gender, as well as gender and employee category. The data on the number of employees is based on figures

as of 31 December of the reporting year. Figures in the *Employee Information table* are extrapolated to some extent.

Distribution of employees by region and country

Region	Country	Total employees	Women, number	Men, number	Women, %	Men, %
Region Americas	North America	109	34	75	31%	69%
	Mexico	5	0	5	0%	100%
Region Asia-Pacific	China	154	60	93	39%	61%
	Singapore	52	23	29	44%	56%
	India	38	9	29	24%	76%
	Taiwan	16	10	6	62%	38%
Region Europe North & East	Sweden	298	100	199	34%	66%
	Denmark	139	40	99	29%	71%
	Poland	89	35	54	39%	61%
	Finland	52	15	37	29%	71%
	Norway	20	4	16	20%	80%
	Estonia	14	8	6	57%	43%
	Slovakia	14	5	9	36%	64%
	Hungary	17	6	11	35%	65%
	Romania	6	1	5	17%	83%
Region Europe West	The Nether-lands	136	38	97	28%	72%
	France	81	37	44	45%	55%
	Italy	55	13	42	24%	76%
	Austria	70	22	48	31%	69%
	Czech Republic	32	12	20	37%	63%
	Germany	64	20	44	31%	69%
	Spain	11	4	7	36%	64%
	Switzerland	8	1	7	12%	66%
	Turkiye	13	2	11	15%	85%
Region UK/Ireland	United Kingdom	364	88	276	26%	74%
Total companies		1,853	586	1,267	32%	68%

Employee information on gender & contract type

Employee category	Men	Women	Total
Permanent employees	1,201	542	1,743
Temporary employees	66	44	110
Full-time employees	1,189	505	1,694
Part-time employees	45	74	119
Employees without guaran- teed hours	7	33	40
Turn over rate			
Number of employees who left the company during the reporting period	170	78	248
Staff turnover rate percent	–	–	14%

S1-7

Characteristics of non-employee work-ers in the undertaking’s own workforce

A small share of Bufab’s workforce consists of non-employees who work in the company’s own operations but without a direct employment contract with Bufab. These individuals contribute specialist expertise or provide cover during, for example, parental leave, peak workloads or vacancies.

In the normal course of business, the companies engage consultancy firms or staffing agencies, and the contract is signed between Bufab and the company-not with the individual. In some isolated cases, a consultant operates through their own company; however, since the distinction from selfemployed persons can be difficult to determine, Bufab classifies these as staffing or consul-tancy firms when the contract is with the company rather than the individual. Some Bufab companies also engage nonemployees with reduced work capacity.

The data is collected annually by each company and is based either on payroll systems or contract management. The number of non employees is reported as headcount and refers to the number at the end of the reporting period.

People provided by companies engaged in employment activities refers to individuals hired through staffing or consultancy firms (NACE N78). Selfemployed people refers to individuals who would work based on a contract directly with Bufab, but such cases occur only exceptio-nally, and none have been reported during the year.

Information on non employee workers

Non employee workers	Number	% ³⁾
Non employee workers	122 ²⁾	6.7%
Selfemployed persons employed persons	0 ¹⁾	0
People provided by companies enga- ged in "employment activities" (NACE N78)	122	6.7%

Turn over rate non employee

Number of non employee workers who left Bufab during the reporting period	53	43
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There were no significant changes in the volume of nonemployee workers during the reporting period. employee workers during the reporting period.

1) The classification is based on contracts being signed with companies rather than with individuals, which is why these roles are registered as staffing or consultancy companies.

2) Calculated based on the number as of 31 December.

3) Calculated by total employees

Type of work

The most common assignments performed by non employee workers are:

- Services to cover vacancies or temporary needs
- Administrative or operational support during peak periods
- Specialist competence not available internally (e.g., IT specialists, technical consultants)

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S1-8

Collective bargaining coverage and social dialogue

We uphold freedom of association and the right to collective bargaining. Bufab operates in 31 countries, where labour market traditions and conditions differ across markets.

All Bufab companies are governed by our global HR Policy and Code of Conduct. See the table below for further details. 44 percent of our employees are covered by collective agreements.

Collective bargaining agreement coverage

Coverage level	Collective bargaining coverage		Social dialogue
	Employees – EEA (for countries with >50 employees representing >10% of total employees)	(estimate for regions with >50 employees representing >10% of total) (for countries with >50 employees representing >10% of total)	
0–19%	Poland	United Kingdom, China, Singapore, USA	Finland, Italy, Germany
20–39%			Poland
40–59%	Denmark, Germany		Austria
60–79%			
80–100%	Sweden, Netherlands, France, Austria, Finland, Italy		Sweden, Denmark, Netherlands France

S1-9

Diversity metrics

Bufab has policies that prevent discrimination and promote equal opportunities for everyone, regardless of background. The policy covers protected characteristics such as ethnicity, gender, sexual orientation, disability and religion. To support compliance, Bufab has procedures in place to prevent, detect and address discrimination, as well as to promote diversity. The company also applies positive action for vulnerable groups where appropriate. This includes training programmes for people with disabilities and initiatives to increase gender equality at management level. Bufab’s key metrics include monitoring the gender and age distribution of the workforce. See indicators on the table below.

Bufab’s highest operational management consists of the CEO and the immediate management team reporting directly to the CEO, with strategic responsibility for core functions and business areas within the company. “Company management” refers to members of local management teams within companies in the Bufab Group.

Gender distribution in management teams and age distribution in the group

Diversity Indicators	Unit	2025	2024
Share of men in company management teams	%	76	69
Number of men in company management teams	Number	112	69
Share of women in company management teams	%	24	31
Number of women in company management teams	Number	35	31
Age < 30	Number	289	256
Age 30–50	Number	983	870
Age > 50	Number	581	559

S1-10

Adequate wages

Bufab must meet legal requirements in the markets where the group operates and also has an ambition to pay living wages. In 2025, all companies reported that they pay at least the salary that follows from applicable legislation and, in cases where minimum requirements are regulated outside the legislation, for example through collective agreements or corresponding agreements between the social partners, that these levels are exceeded.

Bufab has conducted a risk-based assessment of adequate salaries. Companies with many employees or where a potentially higher risk has been identified have analysed salary levels in relation to relevant national benchmarks for living wages.

The analysis shows that the salaries paid to employees in the analyzed companies exceed the identified benchmark for living wage. Against this background, Bufab assesses that the salaries are generally adequate in relation to local living wage benchmarks.

The assessment is based on internationally established sources and databases for living wages such as the Global Living Wage Coalition, IDH Living Wage Platform and IDH Salary Matrix, the WageIndicator Foundation UN Global Compact guidance on living wages, the Ethical Trading Initiative and the Fair Wage Network.

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Social protection

The companies report annually the proportion of employees covered by social protection in connection with various life events.

The results of this reporting are presented below, together with the countries where such protection is lacking for each respective category.

Share of Employees Covered by Social Protection

Social protection – category	Unit	Coverage	Countries not covered and type of employees
Social protection – Sickness	%	100%	
Social protection – Unemployment	%	95%	India, Singapore (all)
Social protection – Injury and incapacity for work	%	100%	
Social protection – Parental leave	%	100%	
Social protection – Pension	%	95%	India, Singapore (all)
Social protection – Use of family-related leave, men	%	36%	
Social protection – Use of family-related leave, women	%	58%	

S1-12

Persons with Disabilities

Bufab has a positive view of a diversified workforce and works actively to promote inclusion throughout the organisation. The information in the table is based on data reported from our companies. Due to legal or cultural constraints, data may be missing or inaccurate. We follow the definitions of disability applicable in each country where Bufab operates. In some cases, it may also be difficult to draw a clear boundary in the reporting, which may affect the completeness of the underlying data.

Workers with disabilities

Workers with disabilities	Unit	2025	2024
Workers with disabilities	%	1.1	0.7

S1-13

Training and skills development metrics

Bufab does not have a central data system where all training can be monitored, apart from our training portal containing central educations. The reported data is therefore based on information submitted by our companies.

Completed trainings

Training table	Unit	Men	Women	Total
Average number of training hours	Number	13.1	11.2	12.5

Employees who have had performance and career development reviews	%	81%	84%	82%
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S1-14

Health and safety metrics

Bufab is committed to safeguarding the working environment of its employees and has established a global policy, objectives and KPI followup for health and safety. A requirement under this policy is that all companies within the Group must implement a management system based on ISO 45001 to support a safe and healthy working environment for all employees.

Bufab has introduced internal audits designed to assess the degree of implementation of the Group's policies. In 2024, Group Management decided that all companies will be audited by a third party in 2025 in order to obtain improved oversight of local governance.

Work Environment–Related Key Figures

Indicator	Unit	2025	2024
Number of fatalities – own employees	Total	0	0
Number of fatalities – other workers	Total	0	0
Number of workrelated illnesses – own employees related illnesses – own employees	Total	1	2
Number of workrelated injuries with absence – own employees related injuries with absence	Total	11	6
Number of lost days due to workrelated injuries/illnesses related injuries/ illnesses	Total	759 / 605	- ¹⁾
Losttime injury frequency rate (number of injuries per 1,000,000 hours worked)	per 1,000,000 h	3.5	2.5
Share of employees covered by a health and safety management system	%	100	100
Absence rate	%	3.6	1.7

1) Unreliable value in 2024

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S1-15

Work-life balance

Bufab strives to ensure that employees have a healthy balance between work and private life. In 2025, 799 employees took family-related leave. Of these, 43 percent were women and 57 percent were men. See table above for further details.

Bufab complies with local regulatory frameworks but works to ensure comparable social conditions across the Group and encourages companies to offer supplementary benefits where statutory protection is weaker.

Bufab does not have any subsidiaries where employees have not been entitled to paid family-related leave during 2025.

Employee Survey 2025

At Bufab, our employees are our most valuable asset. To continuously strengthen employee engagement and satisfaction, Bufab Group conducted the Global People Survey during the fourth quarter of 2025. The survey generated valuable feedback and suggestions, which helped us better understand both our organisational strengths and the areas where further development is needed.

Participation remained high: 94% of employees completed the survey, which corresponds to the strong response rate achieved in 2024.

The total index for 2025 reached 77, a slight decrease of one percentage point compared to 2024. This index reflects overall employee satisfaction, where higher scores indicate higher satisfaction levels.

The Leadership Index remained stable at 83 and continued its positive trend over the past few years. This result reflects employees' confidence in their direct managers and in the management team as a whole.

Our Employee Net Promoter Score (eNPS) for 2025 was 17, which is consistent with the previous year's results. eNPS measures how likely employees are to recommend Bufab as an excellent place to work. Scores between 10 and 30 are considered good, which places Bufab firmly within this range. The scale ranges from -100 to 100.

The survey highlighted several strengths within the organisation. Employees appreciate our strong work environment and culture, where colleagues support each other and show solution behaviour by taking responsibility and ensuring that work gets done. Collaboration within departments and teams remains an important asset, with employees sharing knowledge and experiences openly. Leadership is also recognised as a strength – goals and strategies are clearly communicated, expectations are well understood, and leaders act consistently with respect and in accordance with Bufab's values.

Based on the results of the global survey, two main focus areas were identified for 2025: employment and development. In cooperation with Group Management, several priorities have been established:

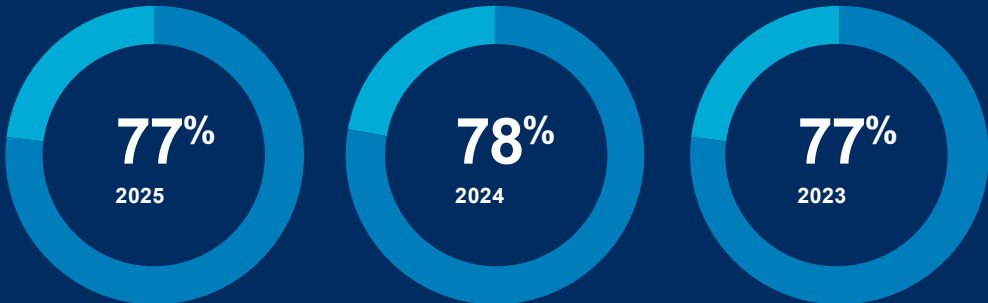
1. Continue to recognise and highlight our Solutionists across the organisation
2. Strengthen communication around Bufab Academy and expand the range of training opportunities
3. Strengthen internal circles to drive improvements in key operational areas
4. Increase organisational knowledge and capacity in the field of AI

These initiatives underscore Bufab's commitment to supporting employee development, strengthening our culture and ensuring that Bufab remains a workplace where people thrive.

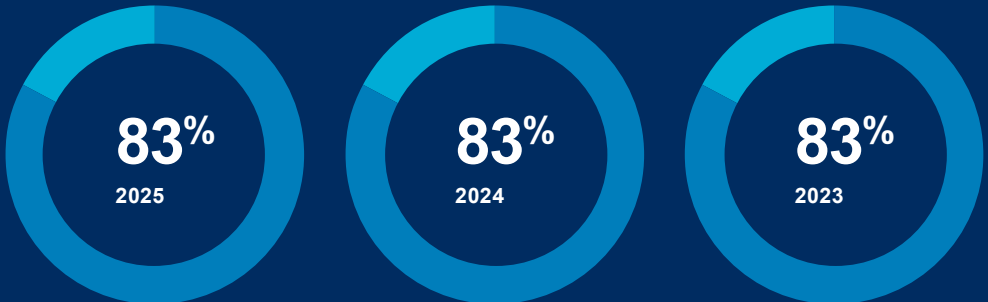
Response Rate



Total Index



Leadership Index



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S1-16

Compensation metrics (pay gap and total compensation)

The Chief Executive Officer has been expensed for the year with a base salary of SEK 5.9 million, variable remuneration of SEK 2.3 million, other benefits/remuneration of SEK 1.2 million and pension costs of SEK 1.8 million. Other employees had an average salary of SEK 0.60 million. The ratio between the CEO and other employees is 19 times.

Women's average salary was 82% of the men's average salary among Bufab's employees.

S1-17

Incidents, complaints and severe human rights impacts

No severe human rights violations or complaints to the National Contact Point for the OECD Guidelines were reported during the year. Consequently, no significant fines, sanctions or damages related to human rights matters occurred within the Group.

Incidents related to human rights

Incidents	Unit	2025
Incidents, complaints and severe violations of human rights	Number	1
Number of reported incidents of discrimination, including harassment	Number	10
Number of complaints received through channels for individuals in the own workforce to raise concerns	Number	1
Amounts for fines, sanctions and compensation for damages following the reported incidents and complaints above	Number	0

S2: Workers in the Value Chain

Bufab’s Strategy

Bufab’s strategy to protect workers in the value chain is based on a risk-based and preventive approach. The focus is on identifying and managing risks related to working conditions, human rights, and health and safety, particularly in regions with elevated risk.

Through clear requirements in the Supplier Code of Conduct, regular risk assessments, audits, and our supplier programme, the Sustainable Supplier Engagement Program (SSEP), Bufab works to promote responsible working conditions and reduce the risk of discrimination, exploitation, and unsafe workplaces.

The strategy is built on long-term collaboration with suppliers who adhere to international standards, such as the ILO conventions, and who continuously develop their processes for responsible business conduct. Through structured requirements, systematic followup, and capacity building, Bufab reinforces the foundations for an ethical, safe, and sustainable value chain.

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Material impacts, risks and opportunities for workers in the value chain

Description of material impacts, risks and opportunities	Sub topic (ESRS)	Position in value chain
 Actual impact: Workers in the supply chain can be exposed to significant negative consequences linked to employment conditions, such as precarious employment, inadequate wages, long working hours, work-life imbalance. Limited access to social dialogue, restricted freedom of association and weak collective influence make it difficult for them to push for fair working conditions. Health and safety are also a concern, especially in high-risk sectors such as mining, where workers are exposed to hazardous working conditions without adequate protection. The risks are particularly high in regions with weak labour laws, a lack of enforcement of occupational safety and health rules and a high proportion of informal employment (including migrant workers).	S2 – Working conditions	↑
 Actual impact: Potential negative impacts include discrimination or unequal treatment if gender equality and equal pay are not upheld, skills shortages if training and skills development are inadequate, exclusion of people with disabilities if accessibility is not ensured, and harassment and violence if workplace policies and procedures are weak. The risks are particularly high in regions with weak labour laws, limited enforcement of workplace rules and high levels of informal employment.	S2 – Equal treatment and opportunities for all	↑
 Actual impact: Potential impacts include serious human rights violations, such as child labor and forced labor, which can lead to exploitation and deprivation of education	S2 – Other workrelated rights	↑

↑ Upstream
 ↻ Own operations
 ↓ Downstream

SBM-3:

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

The risks linked to workers in the value chain form part of Bufab’s mitigation efforts, particularly in the upstream stages where working conditions and human rights can be difficult to identify. Workers in the supply chain may face significant negative impacts related to employment conditions, such as insecure employment, inadequate wages, long working hours and limited work–life balance. Restricted access to social dialogue, limited freedom of association and weak collective representation further reduce their ability to demand fair working conditions.

Health and safety may also represent a challenge, especially in highrisk sectors such as mining, where workers may be exposed to hazardous working environments without adequate protection. Bufab operates globally in regions such as India, China, Taiwan, Europe and the USA, and is affected by a range of workerrelated risks in our supply chain, including issues related to working conditions, gender equality, workers’ rights and the responsible sourcing of minerals. These challenges extend beyond first tier suppliers.

Bufab has the opportunity to integrate ethical practices and standards into our supplier requirements, driving improvements throughout the supply chain. These requirements include activities related to the 10 principles of the United Nations. By setting expectations and monitoring compliance, Bufab not only reduces risks but also contributes positively to local communities through income generation, taxes and social benefits. This approach reinforces Bufab’s role as a responsible corporate citizen. Risks are present throughout the entire upstream value chain-from raw material extraction to component manufacturing and assembly. A clear example is the risk linked to conflict minerals, where minerals used in production may originate from conflictaffected areas and contribute to financing armed conflict.

To mitigate these risks, it is essential to have robust supplier assessment processes as well as clear requirements regarding compliance with labour and human rights.

Purchasing share in high-risk countries

Country	Purchasing share	Risk level (exposure to child labor, forced labor and compulsory labor)
China	29.2%	Medium
Taiwan	15.4%	Medium
Sweden	8.7%	Low
Germany	8.1%	Low
United Kingdom	4.8%	Low
Italy	5.4%	Low
France	4.1%	Low
Czech Republic	3.3%	Low
India	3.1%	High
Poland	2.5%	Low
Netherlands	2.5%	Low
Türkiye	2.1%	Low
Thailand	1.7%	High
USA	1.5%	Låg
Vietnam	1.3%	High
Denmark	0.9%	Low
Finland	0.7%	Low
Other	4.7%	Low

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S2-1

Policies related to value chain workers

Bufab AB and its companies (“Bufab”) recognise the importance of sustainable and ethical purchasing processes, and we continuously work to improve our procurement performance. Our suppliers – both large and small – are seen as key partners in our ambition to improve our social, environmental and ethical performance. Bufab requires suppliers to sign our Supplier Code of Conduct, which is based on the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises.

These policies require suppliers not only to comply with legislation but also to actively promote human rights, fair working conditions and respect for the intrinsic value of every individual – or to have an equivalent policy implemented to ensure that sustainability requirements are met. Our direct suppliers must adopt the Supplier Code of Conduct in their own supply chains and ensure transparency and control in line with Bufab’s Code of Conduct.

The Group's policies apply to all business regions, companies and employees within the Group.

See also G13 regarding communication of the policies.

- Key Points Concerned
- Working conditions
 - Equal treatment
 - Health & safety risks

Policy and KPI (MDR-P GOV1)

ESRS sub topic	Audit frequency	Bufab's group policies	Link to standards
S2 Equal treatment and opportunities for all	• Quarterly review of the Code of Conduct (CoC) • Monthly review of audit status • Quarterly review of SSEP • Annual review of audit status	Supplier Code of Conduct* A Policy on modern slavery* B Procurement policy* B Sustainability policy* A Environmental policy *B Quality policy* B Sanctions and export control policy* A	- Universal Declaration of Human Rights - UN Guiding Principles on Business and Human Rights – Declaration on Fundamental Principles and Rights at Work - OECD Guidelines for Multinational Enterprises on Responsible Business Conduct – UN Global Compact - Children’s Rights and Business Principles - 1.5°C ambition expressed in the Paris Agreement - OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Victims and high-risk areas - 1.5°C ambition expressed in the Paris Agreement -ILO core conventions
S2 Other workrelated rights related rights	• Quarterly review of the Code of Conduct (CoC) • Monthly review of audit status • Annual review of high risk network • Quarterly review of REACH & RoHS • Quarterly review of SSEP • Annual review of audit status	Supplier Code of Conduct* A Policy on modern slavery* B Procurement policy* B Sustainability policy* A Environmental policy *B Quality policy* B	- Universal Declaration of Human Rights - UN Guiding Principles on Business and Human Rights – Declaration on Fundamental Principles and Rights at Work - OECD Guidelines for Multinational Enterprises on Responsible Business Conduct - UN Global Compact – Children’s Rights and Business Principles - 1.5°C ambition expressed in the Paris Agreement - OECD Guidelines for Responsible Supply Chain of Minerals from Conflict-Affected and High-Risk Areas - 1.5°C Ambition expressed in theParis Agreement - ILO core conventions
S2 Working environment	• Quarterly review of the Code of Conduct (CoC) • Monthly review of audit status • Annual review of high risk network • Quarterly review of REACH & RoHS • Quarterly review of SSEP • Annual review of audit status	Supplier Code of Conduct* A Policy on modern slavery* B Procurement policy* B Sustainability policy* A Environmental policy *B Quality policy* B	- Universal Declaration of Human Rights - UN Guiding Principles on Business and Human Rights - Declaration on Fundamental Principles and Rights at Work - OECD Guidelines for Multinational Enterprises on Responsible Business Conduct – UN Global Compact – Children’s Rights and Business Principles - 1.5°C ambition expressed in the Paris Agreement – OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas - 1.5°C ambition expressed in the Paris Agreement - the ILO’s core conventions

*A – Approved by Bufab’s Board *B –Approved by Bufab’s CEO

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S2-2

Processes for engaging with value chain workers about impacts

Bufab applies a riskbased audit programme aligned with the UN Guiding Principles and the OECD Guidelines. During audits, employees of suppliers are interviewed to capture their perspectives and identify actual and potential impacts affecting them. Risk analyses are conducted using public sources and countrylevel risk indices. Audits reduce risks and support suppliers in improving routines, strengthening competitiveness, and enhancing employee safety and security.

Bufab strives to ensure that the perspectives of workers in the value chain are considered in decisions and activities intended to manage actual and potential impacts on these workers. This is primarily achieved through recurring risk-based supplier evaluations and regular audits, where workers' working conditions and rights are assessed, and their views collected through dialogue and feedback. These assignments are carried out every five years but may also be conducted more frequently when risks or suspected deviations are identified.

The types of assignment include both scheduled audits, where suppliers are informed in advance, and unannounced inspections when specifically needed. During these processes, Bufab focuses on identifying any breaches of international norms or the company's own guidelines, as well as gathering workers' perspectives through interviews, surveys, or collaboration with local worker representatives.

Bufab's head of sustainability holds operational responsibility for ensuring that the perspectives of workers throughout the value chain are genuinely gathered and taken into account. The head of sustainability is responsible for ensuring that insights from workers in the value chain are

not only collected but also actively used to guide Bufab's actions and integrated into the company's strategy and decision making.

Bufab adheres to global framework agreements and any agreements with global trade union federations relating to respect for human rights for workers in the value chain. These agreements include workers' rights to collective bargaining. Through such agreements, Bufab gains access to insights into workers' perspectives and experiences, which are then used to support that the company's decisions and actions reflect the actual and potential impacts on workers across the entire value chain.

Bufab assesses the effectiveness of its engagement with workers in the value chain by regularly evaluating the dialogue with workers' legitimate representatives. To further ensure that workers' perspectives are considered and have influence, Bufab uses the results from its audits as a central tool in the assessment process.

Each audit reviews compliance with applicable framework agreements, occupational health and safety standards, and workers' rights. The audit results are analysed and compared with previous followups, with any deviations carefully documented. If the audit reveals shortcomings or areas for improvement, dialogue is initiated with relevant worker representatives to identify concrete actions.

S2-3

Processes to remediate negative impacts and channels for value chain workers to raise concerns

Bufab has an established process for audits and for handling deviations. If deviations are identified through audits or other channels-such as whistleblowing or the Speak Up channel, which is also available to suppliers, there are procedures in place to address them immediately. For supplierrelated matters, Bufab applies an escalation process and an internal "red flag" process, where deviations are managed as projects under the supervision of Bufab's management to ensure swift and effective corrective action.

Bufab's work to define and implement processes to manage and remedy negative impacts on workers in the value chain is directly linked to the company's responsibility regarding human rights. Through clear channels and mechanisms, workers are given opportunities to report issues, and Bufab assumes its responsibility in accordance with international human rights guidelines, such as the UN Guiding Principles on Business and Human Rights.

Any serious human rights concerns or incidents in the value chain are handled according to established procedures and are disclosed transparently if they occur. During the reporting period, no serious incidents relating to human rights violations in the supplier base were reported, there has therefore been no need for compensation. Bufab allocates resources in the form of dedicated sustainability teams, training, advisory support, and financial resources to support that corrective actions are effective and long-term, and that material impacts are addressed responsibly.

Bufab addresses negative impacts on workers in the value chain through a combination of proactive and reactive measures, including situations where these impacts arise among suppliers or partners outside the company's direct control. If a serious incident or negative impact is identified, Bufab activates its established incident-management procedures, including close dialogue with the relevant supplier and coordination of action plans. Bufab leverages its commercial influence by setting clear contractual requirements and follow-up routines and may introduce incentives or sanctions when needed to ensure progress in corrective actions.

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S2-4

Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

Bufab improves sustainability in its supply chain by applying a Supplier Code of Conduct that aligns with international standards and labour norms. The company focuses on selecting suppliers that meet criteria for sustainability and quality. Bufab’s audit programme monitors compliance with these standards. In addition, Bufab has policies covering ethical sourcing criteria, avoids minerals from conflict affected areas and emphasises continuous improvement in quality and risk management. These sustainability initiatives throughout the supply chain can help customers reduce their total cost of ownership (TCO), as Bufab manages the complexity, risks and regulatory requirements related to the sourcing of Cparts more efficiently. We have increasingly integrated sustainability into our customer offering.

Our supplier programme also includes requirements for suppliers to actively reduce their climate footprint. When customers impose such requirements, it supports the development of suppliers and helps them maintain competitiveness and futureproof their operations.

Bufab identifies and assesses which actions are needed to address actual or potential negative impacts on workers in the value chain through a structured, riskbased process. This process includes several steps and involves internal routines as well as dialogue with suppliers and their employees, such as:

- Supplier Code of Conduct
- Risk based ESG audit programme
- Corrective action plans for non conformities
- Ethical sourcing criteria and supporting policies
- Continuous follow up and requirements for improvement

Our routines are designed to secure compliance with requirements and contribute to improved conditions and opportunities for workers across the entire value chain.

In addition to the measures described above, Bufab has implemented several further mitigating initiatives to create positive outcomes for workers in the value chain:

- Bufab provides training to suppliers and their employees working in areas such as occupational health and safety, security, and human rights. The aim is to raise the level of knowledge, strengthen working conditions, and create long term opportunities for employees. Bufab supports the fulfilment of the UN Sustainable Development Goals, particularly Goal 8 on decent work and economic growth.
- Bufab actively promotes the right to freedom of association and collective bargaining in the value chain, especially in countries where these rights are weaker.
- To strengthen the protection of workers, Bufab’s whistleblowing function is also available to employees of suppliers. This enables employees to report misconduct anonymously and safely, which in turn promotes a more transparent and responsible value chain.
- When deficiencies are identified, Bufab provides guidance and resources to help suppliers implement necessary improvements, such as investments in workplace safety or training for management and staff.
- Bufab collaborates with external organisations and industry initiatives to share good practices and drive joint projects that improve working conditions in the value chain. The company participates in collaborations with other actors to promote responsible recruitment and support that workers receive fair wages, safe working conditions, increased equality, and opportunities for women and other underrepresented groups to access employment. Bufab’s influence is both direct and exercised through partnerships to mitigate negative effects and contribute to long-term sustainable working conditions throughout the value chain.

The effectiveness of these measures is monitored through regular audits, dialogue, and performance followup, where target fulfilment is measured against clear KPIs such as the share of audited suppliers, response rates, and levels of compliance. In line with ESRS 2 MDRT, the results of the actions are evaluated against set targets, including that 80 percent of supplier spend shall be covered by audits by 2026 and that 70 percent of purchases shall be included in the Sustainable Supplier Engagement Program by 2025, with verified emissions reductions.

Bufab participates actively in industry and multi stakeholder initiatives such as the United Nations Global Compact (UNGC), which is a central part of the company’s work to mitigate negative impacts in the value chain.

Bufab’s participation in the UNGC means that the company commits to following the ten principles in the areas of human rights, labour, environment, and anti corruption. By integrating these principles into its business model and supply chain, Bufab contributes to preventing and managing negative impacts, as well as promoting positive outcomes for workers and society. Relevant targets are disclosed under ESRS S2–5.

Workers in the value chain are involved in Bufab’s work primarily through dialogue and collaboration in the design and implementation of programmes and processes related to working conditions and social responsibility. This includes encouraging suppliers to involve union representatives and worker representatives in relevant training sessions, audits, and follow-up dialogues.

Requirements for Bufab’s suppliers

Bufab’s requirements for suppliers are described in S2-1 and on page 17. Suppliers must avoid using materials from conflict-affected areas and must actively work to reduce their climate impact. Suppliers must respect the right to freedom of association, collective bargaining, and ensure good working conditions and a safe work environment, particularly in countries with weaker legislation.

Bufab has zero tolerance for child labour and forced labour and adheres to ILO conventions as well as national and international regulations. When violations are discovered, immediate action is required - for example, school enrolment for affected children and support to families - and phasing out of suppliers that do not meet the requirements. The supplier may not participate in or support forced labour, slavery, or compulsory labour, and may not require any form of deposit or confiscate employees’ identity documents.

The use of private or public security forces must not restrict the movement of company personnel, and it is not acceptable to hold workers’ identity documents without their consent.

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

Bufab sets its targets for mitigating negative impacts, enhancing positive effects, and managing risks and opportunities through a structured process based on dialogue and collaboration with stakeholders across the value chain. When targets are defined or updated, Bufab conducts regular consultations and follow-up dialogues with suppliers.

To support that targets are relevant and grounded in actual working conditions, Bufab encourages suppliers to involve trade union representatives and worker representatives in trainings, audits, and followup processes. Through these channels, Bufab gains valuable insight into workers' conditions and needs. During incident management or when action plans are developed, Bufab also maintains close dialogue with affected parties to facilitate that workers' perspectives are integrated into target setting and corrective measures.

In practice, this means that Bufab, when evaluating progress against targets, actively seeks direct contact with workers in the supplier chain and their legitimate representatives. This may include participation of workers in trainings, audits, and followup processes where their insights and experiences are gathered to support that targets remain relevant and anchored in real working conditions.

Bufab also promotes transparency through participation in industry initiatives and multistakeholder collaborations where worker organisations and civil society actors contribute perspectives on working conditions and social responsibility. This ongoing dialogue aim to ensure that the targets not only reflect the company's ambitions but also the reality and interests of workers.

Taken together, this process means that, in addition to internal analysis, Bufab actively seeks and considers input from workers and their representatives through supplier dialogues, trainings, and multistakeholder collaborations.

See tabel below on description and assumptions regarding metrics.

Bufab's targets relating to sustainability and working conditions in the value chain:

Goal	When the goal was set, standard	Description of metrics	Outcome
All suppliers must sign our Supplier Code of Conduct.	2017 OECD, ILO	Measured as ordered volume to suppliers who have signed a Code of Conduct divided by the total ordered volume of suppliers. Deprecated and blocked providers are excluded.	Ongoing, 95 percent signed in 2025
Sustainability audits must be carried out on 80 percent of supplier spend by 2026.	2021 OECD, ILO, ISO 14001	Measured as the total ordered volume from approved suppliers during the reporting year / Bufab's total volume ordered during the reporting year.	Completed for 43 percent in 2025
100 percent of suppliers must be assessed and reviewed with respect to conflict minerals.	2017 RMI	1100% of the ordered volume shall be evaluated with respect to the risk of conflict mineral content.	100 percent assessed in 2025
100 percent response rate from risk suppliers regarding conflict minerals	2021 RMI	Measured as response rate from the total number of vendors that may have the presence of CMRT and EMRT (scope of campaign) relative to the completed CMRT and EMRT files received.	98 percent response rate in 2025
70 percent of purchases shall be included in the Sustainable Supplier Engagement Program by 2025, with confirmed emissions reduction.	2021 GHG Protocol, SBTi	Measured as ordered volume to suppliers who have reached stage 3 of the Sustainable Supplier Engagement Program (SSEP) / Bufab's total ordered volume.	70 percent of purchases included, emissions reduction verified for 70 percent in 2025

Corporate Governance Information

G1: Responsible business

Bufab’s strategy

Bufab's strategy and business model are based on integrating sustainability and responsible governance throughout the value chain, where work with suppliers is done through a comprehensive sustainability program and ethical requirements. This strengthens the company’s competitiveness and enables long-term customer relationships, but also entails certain risks linked to a lack of protection for whistleblowers and the handling of irregularities, which can lead to business disruptions and costs. A strong corporate culture with a focus on ethics and responsibility creates opportunities for increased engagement, stability and growth. It is therefore crucial that Bufab continues to promote strong values and regulatory compliance in practice.

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Material impacts, risks and opportunities

Material impacts, risks and opportunities		Sub topic	Position in the value chain
	Opportunity: Bufab's structured work with supplier engagement through the Sustainable Supplier Engagement Program (SSEP), combined with requirements for suppliers to accept the Supplier Code of Conduct before starting collaboration, strengthens the company's ability to meet increasing customer demands for sustainability in the supply chain. Since a significant proportion of Bufab's customers integrate sustainability criteria when choosing business partners, this creates the conditions for strengthened competitiveness, long-term customer relationships and continued business growth by enabling Bufab to offer products and supplier relationships that are aligned with customers' sustainability expectations.	G1 - Supplier relationship management	↑
	Risk: Deficiencies in the protection of whistleblowers or in the handling of whistleblowing cases may result in negative financial consequences for Bufab, for example through increased costs for internal investigations, legal proceedings and compliance efforts, as well as potential fines, loss of trust and business disruptions.	G1 – Corporate culture	
	Opportunity: A clear and positive corporate culture, characterized by ethical business conduct and responsible governance, can strengthen compliance with internal guidelines and reduce the risk of irregularities within the company's own operations. This can in turn contribute to increased engagement, improved collaboration and higher productivity, as well as strengthen Bufab's attractiveness to both employees and customers. Taken together, this creates conditions for lower recruitment costs, more stable business relationships and supports long-term growth and profitability.	G1 – Corporate culture	
	Actual impact: A weak corporate culture can lead to violations of rules, a poor working environment, high employee turnover and conflicts within the organization.	G1 – Corporate culture	
	Risk: Potential incidents related to corruption within Bufab's own operations may result in negative financial consequences, for example in the form of increased costs for investigations, legal proceedings, compliance measures and internal control actions, as well as potential fines and business disruptions.	G1 – Corruption and bribery	
	Actual impact: Corruption undermines fair competition, distorts markets and erodes trust in institutions. It leads to economic losses and damages companies' reputations, while also contributing to social inequality and hindering sustainable development.	G1 – Corruption and bribery	

↑ Upstream Own operations ↓ Downstream

SBM-3

Material Impacts, Risks and Opportunities and their relationship to strategy and business model

Bufab's strategy and business model are based on integrating sustainability and responsible governance throughout the value chain. The company works in a structured way with supplier engagement through the Sustainable Supplier Engagement Program (SSEP), where all ESG areas are included. By requiring suppliers to accept the Supplier Code of Conduct even before the collaboration begins, Bufab ensures that sustainability requirements are complied with and that the company can meet the increasing expectations of customers who prioritize sustainability in their business relationships. Bufab SBM-3 Material Impacts, Risks and Opportunities and their relationship to strategy and business model

works with SSEP by integrating it into its internal processes as well as in its collaboration with suppliers. Internally, Bufab ensures that all employees are trained and aware of SSEP's importance for sustainability and competitiveness, often through regular workshops and follow-ups. Externally, Bufab involves its suppliers in the SSEP work by setting clear requirements, conducting joint audits and offering support to meet the standards. In this way, a close partnership is created where both Bufab and the suppliers work towards the same goals for continuous improvement and higher customer value. To reduce carbon dioxide emissions in the supply chain, Bufab works actively to identify and implement more

climate-smart solutions together with its suppliers. This includes, among other things, monitoring of suppliers' emissions, requirements for reporting and support for switching to renewable energy sources and more efficient modes of transport. Bufab follows up to ensure that suppliers have clear targets for reducing their emissions and stimulates innovation in the environmental area. Bufab also ensures that suppliers work in accordance with the UN Global Compact and its ten principles, which include human rights, working conditions, the environment and anti-corruption.

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SBM-3 – Material Impacts, Risks and Opportunities and their relationship to strategy and business model

At the same time, this approach involves certain risks, especially if there are shortcomings in the protection of whistleblowers or in the handling of whistleblower cases. Such deficiencies can lead to increased costs for internal investigations and legal processes, sanctions, as well as damaged trust and business disruptions – factors that can negatively impact both profitability and business stability. It underlines the need for compliance and transparency processes across the organisation.

At the same time, a clear and positive corporate culture, characterized by ethical business conduct and responsible governance, represents a great opportunity for Bufab. If these values permeate the business, it can lead to better compliance with internal guidelines, reduced risk of misconduct, and thus also increased employee engagement, improved collaboration, and higher productivity. This strengthens Bufab’s attractiveness as an employer and partner, which can contribute to lower recruitment costs, more stable business relationships and long-term growth and profitability.

Conversely, a weak corporate culture can lead to violations of rules, a deteriorating work environment, high staff turnover and internal conflicts, which in the long run negatively affects both trust and competitiveness. Incidents related to corruption, even if isolated, can have significant financial consequences in the form of investigative costs, legal processes and possible sanctions, as well as business disruption and loss of trust. Therefore, it is crucial that Bufab continues to work proactively to promote strong values and ensure that policies are complied with in practice.

Targets within G1 are followed up within the framework of the company’s ordinary management structure. See also GOV-1.

G1-1

Corporate culture and business conduct policies

Corporate culture

With zero tolerance for corruption, Bufab maintains transparency and ethical routines in its operations (see goal 105). The company promotes a culture of engagement, a whistleblowing function and values diversity, which reflects a global and inclusive perspective in its workforce and governance.

Bufab works on the basis of clear policies to ensure that operations are conducted in a legal and ethical manner, in accordance with international standards and guidelines relating to human rights, business conduct and working conditions. The work is governed by Bufab’s Code of Conduct and the ethical guidelines, which apply to all employees, subsidiaries and business partners. Bufab is committed to complying with local laws and international conventions, as well as the UN Guiding Principles on Business and Human Rights

and the OECD Guidelines for Multinational Enterprises, in order to create a responsible and sustainable corporate culture. Bufab has, among other things, established a Code of Conduct as well as policies regarding whistleblowing and anti-corruption. A review of all policies takes place annually.

Reporting and investigation mechanisms for misconduct

Bufab has established clear mechanisms to identify, report and investigate actions that breach laws, the company’s Code of Conduct or other internal guidelines. Both internal and external stakeholders have the opportunity to submit reports through an external platform (Bufab SpeakUp). This includes a dedicated whistleblowing channel where employees and external parties can report concerns regarding misconduct confidentially and, where necessary, anonymously.

Bufab ensures that these mechanisms comply with EU regulations, including GDPR for data protection and the EU Whistleblower Protection Directive (2019/1937). Bufab also ensures that workers in the value chain are informed about the available channels for reporting suspected violations. See also S1-3 and S2-4.

The whistleblower policy and its accompanying handbook also describe the protective measures available to individuals who choose to use the reporting channel, as well as how employees are protected during the reporting and investigation process. This is important to ensure that no one is subject to negative consequences for raising concerns.

Independent investigation procedures

Bufab’s investigation procedures ensure that ethical breaches, including bribery and corruption, are investigated promptly and objectively. This supports transparency and impartial handling of matters related to business conduct.

All reports are received by designated, competent and independent individuals who are mandated to initiate, carry out and conclude investigations, as well as decide on further actions where necessary.

Investigations are carried out confidentially and with protection against retaliation for reporting parties. Where necessary, external experts such as legal advisors or forensic specialists may be engaged. Results and follow-up measures are reported to the relevant decision-making levels within the Group, and policy compliance is monitored through internal follow-up and recurring internal audits. All reports are acknowledged within seven days, and feedback is provided within three months. Investigations of incoming reports are carried out by designated, autonomous and independent functions in accordance with the company’s whistleblowing procedures.

Policy and KPI (MDR-P GOV1)

ESRS sub-section	Performance review	Bufab group policies	Alignment to standards
G1 Management of relationships with suppliers	* Approval process new suppliers, annual update	Supplier Code of Conduct Policy*A	- UN Guiding Principles on Business and Human Rights - OECD Guidelines for Multinational Enterprises on - Responsible Business Conduct - UN Global Compact - Universal Declaration of Human Rights
G1 Corporate culture	* Annual on company	Code of Conduct Policy*A Governance Policy*A Sanctions and Export Control Policy*A	- UN Guiding Principles on Business and Human Rights - OECD Guidelines for Multinational Enterprises on Responsible Business Conduct - UN Global Compact - Universal Declaration of Human Rights
G1 Corruption and bribery	* Annual on company	Anti-corruption and Bribery Policy*A	- OECD Guidelines for Multinational Enterprises on Responsible Business - UN Global Compact - Ani-bribery convention
G1 Protection of whistleblowers	* Annual on group	Whistleblower Policy*A	- OECD Guidelines for Multinational Enterprises - EU Whistleblower Protection Directive

*A – Owner Bufab Board of Directors *B – Owner Bufab CEO

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G1-1 Corporate culture and business conduct policies

During the year, twelve cases were reported and handled in accordance with Bufab’s processes for managing whistleblowing matters.

Internal reporting channels

Bufab has established internal reporting channels, with detailed instructions set out in Bufab’s Whistleblowing Handbook. Regular training and information sessions are conducted to ensure that employees are well informed about the reporting process and their rights.

The data reported in the table on page 103 is based on information obtained from our whistleblowing system or other reporting channels or systems.

During the year, Bufab has informed employees and business partners about the possibility to report irregularities through Bufab’s whistleblowing system.

Protection of whistleblowers

In accordance with the EU Whistleblowing Directive (EU) 2019/1937 and Directive (EU) 2019/1936, Bufab is committed to protecting whistleblowers from retaliation, harassment, or any form of discrimination. Reporting individuals are protected both during and after employment.

At present, Bufab has not established any formalized, Group-wide targets related to whistleblowing cases (other than Code of Conduct training). The work is primarily managed through policies, management systems, and follow-up of cases at the company level.

Anti-corruption and anti-bribery policy

Bufab has a group-wide anti-corruption and anti-bribery policy that expresses the company’s zero tolerance for all forms of corruption and improper benefits. Bufab’s Group policies are approved by the board of directors or group management and apply to Bufab AB and all companies. Each company’s managing director is respon-

sible for ensuring that all relevant units within their geographic area have adopted and implemented the group policies. The policy is available to employees and other stakeholders on the company’s internal and external websites. It is also communicated to external partners where contract requirements or other documentation stipulate it.

To prevent risks, the policy contains clear rules regarding prohibited and permitted benefits, gifts, and conflicts of interest. Special restraint applies when engaging with public officials, and all offers to government representatives must be approved by the group CFO. The policy also states that no contributions may be made to political parties, candidates, or campaigns, and that sponsorships or donations may only occur without expectation of return value.

Compliance is monitored through internal audits, and preventive financial control routines form part of Bufab’s global finance manual. Local company managing directors are responsible for ensuring that all employees understand the content and implications of the policy, and the information is also communicated to external parties such as suppliers and customers.

To ensure that the company’s strategies and policy framework reach all relevant target groups, Bufab uses a combination of communication tools and channels. Policies and strategies are communicated regularly through internal newsletters, the intranet, information meetings

Whistleblowing and other significant deviations

	2025	2024
Incident reports received from independent external parties	0	0
Whistleblower channel	12	16
of which escalated to the Board	12	16
Incidents reported by the CEO/CFO to the Board	0	0
Other significant deviations reported by the CEO/CFO to the Board (i.e. significant policy breaches, etc.)	0	0

and dedicated training sessions for employees and contractors. Suppliers are informed through the supplier portal, targeted information letters and digital workshops, while investors and other external stakeholders access the information via the company’s website, sustainability reports and dedicated events.

To increase understanding and accessibility, Bufab adapts communication to the needs of each target group, including by translating materials into relevant languages and using clear graphical illustrations and infographics. Social media and public websites are used to reach broader audiences, while personal contacts and employee representatives serve as important channels for dialogue and questions. Any barriers to effective communication are identified through feedback from the respective groups and addressed, for example through adapted visuals or simplified information materials.

Anti-corruption and business conduct training is included in the onboarding for new employees and is complemented by ongoing manager-led sessions and training materials in Bufab academy. The board of directors and group management receive annual briefings on the policies and their application. During the year, a training campaign regarding Bufab’s Code of Conduct was issued to the most relevant functions within the company (e.g., management functions including group management, Purchasing, Sales, IT, HR, Quality). The campaign reached 1,866 employees and 1,467 employees completed the training during the year.

Bufab continuously monitors training levels and policy compliance through its management system. The company has had no confirmed cases of corruption or bribery during the year, nor any convictions for violations of anti-corruption or bribery legislation, and therefore no fines related to such violations.

Training in anti-corruption and business conduct

Bufab aims to ensure that all employees complete anti-corruption training every three years. Anti-corruption is an integrated component of the company’s Code of Conduct training. The objective is to ensure an understanding of ethical guidelines and compliance with international standards relating to human rights, anti-corruption and corporate governance. The target group includes all employees and relevant stakeholders, with a focus on integrating ethical principles into the corporate culture. The company’s administrative management receives anti-corruption training every three years.

Departments with the highest risk of corruption

Bufab has identified the sales and purchasing departments as the areas with the highest risk of corruption and bribery. Regular risk assessments and targeted training are carried out to reduce risks and strengthen ethical standards in these areas. The training is available in Bufab academy both as a standalone course and as an integrated module within the Code of Conduct training. The purpose is to ensure that all employees have a solid understanding of Bufab’s zero tolerance approach to corruption and improper conduct, and that they can identify and manage risks in their daily work.

Each company reports annually the share of employees in Sales and Purchasing that have not completed anti-corruption training during the last three years, enabling follow-up of target fulfilment and targeted actions where needed.

- Key Points Concerned
- Code of Conduct Suppliers
- Whistleblower process
- Corruption and Bribery - Corporate Culture

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Management of relationships with suppliers

Bufab manages its relationships with suppliers with a clear focus on sustainability, fairness, and accountability, in accordance with the principles set out in Bufab's Code of Conduct. The code applies to all Bufab companies and business partners worldwide and communicates the requirements for conducting business in line with internationally recognised standards for human rights, labour rights, the environment, anti-corruption and corporate governance.

Bufab strives to maintain responsible and sustainable relationships with its suppliers. The company's Code of Conduct, which covers all direct suppliers, ensures that these relationships are based on fair and transparent principles and that suppliers respect international standards on human rights and sustainability. By integrating the Code's principles across all key processes, including purchasing and supplier relations, Bufab contributes to positive outcomes for both the company and the supply chain.

The purpose of Bufab's supplier management is to ensure a fair and ethical purchasing process. Bufab aims to treat all suppliers fairly while upholding its high requirements for sustainability and business conduct.

Bufab seeks to build long-term and sustainable relationships with its suppliers. To achieve this, Bufab has developed a supplier strategy that emphasises responsibility, transparency and respect for human rights. The company values suppliers who actively work to reduce their environmental impact, promote fair working conditions and uphold ethical governance.

Bufab's strategy for managing supplier relationships is based on risk assessment and accountability. Risks in the supply chain are managed through information gathering, contractual commitments and audits. Bufab aims to integrate sustainable practices throughout the supply chain, considering economic, social and environmental risks. The company has also invested in a sustainability programme, SSEP, which supports suppliers in achieving sustainability objectives essential to Bufab's operations.

The Resources table for the supplier program illustrates how resources are allocated between capital expenditures (CAPEX) and operating expenses (OPEX) during the current reporting year and over planned future time horizons. The allocation makes it clear how Bufab allocates resources both for immediate needs and for long-term investments, which enables a balanced and

sustainable development of the business's sustainability work. Bufab's goal was for 70% of purchases to be included in SSEP and this goal was achieved by 2025. See table Bufab's objectives regarding sustainability and working conditions in the value chain under S2-5. Bufab takes social and environmental criteria into account when choosing suppliers. By setting requirements for sustainability and social responsibility, Bufab promotes a supply chain that respects the environment and human rights. Suppliers are expected to comply with Bufab's Code of Conduct and demonstrate commitment to reducing their environmental impact and improving social conditions in the areas where they operate. Code of Conduct requirements are integrated into the business relationship through the signing of policies or through agreements.

Sourcing is at the core of Bufab's business, and the company is committed to sourcing materials responsibly while ensuring efficiency, sustainability and compliance throughout the supply chain. The strategy integrates economic, environmental and ethical aspects to ensure that the company not only secures high-quality materials but also contributes to a more sustainable future.

Through Bufab's Sustainable Supplier Engagement Program, the company works closely with suppliers – both large and small – to improve their social and environmental performance. Building long-term partnerships encourages responsible sourcing practices that minimize environmental impact and promote ethical working conditions. Bufab's procurement process focuses on reducing the total cost of ownership of the company's products, ensuring a stable and resilient supply chain, and adhering to strict due diligence requirements.

To maintain high sustainability standards, regular supplier audits are conducted, see more information S2-4.

At Bufab, procurement is about more than just sourcing materials – it's about building a resilient, transparent and sustainable supply chain that benefits both the business and the communities in which we operate.

Resources for the supplier programme

Resource type	Current year (2025)	Next year (2026)	3 year horizon (2027–2029)	5 year horizon (2030–2034)
Capital expenditures (CAPEX)	1,000,000 SEK investments in sustainability systems	1,000,000 SEK upgrade of audit technology	3,000,000 SEK long-term digitalisation projects term digitalisation projects	5,000,000 SEK major modernisations and technology transitions
Operating expenditures (OPEX)	6,000,000 SEK training, audits, supplier dialogues	6,000,000 SEK training, audits, supplier dialogues	18,000,000 SEK training, audits, supplier dialogues	30,000,000 SEK continuous training and improvement programmes

Code of Conduct Campaign

KPI description	Target	Outcome 2025
Share of order volume placed within the SSEP*	70%	70%

*Bufab's own KPI: measured as the total order volume placed with suppliers that have achieved Step 3 in the Sustainable Supplier Engagement Program (SSEP)

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G1-3

Prevention and detection of corruption and bribery

Bufab has clear Codes of Conduct and anti-corruption policies that all employees and business partners are expected to be familiar with. These guidelines establish a strong corporate culture that counteracts corrupt behaviour. To strengthen awareness, Bufab offers regular training for its employees including management and supervisory bodies, where they learn what corruption entails, how it can occur, and how to report suspected misconduct. Through this increased awareness, employees become better equipped to identify and report potential irregularities.

To facilitate reporting, Bufab has implemented a secure and anonymous reporting channel-a so called whistle-blowing channel-through which both employees and partners can report suspicious activities without risking retaliation. This channel may be available via a telephone line, email, or a digital platform. Bufab also conducts regular internal and external audits of the company's financial transactions to identify deviations and potential corrupt activities.

To avoid nepotism and favouritism, Bufab has a conflict of interest policy requiring employees to report all potential conflicts of interest, such as family ties with suppliers or customers. Bufab also ensures regular follow-up and evaluation of its anti-corruption measures to confirm that the strategy and routines are effective and adapted to the company's needs. Bufab has also introduced procedures to detect and prevent corruption. These include financial governance, a whistleblowing channel, and external and internal audits.

G1-4

Confirmed incidents of corruption or bribery

The company has no convictions for violations of anti-corruption and bribery laws. See table below.

Metrics

KPI description	Target	Outcome 2025
Share of purchases in SSEP*(G1-2)	70%	70%
Share of employees completing the Code of Conduct training during the past three years*(G1-3)	100%	82%
Share of purchasing and sales personnel who have not received anti-corruption training in the past three years*(G1-3)	0%	20%

*Bufab's own KPIs, measured as the total ordered volume from suppliers who have reached stage 3 of the Sustainable Supplier Engagement Program (SSEP)
/ Bufab's total ordered volume.

Anti corruption

KPI description	Target	Outcome 2025
Number of convictions for offences against anti-corruption and bribery laws in the reporting year	Zero tolerance	0
Amount of fines for violations of anti-corruption and bribery laws in the reporting year	Zero tolerance	0
Number of confirmed cases of dismissal or disciplinary action as a result of corruption or bribery offences.	Zero tolerance	0

Appendix

Share of CapEx related to taxonomy-eligible and taxonomy-aligned economic activities

Reporting year		2025											
Economic Activities	Code	Taxonomy eligible KPI (Proportion of Taxonomy eligible CapEx/)	Taxonomy aligned KPI (monetary value of CapEx)	Taxonomy aligned KPI (Proportion of Taxonomy aligned CapEx/)	Environmental objective of Taxonomy aligned activities						Enabling activity	Transitional activity	Proportion of Taxonomy aligned in Taxonomy eligible
					Climate Change Mitigation	Climate change adaption	Water	Circular economy	Pollution	Biodiversity			
Activities covered by the taxonomy		%	MSEK	%	%	%	%	%	%	%	(E where applicable)	(T where applicable)	%
Acquisition and ownership of buildings	CCM 7.7	54,2	0	0	0	0	0	0	0	0	-	-	0
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	8,4	0	0	0	0	0	0	0	0	-	-	0
Freight transport services by road	CCM 6.6	0,4	0	0	0	0	0	0	0	0	-	-	0
Installation, maintenance and repair of charging stations for electric vehicles in buildings	CCM 7.3	8,1	0	0	0	0	0	0	0	0	-	-	0
Installation, maintenance and repair of energy efficiency equipment	CCM 7.4	0,1	0	0	0	0	0	0	0	0	-	-	0
Sum of alignment per objective					0	0	0	0	0	0			
Total KPI (CapEx)		63,2	0	0	0	0	0	0	0	0	-	-	0

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Table GOV-4 – Statement on Due Diligence

a)	ntegration of sustainability-related due diligence into 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 the undertaking's strategy and business model
b)	Engagement with relevant stakeholders at all stages of the due diligence process	SBM-2: Interests and views of stakeholders IRO-1: Description of the processes to identify and assess material climate-related impacts, risks and opportunities
c)	Identification and assessment of actual and poten- tial impacts	SBM-3: Material impacts, risks and opportunities and their interaction with the undertaking's strategy and business model IRO-1: Description of the processes to identify and assess material climate-related impacts, risks and opportunities
d)	Actions to address identified adverse impacts	SBM-3: Material impacts, risks and opportunities and their interaction with the undertaking's strategy and business model E1-3: Actions and resources in relation to climate change policies E2-2: Åtgärder och resurser relaterade till förorening E2-2: Actions and resources related to pollution E5-2: Actions and resources related to resource use and circular economy S1-4: Actions related to material impacts on the undertaking's own workforce, and approaches to manage material risks and pursue material opportunities related to the undertaking's own workforce, and the effectiveness of those actions S2-4: Actions related to material impacts on workers in the value chain, and approaches to manage material risks and pursue material opportunities related to workers in the value chain, and the effectiveness of those actions G1-2: Management of relationships with suppliers G1-3: Prevention and detection of corruption and bribery
e)	Tracking the effectiveness of these actions and communication	GOV-1: The role of the administrative, management and supervisory bodies

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List of disclosure requirements

ESRS standar	Disclosure require-ments (DR)	Title of the disclosure	Comment	Page
ESRS 2	BP-1	General Disclosures		48
ESRS 2	BP-2	Disclosures in relation to specific circumstances		49
ESRS 2	BP-2	Disclosure on measurement uncertainty		49
ESRS 2	GOV-1	Role of administrative, management and supervisory bodies		50
ESRS 2	GOV-2	Information provided to, and sustainability matters Addressed by, the Company's Administrative, Manage-ment and Supervisory Bodies		52
ESRS 2	GOV-3	Integration of sustainability-related performance in incentive schemes-related performance		52
ESRS 2	E1 ESRS 2, GOV-3	Integration av hållbarhetsrelaterade resultat i incitamentssystem		52
ESRS 2	GOV-4	Statement on due diligence		52
ESRS 2	GOV-5	Risk management and internal controls over sustainability reporting		53
ESRS 2	SBM-1	Market position, strategy, business model(s) and value chain		54
ESRS 2	SBM-2	Interests and views of stakeholders		57
ESRS 2	SBM-3	Material Impacts, Risks and Opportunities and their relationship to strategy and business model		58
ESRS 2	IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities		61
ESRS 2	IRO-2	Disclosure Requirements in ESRS Standards Covered by the Company's Sustainability Statement		64
E1	E1-1	Transition Plan for Climate Change Mitigation		67
E1	E1-2	Policies related to climate change mitigation and adaptation		68
E1	E1-3	Actions and resources in relation to climate change policies		69
E1	E1-4	Targets related to climate change mitigation and adaptation	Own indicator: Total ordered volume placed with suppliers that have reached Step 3 in the Sustaina-ble Supplier Engagement Program (SSEP) / Bufab's total ordered volume	71
E1	E1-5	Energy consumption and mix		72
E1	E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions		72
E1	E1-8	Internal Carbon Pricing		74
E1	E1-9	Expected financial effects of material risks and opportunities related to climate change	Phase-in	
E1	E2-1	Policies related to pollution		76
E1	E2-2	Actions and resources related to pollution		76
E2	E2-3	Targets related to pollution		77
E2	E2-5	Substances of concern and Substances of Very High Concern (SVHC)	Phase-in of delivered volumes of SVHC substances	77
E2	E2-6	Expected financial effects from material pollution-related impacts, risks and opportunities	Phase-in	
E5	E5-1	Policies related to resource use and circular economy		79
E5	E5-2	Actions and resources related to resource use and circular economy		79
E5	E5-3	Targets for resource use and circular economy		80
E5	E5-4 / E5-5	Resource Inflows and Resource Outflows	Own indicator: Material recyclability rate (%) Phase-in: share of recycled/virgin material volume	81
S1	S1-1	Policies related to own workforce		86
S1	S1-2	Processes for engaging with own workers and workers' representatives about impacts		88
S1	S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns		88

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ESRS standar	Disclosure require-ments (DR)	Title of the disclosure	Comment	Page
S1	S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursu-ing material opportunities related to own workforce, and effectiveness of those actions		89
S1	S1-5	Targets related to managing material negative impacts, advancing positive impacts,and managing material risks and opportunities		90
S1	S1-6	Characteristics of the undertaking's employees		91
S1	S1-7	Characteristics of non-employee work-ers in the undertaking's own workforce		91
S1	S1-8	Collective bargaining coverage and social dialogue		92
S1	S1-9	Diversity metrics		92
S1	S1-10	Adequate wages		92
S1	S1-11	Social protection		93
S1	S1-12	Persons with Disabilities		93
S1	S1-13	Training and skills development metrics		93
S1	S1-14	Health and safety metrics		93
S1	S1-15	Work-life balance		94
S1	S1-16	Compensation metrics (pay gap and total compensation)		95
S1	S1-17	Incidents, complaints and severe human rights impacts		95
S2	S2-1	Policies related to value chain workers		97
S2	S2-2	Processes for engaging with value chain workers about impacts		98
S2	S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns		98
S2	S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions		99
S2	S2-5	Targets related to managing material negative impacts, advancing positive impacts,and managing material risks and opportunities	Ordered volume to suppliers that have signed the Code of Conduct, divided by the total ordered volume to suppliers. Total ordered volume from approved suppliers during the reporting year, divided by Bufab's total ordered volume during the reporting year. Percentage of ordered volume assessed with regard to risk of containing conflict minerals. Response rate for CMRT and EMRT, calculated as the number of completed CMRT and EMRT files received in relation to the total number of suppliers included in the campaign that may have the presence of such minerals. Total ordered volume to suppliers that have reached Step 3 in the Sustainable Supp-lier Engagement Program (SSEP), divided by Bufab's total ordered volume.	100
G1	G1-1	Corporate culture and business conduct policies		102
G1	G1-2	Management of relationships with suppliers	Own indicator: Total ordered volume placed with suppliers that have reached Step 3 in the Sustaina-ble Supplier Engagement Program (SSEP) divided by Bufab's total ordered volume	104
G1	G1-3	Prevention and detection of corruption and bribery		105
G1	G1-4	Confirmed incidents of corruption or bribery		105

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Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation (25) reference	EU Climate Law reference	Page
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	x		x		50
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			x		50
ESRS 2 GOV-4 Statement on due diligence paragraph 30	x				52
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	NM*	NM*	NM*		
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	NM*		NM*		
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	NM*		NM*		
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			NM*		
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				x	67
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		NM*	NM*		
ESRS E1-4 GHG emission reduction targets paragraph 34	x	x	x		71
ESRS E1-5 Energy consumption and mix paragraph 37	x				72
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	NM*				
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	NM*				
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	x	x	x		77
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	x	x	x		77
ESRS E1-7 GHG removals and carbon credits paragraph 56			NM*	x	
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Phase in**		

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ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)		NM*			
ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)					
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)		Phase in**			
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation emitted to air, water and soil paragraph 28	NM*				
ESRS E3-1 Water and marine resources paragraph 9	NM*				
ESRS E3-1 Dedicated policy paragraph 13	NM*				
ESRS E3-1 Sustainable oceans and seas paragraph 14	NM*				
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	NM*				
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	NM*				
ESRS 2 SBM-3 E4 paragraph 16 (a) i	NM*				
ESRS 2 SBM-3 E4 paragraph 16 (b)	NM*				
ESRS 2 SBM-3 E4 paragraph 16 (c)	NM*				
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	NM*				
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	NM*				
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	NM*				
ESRS E5-5 Non-recycled waste paragraph 37 (d)	x		x		81
ESRS E5-5 Non-recycled waste paragraph 37 (d)	x		x		81
ESRS E5-5 Non-recycled waste paragraph 37 (d)	x				81
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	x				81
ESRS S1-1 Human rights policy commitments paragraph 20	x		x		86

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Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation (25) reference	EU Climate Law reference	Page
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	x		x		93
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	x				93
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	x		x		95
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	x				95
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	x				95
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	x		x		95
ESRS 2 SBM-3 – S1 Risk of incidents of forced labour paragraph 14 (f)	x				58
ESRS 2 SBM-3 – S1 Risk of incidents of child labour paragraph 14 (g)	x				58
ESRS S2-1 Human rights policy commitments paragraph 17	x		x		97
ESRS S2-1 Policies related to value chain workers paragraph 18	x				97
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	NM*		x		
ESRS S3-1 Human rights policy commitments paragraph 16	NM*		x		
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD Guidelines paragraph 17	NM*				
ESRS S3-4 Human rights issues and incidents paragraph 36	x				
ESRS S4-1 Policies related to consumers and end-users paragraph 16	x				
ESRS S2-1 Human rights policy commitments paragraph 17	x		x		
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	x				99
ESRS S3-1 Human rights policy commitments paragraph 16	NM*		x		
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD Guidelines paragraph 17	NM*		x		
ESRS S3-4 Human rights issues and incidents paragraph 36	NM*				

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation (25) reference	EU Climate Law reference	Page
ESRS S4-1 Policies related to consumers and end-users paragraph 16	NM*		x		
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 17	NM*		x		
ESRS S4-4 Human rights issues and incidents paragraph 35	NM*				
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	x				102
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	x				102
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	x		x		105
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	x		x		105

* Not material (or applicable) for the undertaking based on the double materiality assessment.

**Disclosure subject to phased-in requirements in accordance with ESRS 1 Appendix C.

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Consolidated income statement

SEK million	Note	2025	2024
Net sales	2, 5	8,072	8,035
Cost of goods sold	6, 7, 10	-5 495	-5,646
Gross profit		2,576	2,389
Distribution costs	6, 7, 10	-1,024	-971
Administrative expenses	6, 7, 10	-607	-590
Other operating income	8	98	131
Other operating expenses	7, 9	-74	-68
Operating profit	2, 3, 4, 5, 6, 7, 8, 9, 10, 13	969	891
Profit from financial items			
Interest and similar income	11	29	13
Interest and similar expenses	12	-175	-209
Profit after financial items	13	823	695
Tax on profit for the year	14	-197	-144
PROFIT FOR THE YEAR¹⁾		626	551

1) Profit in its entirety is attributable to Parent Company shareholders

Statement of comprehensive income

SEK million	Note	2025	2024
Profit after tax		626	551
Other comprehensive income			
Items that will not be reclassified in profit or loss			
Actuarial gains and losses, net after tax		-1	-3
Items that may be reclassified subsequently to profit or loss			
Translation difference, net assets in foreign currency		-328	125
Gain/loss from hedging of net assets in foreign currency		17	3
Deferred tax on gain from hedging		-3	-1
Other comprehensive income after tax		-315	124
Total comprehensive income		310	675
Total comprehensive income attributable to:			
Parent Company shareholders		310	675
Earnings per share			
Earnings per share before dilution, SEK	15	3.30	2.91
Weighted number of shares outstanding before dilution, thousands ¹⁾		189,613	189,390
Earnings per share after dilution, SEK	15	3.29	2.90
Weighted number of shares outstanding after dilution, thousands ¹⁾		190,275	190,315

1) The number of shares have been recalculated to reflect the share split (5:1) carried out in May 2025.

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Consolidated balance sheet

SEK million	Note	31 Dec 2025	31 Dec 2024
ASSETS			
Non-current assets			
<i>Intangible assets</i>			
Goodwill	16	3,466	3,309
Other intangible assets	16	457	408
Work in progress and advances for intangible assets	18	10	7
Total intangible assets		3,932	3,724
<i>Property, plant and equipment</i>			
Land and buildings	17	29	28
Plant and machinery	17	26	40
Equipment, tools and fixtures & fittings	17	131	125
Rights of use	19	588	583
Work in progress and advances for property, plant and equipment	18	23	7
Total property, plant and equipment		797	783
<i>Financial assets</i>			
Other non-current receivables	20	19	14
Total financial assets		19	14

SEK million	Note	31 Dec 2025	31 Dec 2024
Deferred tax assets	25	41	29
Total deferred tax assets		41	29
Total non-current assets		4,790	4,551
Current assets			
<i>Inventories</i>			
Raw materials and consumables		134	135
Products in progress		39	20
Finished goods and merchandise		2,544	2,648
Total inventories		2,717	2,803
<i>Current receivables</i>			
Trade receivables	21	1,364	1,390
Current tax assets		101	107
Other receivables		55	50
Prepaid expenses and accrued income	22	88	79
Total current receivables		1,606	1,626
Cash and bank balances		205	211
Total current assets		4,529	4,640
TOTAL ASSETS		9,319	9,191

SEK million	Note	31 Dec 2025	31 Dec 2024
EQUITY AND LIABILITIES			
Equity			
Share capital		1	1
Other paid-in capital		488	488
Other reserves		-	315
Retained earnings		3,538	3095
Total equity		4,027	3,899
Non-current liabilities			
Pension obligations, interest-bearing	24	53	54
Deferred tax, non-interest bearing	25	129	123
Lease liabilities	19	455	451
Other interest-bearing liabilities	26, 28	2,831	2,761
Other non-interest-bearing liabilities	27	109	244
Total non-current liabilities		3,577	3,633
Current interest-bearing liabilities			
Lease liabilities	19	162	161
Liabilities to credit institutions		9	0
Overdraft facilities	28, 29	127	153
Total current interest-bearing liabilities		298	314
Current non-interest-bearing liabilities			
Trade payables		745	729
Current tax liabilities		119	116
Other liabilities	27	265	216
Accrued expenses and deferred income	30	288	284
Total current non-interest-bearing liabilities		1,417	1,345
TOTAL EQUITY AND LIABILITIES		9,319	9,191

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Consolidated statement of changes in equity

SEK million	Share capital	Other paid-in capital	Other reserves	Retained earnings	Total equity
Equity on 1 January 2024	1	488	188	2,741	3,418
Comprehensive income					
Profit after tax	–	–	–	551	551
Other comprehensive income					
Items that will not be reclassified in profit or loss					
Actuarial gain/loss on pension obligations, net after tax	–	–	–	–3	–3
Items that may be reclassified in profit or loss					
Translation difference, net assets in foreign currency	–	–	125	–	125
Gain/loss from hedging of net assets in foreign currency	–	–	3	–	3
Deferred tax on gain from hedging of net assets in foreign currency	–	–	–1	–	–1
Total comprehensive income	–	–	127	548	675
Transactions with shareholders					
Issued call options	–	–	–	4	4
Redemption of call options	–	–	–	8	8
Repurchase of own shares	–	–	–	–17	–17
Dividend to Parent Company shareholders	–	–	–	–189	–189
Total transactions with shareholders	0	0	0	–194	–194
Equity on 31 December 2024	1	488	315	3,095	3,899

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Consolidated statement of changes in equity, cont.

SEK million	Share capital	Other paid-in capital	Other reserves	Retained earnings	Total equity
Equity on 1 January 2025	1	488	315	3,095	3,899
Comprehensive income	–	–	–	626	626
Profit after tax					
Other comprehensive income					
Items that will not be reclassified in profit or loss					
Actuarial gain/loss on pension obligations, net after tax	–	–	–	–1	–1
<i>Items that may be reclassified in profit or loss</i>					
Translation difference, net assets in foreign currency	–	–	–328	–	–328
Gain/loss from hedging of net assets in foreign currency	–	–	17	–	17
Deferred tax on gain from hedging of net assets in foreign currency	–	–	–3	–	–3
Total comprehensive income	–	–	–315	625	310
Transactions with shareholders					
Share savings programme	–	–	–	4	4
Redemption of call options	–	–	–	14	14
Repurchase of own shares	–	–	–	–	–
Dividend to Parent Company shareholders	–	–	–	–199	–199
Total transactions with shareholders	–	–	–	–180	–180
Equity on 31 December 2025	1	488	0	3,538	4,027

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Consolidated cash-flow statement

SEK million	Note	31 Dec 2025	31 Dec 2024
Operating activities			
Profit before financial items		969	891
Depreciation/amortisation and impairment		306	280
Interest and other finance income		28	9
Interest and other finance expenses		-175	-209
Other non-cash items		-10	-72
Income tax paid		-226	-182
Cash flow from operating activities before changes in working capital		892	717
Cash flow from changes in working capital			
Increase (-) / decrease (+) in inventories		2	215
Increase (-) / decrease (+) in operating receivables		91	-18
Increase (+) / decrease (-) in operating liabilities		-60	187
Cash flow from operating activities		925	1,101
Investing activities			
Acquisition of intangible assets		-14	-15
Acquisition of property, plant and equipment		-76	-64
Purchase of financial assets		-5	-
Company acquisitions including additional purchase considerations	33	-714	-525
Divestment of companies		-	110
Cash flow from investing activities		-809	-494

SEK million	Note	31 Dec 2025	31 Dec 2024
Financing activities			
Dividend paid		-199	-189
Call options	34	-	4
Redemption call options/sale of own shares		14	8
Repurchase of own shares		-	-17
Amortisation lease contracts	36	-171	-155
Borrowings, non-current	36	1,099	539
Loan repayments, non-current	36	-837	-813
Cash flow from financing activities		-93	-623
Cash flow for the year			
	36	23	-16
Cash and cash equivalents at beginning of year		211	218
Translation differences		-28	9
Cash and cash equivalents at year-end		205	211

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All amounts are in SEK million unless otherwise specified. The figures in brackets indicate the preceding year's values.

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NOTE 1 General information

The company, Bufab AB (publ), Corporate Registration Number 556685-6240, operates as a limited liability company, with its registered office in Stockholm, Sweden.
 The address of the head office is Box 2266, SE-331 02, Värnamo, Sweden.

NOTE 2 Summary of key accounting policies

This Annual Report has been prepared in accordance with IFRS as adopted by the EU, as well as the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups and the Swedish Annual Accounts Act. The consolidated annual financial statements have been prepared in accordance with the cost method. The Parent Company's accounting policies are consistent with those applied for the Group, unless otherwise specified.

In addition to these standards, both the Swedish Companies Act and the Swedish Annual Accounts Act contain regulations requiring the disclosure of certain additional information. Preparing financial statements in accordance with IFRS requires the use of a number of important accounting estimates. Management is also required to make certain judgements when applying its accounting policies. Information about areas that are complex or involve a high proportion of assumptions and estimates, or about areas where accounting estimates are of key significance to the consolidated financial statements, can be found in Note 4. The estimates and assumptions are reviewed regularly and the effect on the reported amounts is recognised in profit or loss.

NEW AND AMENDED STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET ADOPTED BY THE GROUP

IFRS 18 Presentation and Disclosure in Financial Reports is applicable for fiscal years starting on January 1, 2027, and has not yet been adopted by the EU. IFRS 18 will replace IAS 1 Presentation of Financial Statements, introducing new requirements aimed at achieving greater comparability in performance reporting for similar companies and providing users with more relevant information and transparency. IFRS 18 introduces, among other things, new requirements for the structure of the income statement and disclosures about certain performance measures. Although IFRS 18 will not affect the recognition or measurement of items in the financial statements, the effects on presentation and disclosures could be extensive, particularly those related to the income statement and management-defined performance measures. Management is currently evaluating the implications of applying the new standard to the consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements consist of financial statements for the Parent Company and companies over which the Parent Company exercises a controlling influence. A controlling influence exists if the Parent Company has influence over the investment object, is exposed to or has the right to variable returns from its involvement, and can use its influence over the investment to impact the returns. Shareholdings in Group companies have been eliminated according to the acquisition method, which essentially means the identifiable assets, liabilities and contingent liabilities of the company taken over are valued and recognised in the consolidated financial statements, as if they had been taken over through direct acquisition and not indirectly through the acquisition of shares in the company. The measurement is based on fair value. If the value of net assets is less than the purchase price, goodwill on consolidation arises. If the opposite is true, the difference is recognised directly in profit or loss. Goodwill is determined in local currency and is recognised at cost less any impairment. The Group's equity includes the Parent Company's equity and the share of the subsidiaries' equity earned after the date of acquisition. Acquired and divested companies are consolidated and deconsolidated respectively from the date of acquisition or divestment.

Contingent considerations are measured at fair value on the date of the transaction and remeasured subsequently when the financial statements are being prepared. The effects of the remeasurement are recognised as income or cost in consolidated profit/loss for the year. Transaction charges in connection with the acquisition are expensed. In an acquisition, it is possible to measure non-controlling interests at fair value, which means goodwill is included in non-controlling interests. Alternatively, non-controlling interests' comprise a share of net assets. The choice is made individually for every acquisition.

Intra-Group receivables and liabilities and transactions between companies in the Group and thereby associated unrealised gains are eliminated in full. Unrealised losses are eliminated in the same manner as unrealised gains, but only if there is no indication of impairment.

Foreign currency translation

Items in the individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements are presented in Swedish kronor (SEK), which is the Parent Company's functional and reporting currency.

Foreign currency transactions are translated into the functional currency according to the exchange rates prevailing at the date of the transaction. Exchange gains and losses arising from the settlement of such transactions and during translation of foreign currency monetary assets and liabilities at the closing rate are recognised in profit or loss.

The results and financial position of all Group entities are translated into the Group's reporting currency. Assets and liabilities are translated at the closing rate, while income and expenses are translated at the average rate, with all resulting exchange-rate differences recognised as a separate component of equity. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are reported as assets and liabilities in the Group's balance sheet and are translated at the closing rate. The following exchange rates were used for the translation of foreign operations:

Currency	Average rate		Closing rate	
	2025	2024	2025	2024
DKK	1.48	1.53	1.45	1.54
EUR	11.07	11.43	10.82	11.49
GBP	12.92	13.51	12.42	13.85
CZK	0.45	0.46	0.45	0.46
HUF	0.03	0.03	0.03	0.03
NOK	0.95	0.98	0.92	0.97
PLN	2.61	2.66	2.56	2.69
CNY	1.37	1.47	1.32	1.51
INR	0.11	0.13	0.10	0.13
TWD	0.32	0.33	0.29	0.34
USD	9.81	10.57	9.20	11.00
RON	2.20	2.30	2.12	2.31
TRY	0.25	0.32	0.21	0.31

Note 2, cont.

CHF	11.81	12.01	11.64	12.17
HKD	1.26	1.35	1.18	1.42
SGD	7.51	7.91	7.17	8.11
MXN	0.51	0.58	0.51	0.54
IDR	0.0006	0.007	0.0006	0.007
VND	0.00037	0.0005	0.00036	0.0005
MYR	2.29	2.31	2.27	2.46
PHP	0.17	0.18	0.16	0.19
THB	0.30	0.30	0.29	0.32

Classification

Non-current assets, liabilities and provisions are amounts expected to be recovered or settled more than 12 months after the balance-sheet date. Current assets and liabilities are amounts expected to be recovered or settled no more than 12 months after the balance-sheet date.

INTANGIBLE ASSETS

Goodwill

The amount by which the cost exceeds the acquisition-date fair value of the Group’s share of the acquired subsidiary’s net identifiable assets is recognised as goodwill. Goodwill on acquisitions of subsidiaries is reported under intangible assets.

Goodwill is not amortised but is tested for impairment annually and is carried at cost less accumulated impairment.

Goodwill is allocated to cash-generating units for impairment testing.

Other intangible assets

The Group’s other intangible assets comprise acquired customer and supplier relationships and capitalised expenditure for IT and business systems. The Group’s basis for acquisitions is that customer relationships and supplier relationships have a limited useful life and are recognised at cost less any accumulated depreciation. Amortisation is applied on a straight-line basis to distribute the costs of their estimated useful lives.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is recognised as an asset in the balance sheet when, based on available information, it is probable that future economic benefits associated with the ownership will flow to the Group/company and the cost of the asset can be measured reliably.

Items of property, plant and equipment are recognised at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended.

The carrying amount of an item of property, plant and equipment is derecognised from the balance sheet on disposal or divestment, or when no future economic benefits are expected from its use. The gain or loss arising from the disposal of an item of property, plant and equipment is the difference between the selling price and the asset’s carrying amount less direct distribution costs. The gain or loss is reported under other operating income/expenses.

LEASES – GROUP AS LESSEE

The Group’s costs pertaining to leases are recognised on the following lines in the consolidated income statement:

- Interest expense (included in finance cost).
- Expense relating to short-term leases (included in cost of goods sold and administrative expenses).
- Expense relating to leases of low-value assets that are not short-term leases (included in administrative expenses).
- Expense relating to variable lease payments not included in lease liabilities (included in administrative expenses).

The Group leases offices, warehouse space, machinery, equipment and vehicles. Leases are normally signed for fixed periods up to ten years, though longer maturities may be agreed. Options to extend the contract may exist.

The contract may include both lease and non-lease components. The Group allocates the consideration in the contract to lease and non-lease components based on their relative stand-alone prices where the differences are material. For lease payments on properties where the Group is tenant, lease and non-lease components have not been separated and are instead recognised as a single lease component.

Lease terms are normally negotiated on an individual basis and contain a wide range of different terms and conditions. Leases do not impose special terms or restrictions save that the lessor retains the right to pledge lease assets as security. The leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease payments are discounted by the interest rate implicit in the lease. If this rate cannot be readily determined, which is normally the case for the Group’s leases, the lessee’s incremental borrowing rate is to be used, which is the rate that an individual lessee would have to pay to borrow the funds necessary to purchase an asset of a similar value to the right-of-use asset in a similar economic environment with similar conditions and securities. The Group’s incremental borrowing rate varies depending on

duration and currency area and amounts to between 1.3 percent (1.8) and 9.6 percent 9.6).

The Group is exposed to any future increases in the variable lease payments that depend on an index or a rate that are not included in the lease liability until they come into effect. When adjustments of lease payments that depend on an index or a rate come into effect, the lease liability is remeasured and adjusted against the right-of-use asset.

Lease payment is allocated between the liability and interest. The finance cost is recognised in profit or loss over the lease period so as to produce a constant periodic rate of interest on the lease liability for each period.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise, for example, IT-equipment and small items of office equipment.

OPTIONS TO TERMINATE AND EXTEND THE LEASE

Extension and termination options are included in a number of property and equipment leases across the Group. The majority of extension and termination options held are exercisable only by the group and not by the respective lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The majority of extension options concerning leases of office premises and vehicles are not included in the lease liability as the Group can replace the assets without significant costs or disruption to operations.

The lease term is reassessed if an option is exercised (or not exercised) or if the Group is obliged to exercise the option (or not exercise it). The assessment of reasonable certainty is only reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

DEPRECIATION POLICIES FOR NON-CURRENT ASSETS

Depreciation according to plan is based on original cost less estimated residual value. Depreciation is applied on a straight-line basis over the useful life of the asset.

The following depreciation periods are applied:

Customer and supplier relationships	10 years
Other intangible assets	3–5 years
Buildings	12–15 years
Plant and machinery	5–10 years
Equipment, tools and fixtures & fittings	3–10 years
Right-of-use assets	3–15 years

IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets with an indefinite useful life are not subject to depreciation or amortisation; instead, these assets are tested annually for impairment. For impairment testing, assets are grouped at the lowest levels at which there are separate identifiable cash flows.

BORROWING COSTS

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

INVENTORIES

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. An obsolescence risk is also taken into account. At the end of the financial year, the obsolescence reserve was SEK 198 million (216). The cost of the Group’s merchandise is calculated as a weighted average purchase price and includes expenses arising from the acquisition of inventories and bringing them to their existing location and condition.

The cost of finished goods and work in progress includes a reasonable proportion of indirect manufacturing costs. Measurement takes into account normal capacity utilisation.

BUSINESS COMBINATION

The purchase consideration for the acquisition of a subsidiary comprises the fair value of identifiable acquired assets, assumed liabilities and assumed contingent liabilities in a business combination that are initially measured, with a few exceptions, at fair value on the date of acquisition. Acquisition-related costs are expensed as they arise.

Conditional purchase consideration is classified either as shareholders’ equity or a financial liability. Amounts classified as financial liabilities are remeasured each period at fair value. Any remeasurement gains or losses are recognised in profit or loss.

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Note 2, cont. EMPLOYEE BENEFITS

Group companies have various pension schemes in accordance with local conditions and practices in the countries in which they operate. The most common pension arrangements are defined-contribution pension plans. Under these plans, the company settles its obligations on an ongoing basis through payments to insurance companies or pension funds.

However, the company has a more extensive responsibility in the case of defined-benefit pension plans, which are based on an agreed future pension entitlement. With these plans, the company’s recognised cost is affected by factors such as assumptions about the future. The Group’s net obligation is calculated separately for each plan by estimating the future benefit that employees have earned through their service in the current and prior periods. The present value of this benefit is determined by discounting the estimated future cash flows. The calculation is performed by a qualified actuary using the projected unit credit method. Actuarial gains and losses are presented in other comprehensive income when they arise.

For salaried professionals in Sweden, the ITP 2 plan’s defined-benefit pension obligations for retirement and survivors’ pensions are backed by an Alecta insurance policy. According to a statement from the Swedish Financial Reporting Board (UFR 10 Recognition of ITP 2 pension plan financed by an Alecta insurance policy), this is a defined-benefit plan that encompasses several employers. For the 2025 financial year, the company has not had access to enough information to report its proportional share of the plan’s obligations, plan assets and costs, and the company was therefore unable to recognise it as a defined-benefit plan.

Accordingly, the ITP 2 pension plan, which is backed by an Alecta insurance policy, was recognised as a defined-contribution plan. The premium for the defined-benefit retirement and survivors’ pension is calculated on a case-by-case basis and is determined by such factors as salary, previously vested pension benefits and the expected remaining professional life of the beneficiary.

The collective consolidation level comprises the market value of Alecta’s assets as a percentage of the insurance obligations calculated using Alecta’s actuarial methods and assumptions, which do not correspond with IAS 19. The collective consolidation level is generally permitted to range from 125 to 155 percent. At the end of the financial year, Alecta’s surplus in the form of the collective consolidation level was 167 percent (163).

REVENUES

Net sales comprise, in all material respects, revenues from the sale of goods and services. The Group is engaged in trading fastener products and C-parts. Revenue recognition occurs in profit or loss when the products have been delivered to the customer and control and the right of ownership have been transferred. Revenue includes only the gross inflow of economic benefits received and receivable for the company’s own account. Revenue from the sale of goods is recognised when the company has transferred control of ownership of the goods and the company does not exercise any effective control over the goods sold. Revenue is recognised at the fair value of the consideration received or receivable, net of discounts. Settlement is made in cash, with revenue comprising the amount of cash received or receivable. A receivable is recognised when the products are delivered, as this is the date when remuneration becomes unconditional (in other words, only the passage of time is needed before payment will take place). The distribution of revenue by segment is presented in Note 5.

The item “other operating income” includes other revenues in the operation that do not stem from the day-to-day business operations, such as capital gains from the sale of non-current assets and exchange-rate gains from operating receivables/liabilities.

Dividends are recognised when the right to receive payment is established.

Intra-group sales are eliminated in the consolidated financial statements.

COSTS

The income statement is classified using the function of expense method. The functions are:

- Cost of goods sold comprises the cost of the good, the cost for material handling and manufacturing costs, including payroll and material costs, purchased services, costs of premises, and depreciation/amortisation and impairment of property, plant and equipment.
- Administrative expenses comprise costs of the companies’ own administrative functions and costs relating to boards, management and staff functions.
- Distribution costs comprise costs associated with the sales organisation and inventory obsolescence.
- Other operating income/expenses relates to secondary activities, exchange-rate differences on operating items, the remeasurement of additional purchase considerations for acquired companies and capital gains/losses on the sale of property, plant and equipment.

FINANCIAL INCOME AND EXPENSES

Financial income and expenses comprise interest income on bank deposits and receivables, interest expense on borrowings, dividend income, bank fees, exchange-rate differences and other financial income and expenses.

The interest component of lease payments (according to IFRS 16) is recognised in profit or loss using the effective interest method, which means that the interest is allocated to each accounting period during the lease term so as to produce a constant periodic rate of interest on the balance of the liability reported during the period.

TAX

Income tax consists of current tax and deferred tax. Taxes are recognised in profit or loss except when the underlying transaction is recognised directly in equity, in which case the related tax effect is also recognised in equity.

The group is within the scope of the OECD Pillar Two model rules. Pillar Two legislation was enacted in Sweden, the jurisdiction in which BuFab Group is incorporated, and will come into effect from 1 January 2024. The group applies the IAS 12 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. Under the legislation, the group is liable to pay a top-up tax for the difference between the GloBE effective tax rate for each jurisdiction and the 15% minimum rate. The group has estimated that the effective tax rates that exceed 15% in all jurisdictions in which it operates.

GOVERNMENT GRANTS

Government support is recognised at fair value when there is reasonable certainty that the grant will be received and that the Group will meet the conditions tied to the grant.

CASH-FLOW STATEMENT

The cash-flow statement is prepared using the indirect method. Recognised cash flows only concern transactions that involve cash inflows and outflows. Cash and bank balances are classified as cash and cash equivalents.

RELATED-PARTY TRANSACTIONS

None of the Parent Company’s total purchases charged to operating profit relate to transactions with other companies within the corporate group to which the company belongs. Within the Group, there are some internal sales between its

different markets. Related-party transactions are also reported in Note 6 (Employees, personnel expenses and fees paid to directors and auditors) and Note 32 (Related-party transactions). Related-party transactions are made on terms equivalent to commercial transactions.

FINANCIAL INSTRUMENTS

The Group recognises all financial instruments at amortised cost, except for contingent considerations attributable to acquisitions which are measured at fair value.

The Group classifies its financial assets and liabilities depending on the purpose for which the financial asset or liability was acquired. The classification of investments in debt instruments is dependent on the Group’s business model for managing financial assets and the contractual rights for an asset’s cash flow.

Financial assets at amortised cost

Assets held for the purpose of collecting contractual cash flow and where this cash flow is made up solely of the principal amount and interest are measured at amortised cost. Assets in this category are recognised initially at fair value including transaction costs. After the date of acquisition, these are recognised at cost by applying the effective interest method. The carrying amount of these assets are adjusted by any recognised expected credit losses (see impairment below). Interest income from these financial assets is recognised using the effective interest method and entered in financial income. Assets in this category comprise long-term financial receivables, trade receivables and other current receivables. They are included in current assets unless the settlement date is more than 12 months after the end of the reporting period, in which case they are classified as non-current assets.

Financial liabilities at amortised cost

The Group’s other financial liabilities are recognised initially at fair value, net after transaction costs. Financial liabilities are then recognised at amortised cost by applying the effective interest method. Non-current liabilities have an expected maturity beyond 1 year while current liabilities have a maturity shorter than 1 year. This category includes liabilities to credit institutions, trade payables and other current liabilities.

Financial liabilities at fair value

The Group’s liabilities for contingent considerations attributable to acquisitions are measured at fair value. These items are recognised at fair value in the balance sheet with changes in value recognised in profit or loss.

Note 2, cont.

Impairment

The Group measures future expected credit losses related to investments in debt instruments recognised at amortised cost and fair value, respectively, with changes through other comprehensive income based on forward-looking information. The impairment methodology applied by the Group depends on whether or not there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach for loss allowances, meaning that the reserve will correspond to the expected loss across the entire lifetime of the trade receivables. The Group makes provisions for trade receivables based on the Group’s expected losses based on a historic model of expected losses in each age category.

Hedge accounting

The effective portion of change in value for derivative instruments or other financial instruments that fulfil the requirements of hedge accounting according to the method for cash flow hedging or hedging of net investments in foreign operations is recognised in other comprehensive income. Accumulated change in value from hedging of net investments in foreign operations is reversed from equity to profit or loss when foreign operations are divested in full or in part.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash and bank balances and other current investments with an original maturity of three months or less. Utilised overdraft facilities are reported as borrowings under current liabilities in the balance sheet.

BORROWINGS

Borrowings are recognised initially at fair value and are subsequently measured at amortised cost. Any difference between the amount received and the repayment amount is recognised in profit or loss over the borrowing period using the effective interest method.

NOTE 3 Risks and risk management

OPERATIONAL RISKS

Market and business risks

Customer demand for products and services from Bufab depends on general economic conditions and the level of activity in the manufacturing industry in the countries in which Bufab and its customers operate.

Bufab operates in Sweden, Denmark, Finland, Norway, Germany, France, the Netherlands, Austria, the Czech Republic, Poland, the UK, Ireland, Estonia, Latvia, Hungary, Spain, Slovakia, India, the United States, Taiwan, China, Türkiye, Romania, Singapore, Malaysia, Indonesia, the Philippines, Mexico, Thailand, Italy, Switzerland and Vietnam.

Bufab’s customers are found in a wide spectrum of manufacturing industries, including the technology sector, electronics/telecommunications, consumer goods, the offshore and refining industry, the transportation and construction sectors, furniture and the automotive sector. Geographical diversification combined with a vast number of customers spread across many sectors reduces the effects of isolated changes in customer demand.

However, despite this breadth, it can be stated that the company is clearly impacted by customers’ underlying demand, which is considered to comprise the company’s most tangible operational risk. The company was substantially impacted by reduced customer demand during the sharp global economic downturn in 2009, but also during parts of the pandemic year of 2020.

There is a risk that major customers will choose to bypass the wholesale stage and deal directly with manufacturers. However, Bufab adds value to its customers by providing, for example, technically competent, efficient logistics and a broad base of suppliers, as well as a reliable level of quality. The company believes that this broad range as a logistics partner remains competitive.

Bufab can be negatively impacted when its suppliers experience economic, legal or operational problems, raise prices or when they are unable to deliver on time or at the agreed level of quality. Bufab sources most of its goods from suppliers that are mainly located in Asia and Europe. Bufab works actively with a large number of suppliers from different countries. The company aims to avoid making itself dependent on specific suppliers. These risk-minimising measures contributed to the company performing well despite the strained global supply chains experienced during the pandemic years, which led to delivery and capacity issues for several suppliers, resulting in increased lead times for goods and raw materials.

Inventories constitute a significant share of Bufab’s assets

and are costly to relocate, store and manage. Accordingly, efficient inventory management is a key element in Bufab’s operation. Inefficient inventory management can lead to inventory surpluses or deficits. Inventory surpluses expose Bufab to the risk of having to incur impairment losses on or to dispose of the inventory. Conversely, inventory deficits expose Bufab to the risk of having to source products at higher prices in order to deliver on time, or to incur expensive express delivery costs or penalties.

With its large and complex flow of items combined with a broad base of customers and suppliers, there is a risk that Bufab’s customers will not receive their products at the specified time or with the right quality. Bufab may become subject to significant product liability and other claims if the products it sources and produces are defective, cause production stops or personal or property damage, or otherwise do not fulfil the requirements agreed with the customer. Such defects may be caused by mistakes made by Bufab’s own personnel or the company’s suppliers. If a product is defective, Bufab may also have to recall the product. Furthermore, Bufab may not be able to file or collect a corresponding claim against, for example, its own suppliers in order to receive compensation for damages and related costs. To address this risk, internal and external processes are in place that must be adhered to by employees and external parties. Bufab works continuously to develop these processes and to train employees and external parties.

Bufab could lose business or growth opportunities from existing customers as a result of many factors, including, but not limited to, relocations of the customers’ manufacturing operations or customer dissatisfaction, particularly with product quality or service, as well as customers underperforming in, or shutting down, their businesses. In connection with a customer relocating manufacturing operations, for example, to a low-cost country, Bufab may not be requested, or be able, to make deliveries to the new location to the same extent as prior to the relocation, or may not be able to efficiently source all, or any, of its products to the new location. Moreover, should customers relocate outside of Bufab’s operating jurisdictions, it may be difficult or burdensome for Bufab to establish new operations and comply with local regulations in such locations. As a consequence, Bufab may lose all, or part of, its business from that manufacturing operation.

Bufab’s supply chain (including manufacturing units and some warehouses) and business processes are, to a large

extent, automated via hardware and software for robotics and via the Group’s IT systems. Bufab is particularly dependent on these systems to purchase, sell and deliver products, to invoice its customers and to manage its production units and certain automated warehouses. It is also an important tool for accounting and financial reporting as well as inventory and net working capital management. Disruptions, as a consequence of, for example, upgrades of existing IT systems, or deficiencies that materialise in the function of its IT systems or hardware could, even in the short term, adversely affect Bufab’s business, results of operations and financial condition.

Bufab’s strategy covers both organic growth and growth through acquisitions. Acquisitions may expose Bufab to risks, primarily related to integration, such as impairment of relationships with key customers, inability to retain key employees and difficulties and higher costs than anticipated for combining operations. Following some of its past acquisitions, Bufab has experienced such integration difficulties. Moreover, acquisitions may expose Bufab to unknown liabilities.

The geopolitical unrest such as the war in Ukraine and unrest in the Middle East are major factors of uncertainty, especially when it comes to its possible impact on global demand going forward. Since the divestment of the Russian operations in the second quarter of 2022, the Group has no remaining business in Russia or Ukraine.

Bufab manages its operations through operating subsidiaries in a number of countries. The business, including transactions between Group companies, is run according to Bufab’s understanding or interpretation of current tax laws, tax treaties, other tax law stipulations and the requirements of the tax authorities concerned. Furthermore, the tax authorities of the countries concerned could make assessments and take decisions which deviate from Bufab’s understanding or interpretation of the abovementioned laws, treaties and other regulations. Bufab’s tax position, both for previous years and the current year, may change as a result of the decisions of the tax authorities concerned or as a result of changed laws, treaties and other regulations. Such decisions or changes, possibly retroactive, could adversely affect Bufab’s business, results of operations and financial condition.

Bufab holds environmental permits for manufacturing at its production facilities. Bufab previously conducted manufacturing at other facilities in Sweden. Bufab has completed environmental inventories and, where required, environmental

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Note 3, cont. technical investigations, at all properties where Bufab has historically conducted manufacturing in Sweden. These investigations detected traces of contamination at or in proximity to some of these properties. For more information regarding environmental risks, refer to Note 31.

Bufab has a substantial goodwill item in its consolidated balance sheet, which is regularly tested for impairment requirements; see also Note 16.

Sourcing prices

Bufab is exposed to fluctuations in the market price of certain commodities, particularly steel, stainless steel (which fluctuates with the price of alloy metals) and other metals. Any increase in such prices may impact the price for which Bufab purchases its products, and thereby the cost of goods sold. Energy prices and the price of oil impact manufacturing and freight costs, which significantly affect cost of goods sold. Freight costs could also be affected significantly by fluctuating capacity in the global supply chains. In addition, labour shortages and labour costs in the countries from which Bufab sources its products may increase Bufab’s cost of goods sold through its purchasing prices. Moreover, Bufab may not be able to compensate for increased sourcing prices by raising prices for its own customers.

Competition

Bufab acts as a subcontractor to the engineering industry and faces competition in all types of customer segments. Customer requirements concerning price, quality, delivery reliability, etc. are constantly increasing. Since the entry barriers for smaller companies and the investments required to start a competing business are low, Bufab can also lose sales to new companies. The company's continued success is dependent on its ability to respond to these increasing requirements and be more competitive than its competitors in the areas of attractive pricing, delivery reliability, quality, high internal efficiency and broad, secure logistics solutions from all of the countries in which Bufab operates.

Legal risks

Legal risks primarily include legislation and regulation, government decisions, disputes, etc. The fastener industry within Europe and North America has periodically been subject to heavy duties on imports of standard parts from certain geographies, mainly China. Bufab has been forced to find alternative sourcing channels, primarily in Asia, which has worked well considering the volume size. It cannot be ruled out that, for example, the EU or US may introduce increased duties in the future, and there is considerable uncertainty about the extent of such duties.

Bufab's operations face risks related to taxes and the environment. See also Note 31.

Insurance

Bufab insures its assets against property damage and business interruption losses. In addition, there are insurance policies for product liability, product recall, transportation, legal protection, crime against property and business travel. There have been no claims for damages with regard to product liability or product recall that had any material impact on earnings during the last decade.

Risks related to employees

Bufab must have access to competent and motivated employees and ensure access to good leaders as a means of achieving its established strategic and operational targets. Bufab is working in a structured manner to ensure the health and well-being of its employees and that they can find positive challenges in their daily work.

Bufab also has a strong focus on safety efforts in all units. Through strategic manpower planning, Bufab can ensure access to persons with the right qualifications at the right time. Recruitment may take place both externally and internally, where internal recruitment is facilitated as vacant positions are advertised both internally and externally. Salaries and other terms and conditions are in line with market conditions and are connected to each subsidiary’s priorities. Bufab is also striving to maintain good relationships with trade union organisations. However, securing a skills supply to each subsidiary is always a challenge, given that the labour market is mobile.

Risks in IT systems

Bufab is dependent on IT systems for its ongoing operations. Disruption or faults in critical systems have a direct impact on deliveries of products and services to customers and other important business processes. Incorrect management of financial systems may affect the company’s reporting of results. In addition, the company is exposed to attempts to harm the company through IT-based attacks, such as virus attacks, password and identity theft, or various forms of IT-based fraud or theft. These risks are increasing in an ever-more technically complex and interconnected world. In recent years, Bufab has therefore worked towards more standardised IT processes and an organisation for information security. IT security includes a continuous risk assessment, the implementation of preventive measures and the use of security technologies. Standardised processes exist to implement new systems, to change current systems as well as for

daily operations. Large parts of Bufab’s system landscape are based on thoroughly tested products, such as the Jeeves business system.

FINANCIAL RISKS

Bufab is exposed to various types of financial risk in the course of its operations. Examples of these are currency, financing, interest rate and counterparty risks. The Board is responsible for adopting risk-management policies. Financial activities such as risk management, liquidity management and borrowing are managed at the Group level by the subsidiary Bufab International AB.

Currency risks

Changes in exchange rates affect the Group’s earnings and equity in different ways. Currency risk arises from:

- flow exposures in the form of receipts and payments in different currencies,
- recognised assets and liabilities of subsidiaries,
- translation of the earnings of foreign subsidiaries to SEK,
- translation of net assets of foreign subsidiaries to SEK.

Exchange-rate fluctuations may also affect the Group's competitiveness or that of its customers, thereby indirectly affecting the Group’s sales and earnings. The Group’s overall currency exposure has increased over time as operations have become more global, with increased trade from Asia as well as a higher proportion of sales outside Sweden – from Swedish subsidiaries but mainly from foreign subsidiaries. The Group’s currency risk management policy primarily focuses on transaction-related currency risks. Currency risks are mainly managed by price adjustments to customers and suppliers, and by working to change the business's operating terms by aligning revenues and costs in currencies other than SEK with each other.

Some 91 percent (89) of the Group’s total invoicing and 93 percent (86) of its costs are in foreign currencies. Flow exposure in 2025 was marginally hedged at fixed exchange rates.

During the financial year, the Group’s currency flows (excluding the reporting currency, SEK) were distributed as follows (amounts in SEK million).

Currency	Costs*	Sales*
EUR	2,683	3,561
USD	2,228	1,290
GBP	660	1,415
DKK	251	507
PLN	179	135
NOK	40	118
CNY	278	51
SGD	46	51
MXN	17	30
RON	9	2
CZK	64	79
INR	39	59
TWD	130	0
HUF	12	0
TRY	14	19
JPY	35	0
THB	1	16
CHF	4	18
HKD	18	19

* Expressed in SEK million at the average rate for 2025. Currency flows represent gross flows, including intra-Group transactions

The company’s largest exposure is to the USD, as trade from Asia is largely conducted in this currency, and to the EUR, as a large proportion of its European sales are in this currency.

Net assets in foreign subsidiaries correspond to investments in foreign currencies that give rise to translation differences when they are translated to SEK. Loans were raised in EUR, GBP and USD to reduce the effect of translation differences on the Group’s comprehensive income and capital structure. Exchange-rate gains and exchange-rate losses on these loans are considered to be effective hedges, as defined by IFRS, of translation differences and are recognised in other comprehensive income and the accumulated amount in equity. During 2025 and 2024, the Group had some of its lending in foreign currencies with the aim of reducing the impact of currency exposure on Group’s equity that originates from companies with net assets in the currency in question. The effectiveness of the hedge is assessed when entering into a hedging relationship. The hedged item and hedge instrument is then assessed regularly to ensure the conditions

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Note 3, cont. satisfy requirements. Total borrowing in foreign currencies defined as hedging instruments amounted to EUR 17 million (3), at 31 December 2025. For a specification refer to Note 37. Refer also to the consolidated statement of comprehensive income and the consolidated statement of changes in equity.

Credit risk

Credit risk related to cash and cash equivalents, balances and credit exposures are managed at the Group level. Credit risk related to receivables outstanding are managed by the company in which the receivable was created. The company conducts individual assessments of its customers’ credit ratings and credit risks, including customers’ financial position, as well as previous experiences and other factors. The management does not anticipate any losses due to missing payments from counterparties other than the amount reserved as “doubtful debts.” Provisions are made for trade receivables and contract assets in accordance with the Group’s loss risk provision model. The Group therefore makes provisions for trade receivables based on the Group’s expected losses based on a historic model of expected losses in each age category. Indications that specific impairment is required include the Group’s assessment that there is no reasonable expectation of repayment since the debtor is failing to comply with the repayment plan. When a debtor’s payments have fallen due by more than 180 days, half of the value of the receivable is written off in line with the Group’s loss risk provision model. When a debtor’s payments have fallen due by more than 360 days, or when there is no reasonable expectation of repayment (for example, bankruptcy) the full value of the receivable is written off. For more information about past-due receivables and multi-year history, see Note 21.

Financing, liquidity and capital

Financing risk is defined as the risk of being unable to meet payment obligations as a result of insufficient liquidity or difficulties in obtaining financing. Liquidity risk is managed by ensuring that the Group holds sufficient levels of cash and cash equivalents and access to financing under credit facility agreements. Executive management regularly monitors the need to refinance external loans with the aim of renegotiating the Group’s credit facilities at least 12 months before the maturity date.

The Group receives its primary financing from a bank under a credit facility of SEK 4,800 million (4,000) with a maturity in July 2028, with an option to extend for an additional two years. This credit is linked to certain borrowing terms (known as covenants), which are detailed in Note 26.

At year-end 2025, the Group had a liquidity reserve in the amount of SEK 1,834 million (1,230). The Group’s finance policy stipulates that the available funds, meaning cash and cash equivalents and available but unutilised credits, must be greater than the Group’s standard expenses for 0.7 of a month. On 31 December 2025, the liquidity reserve totalled 3.1 months’ (2.1) standard expenses for the Group.

The Group’s target for total capital structure is to secure the Group’s ability to continue its operations, in order to generate returns for shareholders and benefits for other stakeholders and to retain a solid capital structure to keep capital costs low. Executive management regularly monitors the need to refinance external loans with the aim of renegotiating the Group’s credit facilities at least 12 months before the maturity date.

The Group has an equity/assets ratio of 43 percent (42), whereby the equity/assets ratio is defined as recognised equity divided by total assets.

Equity/assets ratio	2025	2024
Group		
Equity	4,027	3,899
Total assets	9,319	9,191
Equity/assets ratio	43%	42%

The net debt/equity ratio as at 31 December 2025 amounted to 85 percent (86), where the net debt/equity ratio is defined as net debt divided by recognised equity.

On 31 December 2025	Within one year	Between one and five years	After five years
Bank loans and overdrafts	136	2 831	–
Interest	111	152	–
Lease liabilities	162	357	98
Liabilities for additional purchase considerations	135	90	–
Trade payables	745	–	–
Total	1,289	3,430	98

On 31 December 2024	Within one year	Between one and five years	After five years
Bank loans and overdrafts	153	2,761	–
Interest	150	70	–
Lease liabilities	161	366	85
Liabilities for additional purchase considerations	93	231	–
Trade payables	729	–	–
Total	1,320	3,411	85

Debt/equity ratio	2025	2024
Group		
Interest-bearing liabilities	3,637	3,580
Cash	– 205	–211
Net debt	3,432	3,369
Total equity	4,027	3,899
Debt/equity ratio, %	85%	86%

Classification of financial instruments

The following table shows the classification of financial instruments in the balance sheet for 2025 and 2024 (for definition, see Note 2).

The maturity structure for existing borrowings is shown in Note 26. The amounts do not include the current portion, which will mature within one year. The overdraft facility normally matures within one year, but is usually extended on the due date.

The table below illustrates the Group’s financial liabilities categorised by time left to maturity as per balance-sheet date. The amounts shown in the table are the contractual undiscounted cash flows, including estimated future interest payments.

Financial instruments

IFRS 13 Fair Value Measurement is applied. The Group’s borrowings mainly take the form of credit facilities with long-term credit but short fixed-rate periods. Consequently, it is the assessment that the fair value is essentially consistent with the carrying amount.

Interest-rate risk

Changes in interest rates have a direct impact on the Group’s earnings, while their impact on the overall economy also produces an indirect effect. The Group’s bank loans at the end of the year had an average remaining fixed-rate period of three months.

Sensitivity analysis

Significant factors affecting the Group’s earnings are described below. The assessment is based on year-end values, assuming all other factors remain constant.

Fluctuations in sales prices are the variable that has the greatest impact on earnings. A change of +/–1 percent on resale prices would affect operating profit by about SEK 81 million (80) and a change of 5 percentage points would have an impact of approximately SEK 404 million (402) on operating profit.

Volume changes and sourcing prices affect Bufab’s earnings. A 1-percentage point change in volume has an effect on earnings of about SEK 26 million (30), while a 5-percentage point change has an effect of about SEK 129 million (150) on operating profit. A 1-percentage point change in merchandise sourcing prices has an effect on earnings of about SEK 50 million (51), while a 5-percentage point change has an effect of about SEK 251 million (256) on operating profit.

Payroll costs represent a large proportion of the Group’s cost base. A 1-percentage point increase in the Group’s payroll costs has an effect on earnings of about SEK 14 million (14), while a 5-percentage point change has an effect of about SEK 69 million (69) on operating profit.

The Group’s net debt was SEK 3,432 million (3,369) on the balance-sheet date. A one percentage point change in the market rate for the closing net debt has an effect on profit after financial items of SEK 34 million (34) and a five percentage point change in the market rate for the closing net debt has an effect on profit after financial items of SEK 172 million (168).

The Group has considerable net currency exposure in terms of translation and transaction effects to the USD. The

Note 3, cont. currency exposure to the USD is related to the company's operations in North America and trade with Asia, particularly China and Taiwan. Local prices in Asia are largely set on the basis of the USD level. A one percentage point strengthening of the USD against the SEK, with all other variables held constant, has a negative impact of SEK –9 million (neg: –7) on operating profit. In a similar way, a five percentage point strengthening of the USD, with all other variables held constant, has a negative impact of SEK –47 million (neg: –34) on operating profit.

The Group currency exposure to EUR in terms of transaction and translation effects is also substantial. Exposure to the

EUR is primarily due to the fact that the Group's invoicing in Europe is largely in this currency. A one percentage point strengthening of the EUR against SEK, with all other variables held constant, has a positive impact of SEK 9 million (4) on operating profit. In a similar way, a five percentage point strengthening of the EUR, with all other variables held constant, has a positive impact of SEK 44 million (20) on operating profit.

The Group currency exposure to GBP in terms of transaction and translation effects is also substantial. Exposure to the

GBP is primarily due to the fact that the Group's invoicing in the UK is largely in this currency. A one percentage point strengthening of the GBP, with all other variables held constant, has a positive impact of SEK 8 million (9) on operating profit. In a similar way, a five percentage point strengthening of the GBP, with all other variables held constant, has a positive impact of SEK 38 million (43) on operating profit.

The Group's currency effects with regard to translation effects in foreign net assets is significant, primarily in GBP, EUR and USD. A one percentage point change in the EUR,

GBP and USD, respectively, would, notwithstanding any hedges and all other variables held constant, yield a positive impact on the Group's equity of SEK 14 million (12), SEK 8 million (9) and SEK 3 million (3), respectively. A five percentage point change in the EUR, GBP and USD, respectively, would, notwithstanding any hedges and all other variables held constant, yield a positive impact on the Group's equity of SEK 68 million (59), SEK 40 million (44) and SEK 17 million (16), respectively. For information on the hedging of foreign net assets, see Note 37.

Assets, 2025	Financial assets measured at amortised cost	Financial assets measured at fair value	Total
Financial assets	19	–	19
Current assets			
– Trade receivables	1,364	–	1,364
– Other receivables	55	–	54
– Cash and cash equivalents	205	–	206
Total current assets	1,624	–	1,624
Total assets	1,643	–	1,643

Liabilities, 2025	Financial liabilities at amortised cost	Financial liabilities at fair value	Total
Non-current liabilities and provisions			
– liabilities for unconditional and contingent considerations	–	90	90
– other non-current liabilities and considerations	2,884	–	2,884
– put/call-option	6	–	6
Total non-current liabilities and considerations	2,890	90	2,980
Current liabilities and provisions			
– Trade payables	745	–	745
– Interest-bearing liabilities	288	–	288
– liabilities for contingent considerations	–	135	135
Total current liabilities	1,033	135	1,168
Total liabilities	3,923	225	4,148

Assets, 2024	Financial assets measured at amortised cost	Financial assets measured at fair value	Total
Financial assets	15	–	15
Current assets			
– Trade receivables	1,390	–	1,390
– Other receivables	50	–	50
– Cash and cash equivalents	211	–	211
Total current assets	1,651	–	1,651
Total assets	1,666	–	1,666

Liabilities, 2024	Financial liabilities at amortised cost	Financial liabilities at fair value	Total
Non-current liabilities and provisions			
– liabilities for unconditional and contingent considerations	–	231	231
– other non-current liabilities and considerations	2,815	–	2,815
Total non-current liabilities and considerations	2,815	231	3,046
Current liabilities and provisions			
– Trade payables	729	–	729
– Interest-bearing liabilities	314	–	314
– liabilities for contingent considerations	–	93	93
Total current liabilities	1,043	93	1,136
Total liabilities	3,858	324	4,182

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Note 3, cont.

SUSTAINABILITY RISKS

Supplier base

Suppliers' sustainability work

Bufab has a code of conduct for suppliers. If Bufab's suppliers do not comply with the Code of Conduct, the suppliers' employees and the surrounding environment may be negatively affected. The most common deviations in our supplier audits relate to health and safety and how suppliers handle waste. The risk of human rights violations, forced and child labour, is not considered to be significant due to our controls.

Bufab conducts ongoing audits of new and existing suppliers to ensure that they meet the requirements of our Code of Conduct. All suppliers must sign our Supplier Code of Conduct. We aim to consolidate our supplier base and increase the proportion of suppliers in the Preferred Suppliers category. In addition, good examples of improvements (best practice) create transparency and structure that mitigates human rights violations. Read more in the sustainability statement under section S2: Workers in the value chain on pages 96–100

Conflict minerals

There is a risk that some components supplied by Bufab could contain minerals that can be traced to conflict zones. Conflict minerals risk to support armed conflicts.

Our Supplier Code of Conduct must be signed by all Bufab's suppliers. There they undertake not to buy conflict minerals from conflict areas. Bufab requests reporting according to the Conflict Mineral Reporting Template from suppliers who use tin, tantalum, tungsten and gold in their products. The use of the minerals and their extraction are monitored on an ongoing basis. Read more on page 96.

Environment

Climate-related risks

Bufab's warehousing, transportation, and procurement of materials give rise to both direct and indirect greenhouse gas emissions.

The largest share of the Group's climate footprint arises in the supplier stage through the manufacturing of steel and metal products, as well as through transportation in the value chain.

Our goods transport contributes to carbon dioxide emissions that have a negative impact on the environment, and in 2022 we began to transition to fossil-free solutions. Urgent orders sometimes require air transport, which results in extra high emissions.

Bufab strives to work with fewer and larger transport suppliers and to use fossil-free alternatives. As far as possible, we use sea transport, and our goal is to increase the filling rate of deliveries to the extent as possible. We are also investigating the possibility of using trains for long-distance transport as a sustainable alternative. Better planning will prevent the use of air transport.

Extreme weather events can cause disruptions in global transport flows and supply chains. Such events may lead to delivery delays, increased logistics costs, the need for alternative sourcing solutions, and temporary loss of sales. A global and diversified supplier network, a flexible warehousing and logistics structure, experience in handling major disruptions, as well as limited ownership of production facilities, reduce Bufab's vulnerability to short-term supply disruptions and enable a relatively rapid adaptation to changing conditions.

Changes in climate-related regulations, particularly the introduction of CBAM (Carbon Border Adjustment Mechanism) in 2026, as well as amendments to the EU ETS and the introduction of EU ETS 2 for transport and fuels, will lead to increased costs for purchased products, transportation, and energy. Approximately 50% of the Group's purchases are sourced from non-EU countries, resulting in a relatively high exposure to CBAM. To mitigate this risk, Bufab intends to integrate these costs into its costing model and adjust pricing accordingly

In-house production

All companies have a plan to reduce their Scope 1 & 2 emissions to zero by 2030. In recent years, our manufacturing companies have implemented energy efficiency programs which have yielded good results, these companies can now contribute to helping our new acquisitions with practices on how energy efficiency can be realized. Manufacturing companies continuously monitor energy consumption and emissions. Bumax is certified according to ISO 14001:2015, ISO 9001:2015 and IATF 16949:2016. APEX is certified according to ISO 9001:2015. Rudhäll AB is certified according to ISO 9001 and ISO 14001.

Read more in the sustainability statement under section E1: Climate Change on pages 65–74.

Employees

Our employees' network and relationships with customers and suppliers are a prerequisite for Bufab's continued success. If we lose several key employees, Bufab's relationships and financial position may be affected.

It is important that we can develop and motivate our employees to take advantage of their cutting-edge expertise and relationships. Through Bufab Academy and other skills development, we create the conditions for an attractive and stimulating workplace.

Read more in the sustainability statement under section S1: Own Workforce, on pages 85–95

Anti-corruption

Bufab has more than 8,000 suppliers and over 18,000 customers. In some business relationships, there may be an increased risk of corruption, especially in vulnerable markets. This risk is assessed as material and we have risk-mitigating activities in place to minimize these risks. Corruption cases can affect Bufab's reputation, affect the company's financial position and lead to legal consequences.

Bufab's business relationships shall be sound and characterized by transparency. To increase competence in the area, anti-corruption training is part of our introduction programme for new employees. Bufab has conducted an anti-corruption risk assessment that covers all subsidiaries. Read more on page 40.

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NOTE 4 Significant estimates and assessments

Accounting estimates and assessments are evaluated regularly. They are largely based on historical experience and other factors, including expectations about future events that are considered reasonable in the present circumstances. The Group makes judgements and assumptions concerning the future. These result in accounting estimates, which, by definition, rarely correspond with the actual outcome. Estimates and assumptions which involve considerable risk of material adjustments to the carrying amounts of assets and liabilities during the next financial year are described below.

The assumptions made in connection with goodwill impairment testing can be found in Note 16.

Inventories represents a significant item in the Group's balance sheet. At 31 December 2025, inventories amounted to SEK 2,717 million (2,803), net, after deductions for obsolescence of SEK 198 million (216).

The policies for recognising inventories are presented in Note 2.

The risk of obsolescence is taken into consideration in conjunction with establishing the value of inventories. Bufab applies a Group-wide policy for determining obsolescence, which considers to turnover rate of the individual items and forecast sales volumes. Accordingly, the size of the obsolescence reserve is thus sensitive to changes in forecast sales volumes.

Bufab has been ordered to carry out surveys of environmental pollutants at an industrial property. See also Note 31.

Right-of-use assets and lease liabilities represent a significant item in the Group's balance sheet. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

The policies for assessing option extensions are presented in Note 2.

In conjunction with acquisitions, Bufab sometimes agrees on contingent considerations. On 31 December 2025, the balance sheet included contingent considerations of SEK 225 million (149). These are conditional upon the acquired companies achieving a certain earnings growth over time. Liabilities in the balance sheet pertaining to contingent considerations reflect the management's best assessment of the outcome.

If the company performs better or worse than the management's assessment, the liabilities pertaining additional purchase considerations will be adjusted and the difference is recognised in profit or loss.

Further information about the Group's purchase considerations is presented in Note 27 and Note 33.

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NOTE 5 Information on operating segments

Segment reporting is prepared in accordance with IFRS 8. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the function that makes decisions about resources to be allocated to the operating segments and assesses their performance. For the Group, this function has been identified as Group management. As of January 1 2024, Bufab has a new reporting structure that will enable more effective governance of the Group. The new structure comprises five operational segments: Europe North&East, Europe West, Americas, UK/Ireland and Asia-Pacific. These segments are consistent with the internal reporting. Segment Europe North&East comprises Bufab’s operations in Sweden, Finland, Norway, Denmark, Poland, Hungary, the Baltic States, Slovakia, Romania and a sourcing office in China. The operations mainly comprise trading companies, but also certain manufacturing of particularly demanding components. Segment Europe West comprises Bufab’s operations in France, the Netherlands, Germany, the Czech Republic, Austria, Switzerland, Spain, Italy and Turkey and essentially comprises trading companies. Four purchasing offices in China and one in Vietnam were added to the segment through the acquisition of the Novia Group. Segment Americas comprises Bufab’s operations in the US and Mexico and essentially comprises trading companies. Segment UK/Ireland comprises Bufab’s operations in the UK and Ireland and essentially comprises trading companies. Segment Asia-Pacific comprises Bufab’s operations in China, Singapore, India and other countries in Southeast Asia. Common overhead costs are distributed between the segments and are allocated on an arm’s length basis. In Other, the Group’s two sourcing companies report together with unallocated costs for the Parent Company and Group eliminations.

Group	North/East		West		Americas		UK/Ireland		Asia Pacific		Other		Sum	
Income items	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Net sales	2,832	3,103	2,330	1,861	1,000	1,028	1,467	1,586	442	457	0	0	8,072	8,035
Operating profit (EBITA)	406	368	314	233	156	114	143	186	65	62	−34	−4	1,050	959
Amortisation of acquisition-related intangible assets	−20	−21	−22	−7	−16	−17	−20	−22	−2	−2	−	−	−80	−69
Financial items		−		−		−		−		−		−	−146	−196
Profit after financial items		−		−		−		−		−		−	823	695
Taxes		−		−		−		−		−		−	−197	−144
Profit for the year		−		−		−		−		−		−	626	551
Non-current assets ²⁾	374	390	401	206	108	169	344	406	27	17	9	14	1,263	1,202

Geographic distribution of net sales and non-current assets	2025		2024	
	Net sales ¹⁾	Non-current assets ²⁾	Net sales ¹⁾	Non-current assets ²⁾
Sweden	1,191	149	1,402	123
Denmark	722	83	817	143
US	970	77	1,004	168
UK	1,393	327	1,586	406
Italy ³⁾	444	178	36	47
Other	3,352	449	3,190	315
	8,072	1,263	8,035	1,202

¹⁾No single customer accounts for 10 percent or more of Group sales.

²⁾Includes intangible assets and property, plant and equipment excluding Goodwill.

³⁾Acquisition of VITAL S.p.A in November 2024.

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NOTE 6 Employees, personnel expenses and fees paid to directors and auditors

Average number of employees	2025	% Male	2024	% Male
Parent Company				
Sweden	1	100%	1	100%
Total	1	100%	1	100%
Subsidiaries				
UK	361	76%	371	74%
Sweden	252	63%	339	67%
North America ¹⁾	140	64%	153	69%
Denmark	126	74%	131	74%
Netherlands	120	72%	119	75%
Poland	90	61%	93	56%
France	82	55%	80	53%
China	79	53%	49	41%
Austria	70	70%	72	69%
Italy	55	76%	5	77%
Finland	49	71%	52	75%
Germany ²⁾	36	73%	28	71%
Singapore	35	60%	35	60%
India	33	73%	30	73%
Czech Republic	32	63%	31	65%
Norway	20	75%	18	89%
Turkey	19	79%	15	73%
Hungary	17	65%	11	73%
Estonia	14	43%	14	43%
Slovakia	14	64%	14	64%
Spain	13	69%	11	73%
Taiwan	13	31%	17	24%
Other	36	69%	35	71%
Total, subsidiaries	1,706	68%	1,723	68%
GROUP TOTAL	1,707	68%	1,724	68%
Board and senior executives	2025	% Female	2024	% Female
Board	7	43%	6	33%
CEO and other senior executives	8	12.5%	8	12.5%

1)The average number of employees has been calculated for the period during which BGM has been part of Bufab.
2)The average number of employees has been calculated for the period during which the Novia Group has been part of Bufab

Salaries, employee benefits and social security fees	Parent Company		Subsidiaries		Group total	
	2025	2024	2025	2024	2025	2024
Salaries and benefits excluding bonuses, etc.	10.5	9.9	1,017.9	1,056.9	1,028.4	1,063.9
Bonuses, etc.	2.3	1.2	9.3	8.7	11.5	9.9
Total salaries and other remuneration	12.8	11.1	1,027.2	1 065.6	1,040.0	1,076.7
Social security fees, excluding pension costs	3.9	3.3	177.2	176.2	181.1	179.5
Pension costs	1.8	1.6	71.7	65.3	73.5	66.9
Total social security fees	5.7	4.9	248.8	241.5	254.5	246.4

Salaries and other remuneration categorised by country and among Board members and CEO (senior executives) and other employees	2025		2024	
	Management	Other employees	Management	Other employees
Parent Company				
Salaries and other remuneration, excl. bonuses etc.	10.5	–	9.9	–
Bonuses, etc.	2.3	–	1.2	–
Total Parent Company	12.8	–	11.1	–
Subsidiaries, Sweden				
Salaries and other remuneration, excl. bonuses etc.	17.0	165.6	16.5	194.3
Bonuses, etc.	4.4	–	3.0	–
Total subsidiaries, Sweden	21.4	165.6	19.5	194.3
Foreign subsidiaries				
Salaries and other remuneration, excl. bonuses etc.	60.8	774.5	59.3	786.8
Bonuses, etc.	4.9	–	5.7	–
Total foreign subsidiaries	65.7	774.5	65.0	786.8
Group total				
Salaries and other remuneration, excl. bonuses etc.	88.3	940.1	85.7	981.2
Bonuses, etc.	11.6	–	9.9	–
Group total	99.9	940.1	95.6	981.2

Note 6, cont.

Group	2025				2024			
	Fee/ Basic salary	Variable remuneration	Other benefits/ remuneration	Pension	Fee/ Basic salary	Variable remuneration	Other benefits/ remuneration	Pension
<i>Board of Directors</i>								
Bengt Liljedahl	1.0				0.9			
Per-Arne Blomquist	0.4				0.4			
Hans Björstrand	0.4				0.3			
Caroline Reuterskiöld	0.2				0.0			
Anna Liljedahl	0.4				0.4			
Eva Nilsagård	0.5				0.5			
Bertil Persson	0.4				0.4			
<i>CEO</i>								
Erik Lundén	5.9	2.3	1.2	1.8	5.4	1.2	1.6	1.6
<i>Other senior executives, 7 (7) people.</i>	22.1	6.0	1.7	6.4	21.4	3.3	2.4	5.7

The Chairman is paid fees as resolved by the Annual General Meeting (AGM). The AGM set the Chairman’s fees at SEK 1.0 million (0.8). Other Board members shall receive a total of SEK 2.5 million (1.9) including fees for committee work. Remuneration for the CEO and other senior executives comprises basic salary, variable remuneration, other benefits and remuneration as well as pension. The term "senior executives" refers to the members of Group management.

The expensed variable remuneration received by the CEOs and other senior executives is based on the achievement of financial targets. For the CEOs, a basic salary of SEK 5.9 million (5.4), variable remuneration of SEK 2.3 million (1.2) and pension benefits of SEK 1.8 million (1.6) were expensed during the year. For other senior executives, basic salaries of SEK 20.5 million (19.9) and variable remuneration of SEK 6.0 million (3.3) were expensed. There were seven (seven) other senior executives in 2025.

The CEO’s retirement age is 65. Pension costs are premium based and correspond to 30 percent of basic salary paid. The company and the CEO have a mutual period of notice of 6 months (6). The retirement age for other senior executives is 65, and their pension costs are also premium based. The company and other senior executives have a maximum period of notice of 12 months when notice is initiated by the company and six months when initiated by the employee.

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Note 6, cont.

Auditors’ fees and remuneration	2025	2024
PricewaterhouseCoopers		
Audit assignment	10	9
– of which to Öhrlings PricewaterhouseCoopers AB	4	3
Audit activities in addition to audit assignment	1	1
– of which to Öhrlings PricewaterhouseCoopers AB	0	0
Tax advice	1	2
– of which to Öhrlings PricewaterhouseCoopers AB	0	1
Other services	1	4
– of which to Öhrlings PricewaterhouseCoopers AB	0	1
Total	13	15
Other auditors		
Auditing fees to others	5	4

Audit assignment refers to fees for the statutory audit, meaning the work that was necessary in order to submit the auditor’s report, as well as audit advisory services provided in connection with the audit assignment. Other services primarily refers to due diligence assignments in conjunction with acquisitions.

NOTE 7 Types of costs

	2025	2024
Materials sourced, including costs of delivery	5,000	5,122
Salaries, including social security contributions	1,373	1,370
Depreciation	306	279
Other	522	507
Total operating expenses	7,201	7,278

NOTE 8 Other operating income

	2025	2024
Capital gain on sale of property, plant and equipment	2	10
Remeasurement of additional purchase considerations	11	11
Exchange-rate gains on operating receivables/liabilities	64	56
Government grants received	0	0
Other	21	54
Total other operating income	98	131

NOTE 9 Other operating expenses

	2025	2024
Exchange-rate losses on operating receivables/liabilities	–55	–50
Remeasurement of additional purchase considerations	0	0
Other	–19	–18
Total other operating expenses	–74	–68

NOTE 10 Depreciation/amortisation of non-current assets

	2025	2024
Depreciation/amortisation according to plan, by class of asset*		
Other intangible assets	–90	–78
Buildings	–131	–118
Plant and machinery	–7	–18
Equipment, tools and fixtures & fittings	–78	–65
Total depreciation/amortisation	–306	–279
Depreciation/amortisation according to plan, by function*		
Cost of goods sold	–86	–73
Distribution costs	–161	–149
Administrative expenses	–59	–57
Total depreciation/amortisation	–306	–279

* Depreciation/amortisation includes amortisation on right-of-use assets relating to leases. Refer to Note 19.

NOTE 11 Interest and similar income

	2025	2024
Exchange-rate differences	17	3
Interest income, other	12	10
Total	29	13

NOTE 12 Interest and similar expenses

	2025	2024
Interest expenses, lease liabilities	–26	–19
Interest expenses, other	–149	–190
Exchange-rate differences	0	0
Other	–	–
Total	–175	–209

NOTE 13 Exchange-rate differences affecting profit/loss items

	2025	2024
Exchange-rate differences affecting operating profit	9	7
Exchange-rate differences on financial items	17	3
Total	26	10

NOTE 14 Tax on profit for the year

	2025	2024
Current tax		
Current tax for the year	–223	–179
Current tax for previous years	0	–5
Total	–223	–184
Deferred tax expense (–) / income (+)		
Deferred tax income on temporary differences	26	40
Total	26	40
Recognised tax expense	–197	–144

	2025	2024
Profit before tax	823	695
Tax according to Parent Company's applicable rate	–170	–143
Effect of foreign subsidiaries' tax rates	–44	–36
Effect of non-deductible expenses	–9	–5
Revaluation of loss carry-forwards/temp. differences	26	40
Recognised tax expense	–197	–144
Effective tax rate	23.9%	20.7%

NOTE 15 Earnings per share

	2025	2024
Profit after tax	626	551
Estimated average number of ordinary shares outstanding before dilution ¹⁾	189,613	189,390
Earnings per share before dilution, SEK	3.30	2.91
Estimated average number of ordinary shares outstanding after dilution ¹⁾	190,275	190,315
Earnings per share after dilution, SEK	3.29	2.90

¹⁾ The number of shares have been recalculated to reflect the share split (5:1) carried out in May 2025

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NOTE 16 Intangible assets

	Goodwill		Other intangible assets	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Accumulated cost				
At beginning of year	3,345	2,895	787	722
New purchases for the year	603	304	7	8
Reclassifications	–151	5	170	6
New purchases through acquisitions	–	9	1	6
Divestments and disposals	–58	–26	–1	–1
Exchange-rate differences for the year	–274	158	–76	46
At year-end	3,466	3,345	888	787
Accumulated amortisation according to plan and impairments				
At beginning of year	–36	–53	–379	–278
Amortisation according to plan for the year	–	–	–90	–78
New purchases through acquisitions	–	–2	–3	–5
	36	–	–	–
Divestments and disposals	–	24	4	1
Amortisation in acquired companies	–	–	0	–1
Exchange-rate differences for the year	–	–5	36	–18
At year-end	–	–36	–432	–379
Carrying amount at beginning of period	3,309	2,842	408	444
Carrying amount at end of period	3,466	3,309	457	408

Bufab tests goodwill for impairment requirements on an annual basis.

The Group’s goodwill has been allocated to its lowest cash-generating units. This means that SEK 1,176 million (1,214) is attributable to Segment Europe North & East, SEK 959 million (554) to Segment Europe West, SEK 594 million (711) to Segment Americas and SEK 652 million (727) to Segment UK/Ireland and SEK 85 (96) million to Segment Asia-Pacific.

Segment Europe North & East comprises two cash-generating unit with goodwill of SEK 1,042 million (1,073) and SEK 134 (141) million. Segment Europe West comprises one cash-generating unit with goodwill of SEK 959 million (554). Segment Americas comprises one cash-generating unit with goodwill of SEK 594 million (711). Segment UK/Ireland comprises one cash-generating unit with goodwill of SEK 652 million (727). Segment Asia-Pacific comprises one cash-generating unit with goodwill of SEK 85 million (96).

Acquired units are integrated into Bufab’s business model and exposed to similar business risks. The recoverable amount for the cash-generating units was determined by calculating the value in use by way of discounting future cash flows. The calculations were based on the company’s budget and financial plans for 2026–2028, as approved by executive management and the Board. The plans for these years are detailed. The key components of cash flow are sales, gross margin and the various operational costs as well as investments in working capital and non-current assets. The growth assumptions presented in the budget and financial plans during the forecast period is based on the Group’s past organic growth and performance in the market segments in

which Bufab is active. Since the operations are deemed to be in a phase that is representative for the long perspective, the third year of the financial plan is extrapolated with an estimated growth rate and inflation rate of 2 percent (2). Expected future cash flows according to these assessments form the basis for the estimates. Changes in working capital and investment needs were also taken into account.

The present value of the forecast cash flow was calculated using the following discount rates; Segment Europe North & East 9.7 percent (10.4) and 11.9 (12.6) respectively, Segment Europe West 10.7 percent (11.9), Segment Americas 10.0 (10.6), Segment UK/Ireland 10.5 percent (10.5) and Segment Asia-Pacific 9.6 percent (11.0) after tax. Impairment testing was conducted in conjunction with the annual accounts on 31 December 2025 and was addressed by the company’s Board. No impairment requirement was indicated in this test. Executive management conducted a number of calculations based on reasonable potential changes in significant assumptions concerning the discount rate, growth and gross margins. A change in the discount rate with +2 percent after tax would not result in any impairment requirement of the Group’s recognised goodwill. The Group’s budget and business plans during the forecast period include increases in sales, gross margin, earnings and cash flow, but even an assumption of growth of 0 percent would not result in any need for impairment of goodwill.

When establishing the purchase price allocation for VITAL S.p.A, new information emerged that existed as of the acquisition date and which also affected the initial valuation of the contingent consideration as well as the goodwill.

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NOTE 17 Property, plant and equipment

	Land and buildings		Plant and machinery		Equipment, tools and fixtures & fittings	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Accumulated cost						
At beginning of year	54	46	168	505	587	554
New purchases for the year	3	3	1	5	43	45
New purchases through acquisitions	0	4	4	0	32	36
Divestments and disposals	0	–6	–23	–373	–27	–66
Reclassifications	13	3	0	28	6	–4
Exchange-rate differences for the year	–2	4	–6	3	–43	22
At year-end	67	54	143	168	598	587
Accumulated depreciation according to plan						
At beginning of year	–26	–22	–128	–398	–462	–447
Divestments and disposals	0	–	16	289	26	57
Amortisation according to plan for the year	–4	–5	–7	–17	–36	–31
Reclassifications	–10	–	–	–	–5	1
Amortisation in acquired companies	0	–	–2	–	–21	0
Exchange-rate differences for the year	1	1	4	–2	31	–42
At year-end	–38	–26	–117	–128	–467	–462
Carrying amount at beginning of period	28	24	40	107	125	107
Carrying amount at end of period	29	28	26	40	131	125

The opening acquisition cost and accumulated depreciation for machinery and equipment have been adjusted by SEK 125 million and SEK 103 million, respectively, for the comparative year due to an error in the opening balance. In 2024, BuFab Lann AB and Hallborn Metall AB were divested, which explains the larger disposal in the comparative year

NOTE 18 Work in progress and advances for non-current assets

	Immateriella anläggningstillgångar		Materiella anläggningstillgångar	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
At beginning of year	7	3	7	28
Exchange-rate differences for the year	–1	–	–2	1
Reclassifications	–4	–3	–10	–32
Divestments and disposals	0	–1	–2	–1
Investments	8	7	29	11
Carrying amount at end of period	10	7	23	7

NOTE 19 Right-of-use assets and lease liabilities

	2025	2024
Properties	490	483
Machinery	0	0
Equipment and other	31	30
Vehicles	67	70
Total assets with right-of-use	588	583
Lease liabilities		
Current	161	161
Non-current	455	451
Total lease liabilities	616	612

In 2025, additional right-of-use assets amounted to SEK 249 million (239), SEK 12 million (28) of which from company acquisitions.

Renegotiated contracts or option extensions exercised have had an impact on right-of-use assets and lease assets of SEK -4 million (3). Deferred tax liabilities pertaining to right-of-use assets on 31 December 2025 amounted to SEK 131 million (132) and deferred tax assets pertaining to lease liabilities amounted to SEK 137 million (138).

For information about the interest expense and duration of the leases, see Notes 12 and Note 3, respectively.

REPORTED AMOUNT IN INCOME STATEMENT

The amounts related to leases recognised in the income statement were as follows:

	2025	2024
Amortisation of right-of-use assets		
Properties	–127	–114
Machinery	0	0
Equipment and other	–11	–9
Vehicles	–31	–25
Total amortisation of right-of-use assets	–169	–148

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NOTE 20 Other non-current receivables

	31 Dec 2025	31 Dec 2024
Accumulated cost		
At beginning of year	14	10
Investments for the year	5	4
Exchange-rate differences	–	–
Carrying amount at year-end	19	14

NOTE 21 Past-due receivables

	31 Dec 2025	31 Dec 2024
Number of days past due		
30–90 days	39	65
91–180 days	11	8
181–360 days	3	4
More than 360 days	3	7
Carrying amount at year-end	55	84
Provision in balance sheet for doubtful debts	11	16
Bad debt losses	2025	2024
Costs of bad debt losses affecting profit for the year	5	2
Total	5	2

Over the past five years, realised bad debt losses amount to approximately 0.1 percent of each year's net sales.

NOTE 22 Prepaid expenses and accrued income

	31 Dec 2025	31 Dec 2024
Rent	13	13
Insurance	13	9
Licences	21	13
Other prepaid expenses	41	44
Carrying amount at year-end	88	79

NOTE 23 Equity

For a specification of the number of shares outstanding, refer to Note g for the Parent Company.

NOTE 24 Pension obligations, interest-bearing

	31 Dec 2025	31 Dec 2024
FPG/PRI	21	23
Retirement pension, foreign companies	32	30
Total	53	54

The assumptions in the table below are used to measure the pension obligation under defined-benefit pension plans.

	Sweden	
	31 Dec 2025	31 Dec 2024
Discount rate	3.7%	3.0%
Rate of salary increase ¹⁾	–	–
Inflation	1.7%	1.8%

	Övriga länder	
	31 Dec 2025	31 Dec 2024
Discount rate	3.00%	2.13%
Rate of salary increase	2.86%	2.35%
Inflation	1.42%	0.68%

¹⁾ In the Swedish companies, the FPG/PRI pension plans are closed. The benefits are instead financed through insurance with Alecta. This assumption is not used for this reason.

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NOTE 24 Pension obligations, interest-bearing, cont.

Total pension costs recognised in profit or loss (SEK million).	2025	2024
Costs relating to defined-benefit plans:		
Service costs for current year	0	0
Interest on obligations	1	1
Costs relating to defined-benefit plans	1	1
Costs relating to defined-contribution plans	71	70
Total costs recognised in profit or loss	73	72

Post-employment benefits are settled mainly by payments to insurance companies or agencies which then assume the obligations to the employees (defined-contribution pensions). The remainder are settled under defined-benefit plans, meaning that the obligations remain in the Bufab Group. The largest defined-benefit plan is in Sweden (FPG/PRI). The company’s costs and the value of the outstanding obligations under

defined-benefit plans are measured using actuarial calculations designed to determine the present value of the obligations. Interest and the expected return are classified as finance costs.

Other expense items are recognised in operating profit under cost of goods sold, distribution costs or administrative expenses, depending on the employee’s function.

NOTE 25 Deferred tax assets and deferred tax liabilities

	31 Dec 2025		31 Dec 2024	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Machinery and equipment	6	4	–	8
Tax allocation reserve	–	16	–	21
Intangible assets	6	102	–	90
Other	13	–	26	5
Loss carry-forwards	15	7	3	–
Total	41	129	29	123

Tax-loss carry-forwards are recognised as deferred tax assets insofar as it is probable that they can be credited against future taxable profits. According to current plans, all companies’ earnings in the coming years will enable the Group to utilise the recognised tax asset that exists.

The Group has no significant loss carry-forwards that were not taken into account in its financial statements. The provision for deferred tax for intangible assets is attributable to the tax effect of consolidated remeasurement of assets to fair value.

NOTE 26 Non-current interest-bearing liabilities

	31 Dec 2025	31 Dec 2024
Amount of liability items expected to be settled one–five years after balance-sheet date	3,286	3,212
Amount of liability items expected to be settled more than five years after balance-sheet date	–	–
Total	3,286	3,212

Of the Group’s non-current interest-bearing liabilities, SEK 2,830 million (2,739) stem from credit from Svenska Handelsbanken, SEB, Nordea and the remaining amount from other credit institutions and interest-bearing lease liabilities. Bufab’s total credit facility with Svenska Handelsbanken, SEB and Nordea amounts to SEK 4,800 million (4,000) and the maturity period expires in July 2028, with an option to

extend for additional two years. The Group must fulfil specific borrowing terms (covenants) required by external creditors, comprising the ratio between operating profit before depreciation/amortisation and impairment, and net debt. These covenants were fulfilled throughout the financial year. On the balance-sheet date, the average interest rate on the Group’s non-current liabilities was 3.7 percent (5.0).

NOTE 27 Liabilities relating to additional purchase considerations

	2025	2024
Carrying amount at beginning of year	324	280
Additional purchase considerations for acquired companies	66	257
Paid additional purchase considerations for acquired companies	–79	–178
Remeasurement of liability for additional purchase considerations	–66	11
Exchange-rate fluctuations	–19	–46
Carrying amount at year-end	225	324
– of which recognised as “Other current liability”	135	93
– of which recognised as “Other non-interest-bearing liabilities”	90	231

Additional purchase considerations are related to acquisitions carried out in 2017–2025. For more information, see Note 33. Liabilities relating to additional purchase considerations are remeasured on an ongoing basis by management at an estimated fair value based on the acquired companies’ earnings performance, established budget and business plans and forecasts. This means that the measurement of fair value is essentially based on unobservable input data (Level 3 according to the definition in IFRS 13).

Total additional purchase considerations outstanding amounted to SEK 225 million (324) on 31 December 2025, of which SEK 92 million (175) is unconditional and SEK 133 million (149) contingent considerations. Liabilities for additional purchase considerations are, in all material respects, in USD

and EUR. The additional purchase considerations recognised as a liability fall due for payment between 2026 and 2030.

When finalizing the purchase price allocation for VITAL S.p.A, new information emerged regarding conditions that existed as of the acquisition date, which has affected the initial valuation of the cingingent consideration be SEK 55 million.

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NOTE 28 Pledged assets

	31 Dec 2025	31 Dec 2024
Floating charges	0	0
Shares in subsidiaries	0	0
Total	0	0

In conjunction with the Group's refinancing in 2021, the process began to release the international collateral package pledged for the obligations under the earlier credit agreement. This process was completed in the first quarter of 2022. For the obligations under the new credit agreement, no collateral is issued.

NOTE 29 Overdraft facilities

	31 Dec 2025	31 Dec 2024
Credit limit granted	300	448
Unutilised portion	–165	–127
Credit amount utilised	135	321

NOTE 30 Accrued expenses and deferred income

	31 Dec 2025	31 Dec 2024
Accrued salaries incl. holiday pay	115	109
Accrued social security contributions	28	23
Accrued expenses from contracts with customers	27	23
Other items	117	128
Total	288	284

NOTE 31 Contingent liabilities

	31 Dec 2025	31 Dec 2024
Environment	30	30
Other contingent liabilities	5	5
Total	35	35

ENVIRONMENT

In accordance with an injunctive order, the company conducted environmental investigations at a property where a former subsidiary had been engaged in manufacturing until 1989, which was prior to the company being acquired by Bufab. The investigations revealed traces of environmental pollution. In light of the investigations performed, it is probable that the former subsidiary's operations caused the pollution at this property. The legal and technical experts engaged in this case believe that it is probable that the municipality will order the former subsidiary to carry out remediation measures, although the extent of these measures is not known. The subsidiary was divested during 2024 and it was agreed that the environmental issue mentioned above should continue to be Bufab's responsibility.

On the termination of a lease agreement in 2013, Bufab also conducted an environmental investigation at another property. In order to obtain an overview of environmental issues relevant to the Group, Bufab also conducted an environmental audit in 2013, and where necessary an environmental engineering survey, of all properties where Bufab has

previously engaged in manufacturing. The investigations have shown traces of pollution in two additional cases. If any link were established between this pollution and Bufab's operations, it would be the result of working and production methods that ceased to be used in the 1980s or earlier. Based on the investigations, it is Bufab's assessment that the identified pollution may have been caused by activities conducted by parties other than Bufab. However, the legal liability issue is difficult to assess and it is not inconceivable that Bufab could be required to implement remediation measures. During the year, meetings were held with relevant authorities and the assessment is that further investigations may need to be conducted in the next few years at the initiative of Bufab or other parties. Having consulted technical and legal experts based on the information available when the financial report was issued, it is Bufab's assessment that the total cost of potential remediation measures arising from the identified environmental pollution will not exceed a total of SEK 30 million during the next decade.

NOTE 32 Related-party transactions

Related parties to the Bufab Group are primarily the senior executives. Remuneration of senior executives is presented in Note 6.

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NOTE 33 Acquisitions, divestments and discontinued operations

2025
On 15 October 2025, all shares in Novia Group were acquired for a purchase consideration of SEK 641 million. The Group consists of 12 companies and has approximately 150 employees. Operations are conducted in Germany, Switzerland, China, and Vietnam.

In connection with the acquisition, the CEO of the acquired Group reinvested an amount corresponding to one percent of the shares together with a future put option. Put options issued to shareholders with non-controlling interests relate to agreements that give the minority owner the right to sell their holding to Bufab at a future date. Bufab recognizes such a put option as a financial liability, initially measured at the present value of the expected future redemption amount. Consequently, Bufab does not recognize any non-controlling interest within equity. Instead, the liability is remeasured continuously based on the Group’s best estimate of the expected outcome, and the change is recognized directly in equity.

From the acquisition date, the acquired Group has contributed SEK 115 million to the Group’s net sales and SEK 4 million to profit before tax. Had the acquisition taken place on 1 January 2025, the Group’s net sales and profit before tax would have been affected by SEK 583 million and SEK 82 million, respectively. The acquisition was financed in cash within the existing credit facility. A performance-based contingent consideration may become payable in 2026, 2027, and 2028 and amounts to SEK 65 million. Novia Group is reported within the Europe

West region. Acquisition-related costs amount to approximately SEK 17 million and are included in operating profit. The assets and liabilities included in the acquisitions amount to the following figures:

Preliminary acquisition calculation for novia Group		Fair value
Intangible assets		0
Other non-current assets		20
Inventories		119
Other current assets		99
Cash and cash equivalents		72
Deferred tax liabilities		–10
Other liabilities		–174
Acquired net assets		126
Goodwill		580
Purchase consideration ¹⁾		706
Less: cash and cash equivalents in acquired operations		–72
Acquired receivable		49
Less: conditional purchase consideration		–65
Effect on the Group’s cash and cash equivalents		618

¹⁾ The consideration is stated excluding acquisition expenses.

Goodwill arising in connection with the acquisition is attributable to the knowledge accrued in the acquired company and the established and consolidated market positions and the anticipated profitability related to it.

DIVESTMENTS
No divestments of subsidiaries took place during 2025. During the third quarter, a disposal was carried out through an asset transfer of a small manufacturing unit within the Component Solutions Group in the United States.

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NOTE 33 Acquisitions, divestments and discontinued operations

2024

On 26 November 2024, all shares in VITAL S.p.A, a distributor of C-parts, were acquired. The company is based in Milan, Italy. The purchase consideration amounted to SEK 624 million, of which SEK million 129 is conditional. Unconditional purchase price amounted to SEK 495 million whereof SEK 367 million was paid upon acquisition date and SEK 128 million is deferred purchase price and is due for payment during 2025 and 2026. The conditional purchase price consideration, which is performance based (a so-called earn-out) and comprises a maximum of SEK 129 million, can be paid during the period 2025–2028 and is contingent upon the acquired company’s future operating profit performance.

VITAL S.p.A. is included in Bufab’s Region Europe West. Transaction costs resulting from the acquisition are estimated at SEK 8 million. From the date of its acquisition, the acquired company contributed SEK 36 million and SEK 7 million to the Group’s revenues and profit before tax, respectively. If the acquisition had occurred on 1 January 2024, the Group’s revenues and profit before tax at 31 December 2024 would have amounted to SEK 524 million and SEK 97 million, respectively.

The purchase price allocation presented in 2024 was preliminary, as information regarding certain potential surplus values was missing. During the third quarter of 2025, the purchase price allocation was finalized.

The assets and liabilities included in the acquisitions amount to the following figures:

Preliminary acquisition calculation for VITAL S.p.A	Fair value
Intangible assets	174
Other non-current assets	47
Inventories	140
Other current assets	208
Cash and cash equivalents	20
Deferred tax liabilities	–42
Other liabilities	–120
Acquired net assets	428
Goodwill	165
Purchase consideration ¹⁾	593
Less: cash and cash equivalents in acquired operations	–20
Less: deferred purchase consideration	–128
Less: conditional purchase consideration	–74
Effect on the Group’s cash and cash equivalents	371

¹⁾ The consideration is stated excluding acquisition expenses.

Following the receipt of additional information regarding customer relationships, a reallocation has been made from goodwill to intangible assets in the form of customer relationships amounting to SEK 165 million. These customer relationships have been measured at the discounted value of future cash flows, and are amortized on a straight-line basis over a useful life of ten years. Amortization for the year amounts to SEK 17 million. The newly obtained information relating to conditions existing as of the acquisition date has also affected the initial valuation of the contingent consideration.

Goodwill arising in connection with the acquisition is attributable to the knowledge accrued in the acquired company and the established and consolidated market positions and the anticipated profitability related to it.

DIVESTMENTS

During the second quarter of 2024 Bufab Lann AB and Hallborn Metall AB were divested. The purchase consideration for the divested shares amounted to SEK 230 million on cash-free/debt-free basis. The sale had an impact of SEK 11 million on the group’s profit and SEK 110 million on cashflow.

NOTE 34 Incentive programme

LONG-TERM INCENTIVE PROGRAMMES

Since 2017, the Annual General Meeting of Bufab has resolved to implement annually recurring call-option based incentive programmes. Currently, two programmes are active (Incentive Programme 2024–2027 and 2023–2026). At the Annual General Meeting in 2025, a new incentive programme, LTI 2025/2028, was adopted. LTI 2025/2028 is a performance-based share savings programme.

As with the company’s previous incentive programmes, participation in LTI 2025/2028 requires participants to make their own investment, with the purpose of aligning the interests of employees and shareholders and thereby ensuring maximum long-term value creation. Based on the fulfilment of certain predetermined performance conditions, participants in LTI 2025/2028 will, after the programme’s vesting period, receive a number of performance shares in the company free of charge. The programme is intended to motivate employees to increase the company’s value through strong performance during the programme period. It is also designed to support the company in recruiting and retaining key employees as well as to promote a long-term focus on the Group’s earnings development and growth among participants.

For share-based compensation settled in the company’s shares, the number of shares has been adjusted to reflect the 5:1 share split carried out in May 2025.

SHARE SAVINGS PROGRAMME LTI 2025/2028

The Share Savings Programme (LTI 2025/2028) is intended for certain senior executives and other key individuals within the Group. In total, the programme covers a maximum of 20 participants, divided into three categories: the President & CEO of Bufab, other members of Group Management, and managing directors of Bufab’s subsidiaries as well as certain other pre-identified key employees.

To participate in LTI 2025/2028, participants are required to acquire and allocate shares in Bufab to the programme, or to allocate already held shares in Bufab to the programme (“Investment Shares”).

Participants who retain their Investment Shares throughout the three-year vesting period (June 2025–June 2028) and remain employed by Bufab for the entire duration may, at the end of the period, receive additional shares free of charge (“Performance Shares”), provided that the two predetermined performance targets – total shareholder return (“TSR”) and EBITA development – are achieved.

Category	Maximal number of Investment Share (per participant)*	Maximal number of Performance Shares per Investment Share	Total maximum number of performance Shares (per participant)
The president and CEO	16 000	7	112 000
Group management	4 750	5	23 750
Managing directors of Bufab’s subsidiaries and other key employees.	2 000	4	8 000

* The maximum number of Investment Shares corresponds in value to approximately 17–25 percent of the participant’s fixed annual salary..

The allocation of Performance Shares is conditional upon the achievement of performance targets linked to (a) Bufab’s EBITA growth, where EBITA (as reported) for the financial year is compared with EBITA (as reported) for the financial year 2027, weighted at 80%, and (b) total shareholder return (“TSR”) for Bufab’s share between May 2025 and May 2028, weighted at 20% (together, the “Performance Targets”). The Performance Targets include a minimum level that must be achieved for any Performance Shares to vest at all, and a maximum level above which no additional Performance Shares will be granted. If the Performance Targets are achieved between the minimum and maximum levels, vesting will occur on a linear basis.

The minimum and maximum levels for the Performance Targets will be determined by the Board prior to the start of the programme. These are considered commercially sensitive and will be disclosed retroactively. Information regarding the minimum and maximum levels, as well as the final outcome of the Performance Targets, will be presented in the Annual Report for the financial year 2028.

To ensure the delivery of shares under the share savings programme and to cover costs for social security contributions, the Board of Directors was authorised by the 2025 Annual General Meeting to repurchase shares corresponding to 516,547 shares, which represents the maximum number of shares that may be allocated, including social security costs. The cost of the share savings programme that is settled in shares is recognised in operating profit and reported in the balance sheet as equity and accrued expenses (social security contributions). For the financial year 2025, the cost amounted to SEK 5 million.

Ongoing incentive programmes

		Maximum number of shares	Maximum number of participants
Share saving programme	LTI 2025/2028	516 547*	20

*Of which a maximum of 374,250 Performance Shares, while the remaining 142,297 shares may be transferred to cover certain payments related to LTI 2025/2028 (mainly social security contributions).

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Note 34, cont.

INCENTIVE PROGRAMME 2024–2027

The Annual General Meeting on 25 April 2024 resolved to adopt a long-term share-based incentive programme based on call options, comprising the CEO, senior executives and other key employees within the Group. The programme comprises a maximum of 210,000 call options, corresponding to approximately 0.6 percent of the total number of shares in the company. The purchase price for the call options has been set, using a Black & Scholes valuation, at SEK 90.87, corresponding to the market value of the options at the date of transfer. Each call option entitles the holder to acquire one share in Bufab during the period 15 May 2027–15 November 2027. The purchase price per share is SEK 87.23 corresponding to 115 percent of the volume-weighted average price paid for the company's share on Nasdaq Stockholm during the period 8 May 2024–15 May 2024. During the period, a total of 45,300 call options were subscribed for.

To encourage participation in the programme, the Board of Directors has resolved on a subsidy in the form of gross salary additions to participants who remain as employees of the company in June 2027, which may correspond to not more than the price paid for the call options. To hedge Bufab's delivery of shares, the Annual General Meeting also resolved to authorise the Board of Directors to repurchase a maximum of 1,050,000 shares in the company, and approved the transfer of a maximum of 1,050,000 of the company's shares to the participants of the programme. During the year, 226,500 shares were repurchased for the equivalent of SEK 17 million.

INCENTIVE PROGRAMME 2023–2026

The Annual General Meeting on 20 April 2023 resolved to adopt a long-term share-based incentive programme based on call options, comprising the CEO, senior executives and other key employees within the Group. The programme comprises a maximum of 210,000 call options, corresponding to approximately 0.6 percent of the total number of shares in the company. The purchase price for the call options has been set, using a Black & Scholes valuation, at SEK 92.90, corresponding to the market value of the options at the date of transfer. Each call option entitles the holder to acquire one share in Bufab during the period 15 May 2026–15 November 2026. The purchase price per share is SEK 81.50, corresponding to 115 percent of the volume-weighted average price paid for the company's share on Nasdaq Stockholm during the period 8 May 2023–12 May 2023. During the period, a total of 57,400 call options were subscribed for.

To encourage participation in the programme, the Board of Directors has resolved on a subsidy in the form of gross

salary additions to participants who remain as employees of the company in June 2026, which may correspond to not more than the price paid for the call options.

To hedge Bufab's delivery of shares, the Annual General Meeting also resolved to authorise the Board of Directors to repurchase a maximum of 1,000,000 shares in the company, and approved the transfer of a maximum of 1,000,000 of the company's shares to the participants of the programme. During the year, 287,000 shares were repurchased for the equivalent of SEK 21 million

INCENTIVE PROGRAMME 2022–2025

The Annual General Meeting on 21 April 2022 resolved to adopt a long-term share-based incentive programme based on call options, comprising the CEO, senior executives and other key employees within the Group. The programme comprises a maximum of 200,000 call options, corresponding to approximately 0.5 percent of the total number of shares in the company. The purchase price for the call options has been set, using a Black & Scholes valuation, at SEK 60.84, corresponding to the market value of the options at the date of transfer. Each call option entitles the holder to acquire one share in Bufab during the period 15 May 2025–15 November 2025. The purchase price per share is SEK 66.39, corresponding to 115 percent of the volume-weighted average price paid for the company's share on Nasdaq Stockholm during the period 5 May 2022–11 May 2022. During the period, a total of 102,850 call options were subscribed for.

To encourage participation in the programme, the Board of Directors has resolved on a subsidy in the form of gross salary additions to participants who remain as employees of the company in June 2025, which may correspond to not more than the price paid for the call options.

To hedge Bufab's delivery of shares, the Annual General Meeting also resolved to authorise the Board of Directors to repurchase a maximum of 1,000,000 shares in the company, and approved the transfer of a maximum of 1,000,000 of the company's shares to the participants of the programme. No shares were repurchased during the year.

INCENTIVE PROGRAMME 2021–2024

The Annual General Meeting on 20 April 2021 resolved to adopt a long-term share-based incentive programme based on call options, comprising the CEO, senior executives and other key employees within the Group. The programme comprises a maximum of 350,000 call options, corresponding to approximately 0.9 percent of the total number of shares in the company. The purchase price for the call options has been set, using a Black & Scholes valuation, at SEK 45.98, corresponding to the market value of the options at the date of

	2025		2024	
	Average exercise price per call option	No. of options	Average exercise price per call option	No. of options
On 1 January	85.51	205,550	70.69	250,320
Allocated during the year	–	–	90.87	45,300
Redeemed / bought back during the year	66.39	–102,850	52.25	–90,070
Forfeited during the year	–	–	–	–
On 31 December	104.66	102,700	85.51	205,550

Incentive programme	Date of allotment	Maturity date	Exercise price	Stock options on 31 December 2025	No. of options on 31 December 2024
Incentive programme 2024–2027	15 May 2024	15 November 2027	87.23	45,300	45,300
Incentive programme 2023–2026	12 May 2023	15 November 2026	81.50	57,400	57,400
Incentive programme 2022–2025	11 May 2022	15 November 2025	66.39	–	102,850
Incentive programme 2021–2024	10 May 2021	15 November 2024	52.25	–	–
Total				102,700	205,550

Participant subsidy (gross salary bonus)	2025	2024
Cost of participant subsidy	5	3
Total	5	3

transfer. Each call option entitles the holder to acquire one share in Bufab during the period 15 May 2024–15 November 2024. The purchase price per share is SEK 52.25, corresponding to 115 percent of the volume-weighted average price paid for the company's share on Nasdaq Stockholm during the period 4 May 2021–10 May 2021. During 2021, a total of 90,070 call options were subscribed for.

To encourage participation in the programme, the Board of Directors has resolved on a subsidy in the form of gross salary additions to participants who remain as employees of the company in 2024, which may correspond to not more than the price paid for the call options.

To hedge Bufab's delivery of shares, the Annual General Meeting also resolved to authorise the Board of Directors to repurchase a maximum of 1,750,000 shares in the company, and approved the transfer of a maximum of 1,750,000 of the company's shares to the participants of the programme. No shares were repurchased during 2021.

NOTE 35 Events after the end of the financial year

No material events have occurred after the balance-sheet date.

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NOTE 36 Changes to borrowings

NET DEBT
 Net debt is an expression of how large the financial borrowing is in the company in absolute figures after deductions for cash and cash equivalents.

SEK million	31 Dec 2025	31 Dec 2024
Non-current interest-bearing liabilities, excluding lease liabilities	2,884	2,815
Non-current interest-bearing lease liabilities	455	451
Current interest-bearing liabilities, excluding lease liabilities	136	153
Current interest-bearing lease liabilities	162	161
Less: Cash and cash equivalents	–205	–211
Less: other interest-bearing receivables	–	–
Net debt on balance-sheet date	3,432	3,369

SEK million	Cash and cash equivalents	Lease liabilities	Borrowings	Interest-bearing pension provisions	Total
Net debt on 1 January 2024	218	–538	–3,044	–35	–3,399
Cash flow	–16	155	274	–	413
Acquisitions/new contracts	–	–239	–	–	–239
Revaluation	–	–16	–144	–19	–179
Exchange-rate differences	9	26	–	–	35
Net debt on 31 December 2024	211	–612	–2,914	–54	–3,369

SEK million	Cash and cash equivalents	Lease liabilities	Borrowings	Interest-bearing pension provisions	Total
Net debt on 1 January 2025	211	–612	–2,914	–54	–3,369
Cash flow	23	171	–262	–	–68
Acquisitions/new contracts	–	–249	–	–	–249
Revaluation	–	8	–	–	8
Exchange-rate differences	–28	65	208	1	246
Net debt on 31 December 2025	205	–616	–2,968	–53	–3,432

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NOTE 37 Hedge of net assets in foreign currency

The Group hedges portions of its net assets in foreign operations by borrowing in foreign currency with the aim of reducing the impact of currency exposure on the Group's equity. During the year, no ineffectiveness was noted in hedging net investments in foreign operations.

Hedged net investments in foreign operations in EUR		31 Dec 2025
Reported amount bank loans	SEK million	779
Reported amount in hedged currency	EUR million	72
The hedged amount is substantially lower than the maximum hedgeable amount		
Changes to the loan's carrying amount due to fluctuations in currency during the year		–17
Changes to the hedged item's carrying amount due to fluctuations in currency during the year		17

Hedged net investments in foreign operations in EUR		31 Dec 2024
Reported amount bank loans	SEK million	368
Reported amount in hedged currency	EUR million	32
The hedged amount is substantially lower than the maximum hedgeable amount		
Changes to the loan's carrying amount due to fluctuations in currency during the year		–3
Changes to the hedged item's carrying amount due to fluctuations in currency during the year		3

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Parent Company income statement

SEK million	Note	2025	2024
Administrative expenses	2	-30	-25
Other operating income		4	8
Operating loss	2	-26	-17
Profit from financial items			
Interest and similar income	3	4	0
Interest and similar expense	4	-0	-2
Earnings from shares in Group companies	5	250	190
Profit after financial items		228	171
Appropriations	6	22	35
Tax on profit for the year	7	-0	-5
PROFIT FOR THE YEAR		249	201

¹⁾Profit in its entirety is attributable to Parent Company shareholders.

Statement of comprehensive income

SEK million	Note	2025	2024
Profit after tax		249	201
Other comprehensive income		-	-
Total comprehensive income		249	201

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Parent Company balance sheet

SEK million	Note	31 Dec 2025	31 Dec 2024
ASSETS			
Non-current assets			
<i>Financial assets</i>			
Participations in Group companies	8	845	845
Total financial assets		845	845
<i>Other non-current assets</i>			
Other non-current receivables		4	2
Total non-current assets		849	847
Current assets			
<i>Current receivables</i>			
Receivables from Group companies		380	354
Current tax receivables		40	19
Other receivables		1	0
Total current receivables		421	373
<i>Cash and bank balances</i>			
Cash and bank balances		0	0
Total current assets		421	373
Total assets		1,270	1,220

SEK million	Note	31 Dec 2025	31 Dec 2024
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital	9	1	1
Premium fund		488	488
<i>Unrestricted equity</i>			
Retained earnings		450	433
Profit for the year		249	201
Total equity		1,188	1,123
Untaxed reserves			
	10	60	82
Non-current liabilities			
		4	2
Current non-interest-bearing liabilities			
Trade payables		1	1
Liabilities to Group companies		0	0
Accrued expenses and deferred income	11	17	12
Total current non-interest-bearing liabilities		18	13
TOTAL EQUITY AND LIABILITIES		1,270	1,220

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Parent Company statement of changes in equity

SEK million	Share capital	Premium fund	Retained earnings	Total equity
Equity on 1 January 2024	1	488	627	1,116
Other comprehensive income	–	–	201	201
Transactions with shareholders				
Issued call options	–	–	4	4
Redemption of call options	–	–	8	8
Repurchase of own shares	–	–	–17	–17
Dividend to Parent Company shareholders	–	–	–189	–189
Total transactions with shareholders	0	0	–194	–194
Equity on 31 December 2024	1	488	634	1,123
Other comprehensive income	–	–	249	249
Transactions with shareholders				
Issued call options	–	–	–	–
Redemption of call options	–	–	14	14
Repurchase of own shares	–	–	–	–
Dividend to Parent Company shareholders	–	–	–199	–199
Total transactions with shareholders	–	–	–185	–185
Equity on 31 December 2025	1	488	699	1,188

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Parent Company cash-flow statement

SEK million	Note	31 Dec 2025	31 Dec 2024
Operating activities	2		
Loss before financial items		-26	-17
Income tax paid		-21	-19
Cash flow from operating activities before changes in working capital		-47	-36
Cash flow from changes in working capital			
Increase (-) / decrease (+) in operating receivables		-44	-56
Increase (+) / decrease (-) in operating liabilities		6	-4
Cash flow from operating activities		-85	-96

SEK million	Note	31 Dec 2025	31 Dec 2024
Financing activities			
Dividends		-199	-189
Issued call options		-	4
Repurchase of own shares		-	-17
Redemption of call options		14	8
Group contributions paid		20	100
Dividends received		250	190
Cash flow from financing activities		85	96
Cash flow for the year		0	0
Cash and cash equivalents at beginning of year		0	0
Cash and cash equivalents at year-end		0	0

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All amounts are in SEK million unless otherwise specified. The figures in brackets indicate the preceding year's values.

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NOTE 1 Summary of key accounting policies

The Parent Company applies the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. Under the recommendation, the parent of a group which has voluntarily elected to apply IFRS/IAS in its consolidated financial statements is, as a general rule, to apply the IFRS/IAS that are applied in the Group.

The Parent Company's participations in Group companies are recognised using the cost method. Distributions received are only recognised as revenue if they are derived from post-acquisition earnings. Distributions received in excess of such earnings are regarded as a recovery of investment and are recognised as a reduction of the carrying amount of the investment.

Shareholders' contributions are recognised directly in the recipient's equity and are capitalised in the issuer's shares and participating interests, to the extent that impairment is not required. Group contributions are recognised as appropriations in profit or loss.

NOTE 2 Employees, personnel expenses and fees paid to directors and auditors

The company has one (one) employee.

Average number of employees	2025	2024
Female	–	–
Male	1	1
Total	1	1

	2025		2024	
Salaries, employee benefits and social security fees	Salaries and benefits	Social security fees	Salaries and benefits	Social security fees
Salaries and remuneration to Board and CEO	12.8	5.7	11.1	4.9
(of which bonuses, etc.)	2.3		1,2	
(of which pension cost, defined-contribution plans)		1.8		1.6
Total	12.8	5.7	11.1	4.9

Sickness absence information is not disclosed since the Parent Company has fewer than ten employees.

Auditors' fees and remuneration	2025	2024
Öhrlings PricewaterhouseCoopers AB		
Audit assignment	2	2
Other services	0	0

Audit assignment refers to fees for the statutory audit, meaning the work that was necessary in order to submit the auditor's report, as well as audit advisory services provided in connection with the audit assignment.

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NOTE 3 Interest and similar income

	2025	2024
Interest income, group companies	4	0
Total	4	0

NOTE 4 Interest and similar expenses

	2025	2024
Interest expenses, group companies	0	–2
Total	0	–2

NOTE 5 Earnings from shares in Group companies

	2025	2024
Dividend	250	190
Total	250	190

NOTE 6 Appropriations

	2025	2024
Reversal of tax allocation reserve, 2019 tax year	0	21
Reversal of tax allocation reserve, 2021 tax year	3	–
Reversal of tax allocation reserve, 2022 tax year	13	–
Reversal of tax allocation reserve, 2023 tax year	6	–
Transfers to tax allocation reserve, 2025 tax year	0	–6
Group contributions received	–	20
Group contributions paid	–	–
Total	22	35

NOTE 7 Tax on profit for the year

	2025	2024
Current tax		
Current tax for the year	0	–5
Current tax for previous years	–	–
Total	0	–5
Reconciliation of effective tax	2025	2024
Profit before tax	249	205
Tax according to Parent Company's applicable rate	–51	–42
Effect of non-taxable income	52	39
Effect of non-deductible expenses	–1	–2
Tax for previous years	–	–
Recognised effective tax	0	–5

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NOTE 8 Participations in Group companies

		31 Dec 2025	31 Dec 2024
Accumulated cost			
At beginning of year		845	845
Total cost		845	845
Carrying amount at end of period		845	845
Specification of Parent Company's and Group's holdings of shares in Group companies			
Subsidiary / Corp. Reg. No. / registered office	Holding ¹⁾ , %	31 Dec 2025 Carrying amount	31 Dec 2024 Carrying amount
Bufab International AB, 556194-4884, Värnamo, Sweden	100%	845	845
Industries Bufab de Mexico S.A. de C.V., IBM170911RV6, Mexico	100%		
Bufab USA Holding Inc, 84-4059868, Delaware, US	100%		
American Bolt & Screw Mfg Corp, 11-2328266, Ontario, US	100%		
American Bolt de Mexicos S de RL de VC, ABM15061878A, Mexico	100%		
Component Solutions Group Inc, 31-1563590, Dayton, US	100%		
Perlance Sales Inc, 34-1619036, Stow, US	100%		
A-1 Fastener Inc, 31-1704462, Dayton, US	100%		
Blue Grass Manufacturing II LLC, 84-2454553, Lexington, US	100%		
Bufab Ireland Ltd, NI061428, Lisburn, UK	100%		
Montrose Holdings Ltd, 09731597, High Wycombe, UK	100%		
Bufab (UK) Ltd, 02646431, High Wycombe, UK	100%		
Apex Stainless Holdings Ltd, 08403986, Rugby, UK	100%		
Apex Stainless Fasteners Ltd, 02631068, Rugby, UK	100%		
Bufab UK Holdings Ltd, 13941159, High Wycombe, UK	100%		
T I Midwood & Co Ltd, 03360713, Nantwich, UK	100%		
Bufab DK Holdings ApS, 40546529, Herning, Denmark	100%		
HT Bendix A/S, 34215685, Herning, Denmark	100%		
HT Bendix Deutschland GmbH, HRB 19096, Bünde, Germany	100%		
Pajo Bolte A/S, 10221994, Hobro, Denmark	100%		
Bufab Sweden AB, 556082-7973, Värnamo, Sweden	100%		
Tiika Trading AB, 556380-7147, Mönsterås, Sweden	100%		
Bufab Norge AS, 876612062, Oslo, Norway	100%		
Bufab Finland Oy, 2042801-2, Kerava, Finland	100%		
Magnetfabriken AB, 559010-5614, Västerås, Sweden	100%		
Rudhäll Industri AB, 556265-0993, Gnosjö, Sweden	100%		
Rudhall Trading (Ningbo) Co Ltd, 91330200583973663Y, Ningbo, China	100%		
Bumax AB, 556176-1957, Åshammar, Sweden	100%		
Bufab Taiwan Company Limited, 29002549, Kaohsiung City, Taiwan	100%		
Bufab Supply Chain Management (Ningbo) Co Ltd, 91330211MA2GT0YF2E, Ningbo, China	100%		

Specification of Parent Company's and Group's holdings of shares in Group companies	Holding ¹⁾ , %	31 Dec 2025 Carrying amount	31 Dec 2024 Carrying amount
Subsidiary / Corp. Reg. No. / registered office			
Bufab Germany GmbH, HRB 54654, Mörfelden-Walldorf, Germany	100%		
Bufab Austria GmbH, FN 266844, Wien, Austria	100%		
Jenny I Wattle GmbH, FN 553747, Frastanz, Austria	100%		
Bufab CZ Sro, 25561260, Brno, Czech Republic	100%		
Bufab Spain SLU, ESB08464430, Barcelona, Spain	100%		
Bufab France SAS, 353237431, Corbas, France	100%		
VITAL S.p.A, 10202250154, Pioltello, Italy	100%		
Bufab novia Group AB, 559543-2922, Värnamo, Sweden	99%		
novia Holding GmbH, HRB 138599, Mörfelden-Walld., Germany	100%		
novia Technology GmbH, HRB 723866, Göppingen, Germany	100%		
novia Sourcing Solutions GmbH, HRB 17896, Bottrop, Germany	100%		
novia Germany GmbH, HRB 10223, Iserlohn, Germany	100%		
novia Product Service Limited, 30111843, Hongkong, China	100%		
Shenzhen novia Consulting Co Ltd, 91440300MA5G1QHL7R, Shenzhen, China	100%		
Kaiping novia Consulting Co Ltd, 91440300MA5G225E3U, Kaiping, China	100%		
novia Switzerland AG, CHE-114.766.221, Sirmach, Switzerland	100%		
novia Vietnam Co Ltd, 0111183091, Hanoi City, Vietnam	100%		
novia Manufacturing Co Ltd, 913100006901270000, Shanghai, China	100%		
novia Trading Co Ltd, 91310115MA1K425F98, Shanghai, China	100%		
Bufab Flos B.V., 17062762, Eindhoven, Netherlands	100%		
Bufab Poland Spzoo, KRS 0000036164, Gdansk, Poland	100%		
CDA Polska Spzoo Spk, KRS 0000491876, Wrocław, Poland	100%		
Bufab Hungary Kft, 13-09-143460, Budaörs, Hungary	100%		
Bufab Baltic OU, 11242462, Hõüru, Estonia	100%		
Bufab Slovakia Sro, 31639291, Banska Bystrica, Slovakia	100%		
Bufab International AB Merkezi Isvec Türkiye Istanbul Subesi, 688311, Istanbul, Türkiye	100%		
Bufab Romania SRL, J12/899/2009, Apahida Cluj, Romania	100%		
Bufab India Fasteners PVT Ltd, U29299PN2008PTC131481, Pune, India	100%		
Bufab Fasteners Trading (Shanghai) Co Ltd, 91310000717861385U, Shanghai, China	100%		
Bufab Singapore PTE Ltd, 198703945H, Singapore, Singapore	100%		
Puresys PTE Ltd, 201210504E, Singapore, Singapore	100%		
PT Bufab Components Indonesia, 9120208151864, Batam, Indonesia	100%		
Bufab Thailand Co Ltd, 0105557000304, Samut Prakarn Thailand	100%		
Kian Soon Mechanical Components Philippines Inc, 2020080001302-02, Cavite Philippines	100%		
		845	845

¹⁾ Ownership of capital, which also corresponds to the percentage of votes for the total number of shares

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NOTE 9
Equity

A total of 190,552,665 ordinary shares were issued on the balance-sheet date. The shares had a quotient value of SEK 0.002871589 on the balance-sheet date. All issued shares have been paid for in full. On 31 December 2025, Bufab had 765,575 repurchased shares held in treasury.

In accordance with the Group’s financial targets, as adopted by Bufab’s Board of Directors, the regular dividend to shareholders is to correspond to about 30–60 percent of the

Group’s profit after tax during the year. Exemptions are permissible in exceptional circumstances. The Bufab Group’s capital requirements, its profit, financial position, capital requirement, covenants and the prevailing cyclical conditions must also be taken into account. No change has taken place in the Parent Company’s capital management during the year.

NOTE 10
Untaxed reserves

	31 Dec 2025	31 Dec 2024
Tax allocation reserve, 2021 tax year	–	3
Tax allocation reserve, 2022 tax year	–	13
Tax allocation reserve, 2023 tax year	24	30
Tax allocation reserve, 2024 tax year	30	30
Tax allocation reserve, 2025 tax year	6	6
Total	60	82

NOTE 11
Accrued expenses and deferred income

	31 Dec 2025	31 Dec 2024
Accrued salaries incl. holiday pay	4	4
Accrued social security contributions	2	1
Other items	10	7
Total	16	12

NOTE 12
Pledged assets

	31 Dec 2025	31 Dec 2024
Shares in subsidiaries	0	0
Total	0	0

In conjunction with the Group’s refinancing in 2021, the process began to release the international collateral package pledged for the obligations under the earlier credit agreement. This process was completed in the first quarter of 2022. For the obligations under the new credit agreement, no collateral is issued.

NOTE 13
Contingent liabilities

	31 Dec 2025	31 Dec 2024
Guarantees to subsidiaries	1,378	1,064
Total	1,378	1,064

NOTE 14
Appropriation of profits

Proposed appropriation of profits	SEK
The following earnings are at the disposal of the AGM:	699,586,693
Retained earnings	
The Board of Directors and CEO propose that the earnings be appropriated as follows:	
A dividend of SEK 1.30 per share to be paid to shareholders*	246,548,465
To be carried forward	453,038,228
Total	699,586,693

* The dividend has been based on the number of shares outstanding at the date of publication of the annual report.

**THE INCOME STATEMENTS AND BALANCE SHEETS
WILL BE PRESENTED FOR ADOPTION BY THE ANNUAL
GENERAL MEETING ON 23 APRIL 2026.**

The undersigned certify that the annual report for the Group and the Parent Company has been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and generally accepted accounting policies, and gives a true and fair view of the financial positions and results of the Group and the Parent Company, and that the Board of Directors' Report gives a fair overview of the performance of the operations, financial positions and results of the Group and the Parent Company, and describes substantial risks and uncertainties faced by the Group's companies. The sustainability report has been prepared in accordance with the European Sustainability Reporting Standards (ESRS) pursuant to the requirements of the Swedish Annual Accounts Act and Article 8 of the EU Taxonomy Regulation. The Annual Report was approved by the Board of Directors and dated 18 March 2026.

Värnamo 18 March 2026

Bengt Liljedahl
Chairman of the Board

Hans Björstrand
Board member

Per-Arne Blomquist
Board member

Bertil Persson
Board member

Anna Liljedahl
Board member

Eva Nilsagård
Board member

Caroline Reuterskiöld
Board member

Erik Lundén
President and CEO

Our auditor's report and our assurance Report on the sustainability report
were submitted on 25 March 2026
Öhrlings PricewaterhouseCoopers AB

Johan Rippe
Authorised Public Accountant
Auditor in Charge

Frida Wengbrand
Authorised Public Accountant

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This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

To the general meeting of the shareholders of Bufab AB (publ), corporate identity number 556685-6240

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS Opinions

We have audited the annual accounts and consolidated accounts of Bufab AB (publ) for the year 2025 except for the corporate governance statement and the statutory sustainability report on pages 40-46 and 47-113, respectively. The annual accounts and consolidated accounts of the company are included on pages 30-153 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2025 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2025 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement and the statutory sustainability report on pages 40-46 and 47-113, respectively. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company’s audit committee in accordance with the Audit Regulation (537/2014/EU) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor’s Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014/EU) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

Our audit approach

Focus and scope of the audit

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Board of Directors and the Managing Director made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the group, the accounting processes and controls, and the industry in which the group operates. When designing our group audit strategy and group audit plan, we assessed the extent of the audit that needed to be performed by the group audit team and by component auditors from the PwC network respectively. Due to the group’s decentralized financial organization, significant parts of the group’s financial reporting are prepared in entities outside of Sweden. This means that a substantial portion of the group audit needs to be carried out by component auditors operating in other countries. In assessing the level of audit required for each entity, we considered the group’s geographic distribution, the size of each entity, and the specific risk profile that each entity represents. Based on this assessment, we determined that audit work should be conducted not only for the parent company in Sweden but also for the financial information prepared by fifteen subsidiaries (located in a total of eight different countries). In cases where component auditors perform work that is significant to our audit of the group, we, as group auditors, evaluate the need for and degree of involvement in the component auditors’ work to determine whether sufficient audit evidence has been obtained to support our opinion in the group audit report. In addition to this, the group team has audited the consolidated financial statements, the notes to the annual report, as well as a number of more complex accounting matters, including goodwill.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

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Key audit matter	How our audit addressed the Key audit matter
VALUATION OF GOODWILL As of 31 December 2025, the group reports goodwill of SEK 3 466 MSEK, which is allocated across a total of six cash-generating units. Two cash-generating units are attributable to the segment Europe North & East, one is attributable to the segment Europe West, one is attributable to the segment Americas, one is attributable to the segment UK/ Ireland and one is attributable to the segment Asia-Pacific. In accordance with IAS 36, the group tests at least annually whether there is any impairment of recognised goodwill. This test is performed per cash-generating unit by calculating the recoverable amount and comparing it with the carrying amount of the business. The recoverable amount was determined by management through a calculation of the cash-generating units' ability to generate future cash flows. The impairment tests are significant to our audit because goodwill represents material amounts in the balance sheet and, furthermore, the impairment tests require management to make significant estimates and judgements about the future. Based on the impairment tests performed by management, no impairment of goodwill has been identified as of 31 December 2025. The significant assumptions applied in the impairment tests are described in note 16.	Our audit procedures included an assessment of the mathematical accuracy of the cash flow calculations and a reconciliation of the cash flow forecasts against the company's financial plans for 2026–2028. We have evaluated and assessed that the company's valuation model is consistent with generally accepted valuation techniques. We have challenged management regarding the reasonableness of the assumptions that have the greatest impact on the impairment tests, which include the sustainable growth rate, sustainable gross margin and discount rate. Based on the impairment tests, we have performed simulations and sensitivity analyses to test the existing headroom and assessed the risk of an impairment being required. We have also evaluated that the company has provided sufficient disclosures in note 16 of the annual report.
VALUATION OF INVENTORIES As of 31 December 2025, the group reports inventories of SEK 2 717 MSEK. The valuation of inventories is significant to our audit because the valuation involves a number of estimates and judgements, and the value of inventories represents a significant proportion of the group's total assets. An important judgement that management needs to make when valuing inventories relates to the group's ability to sell its products held in stock at a price exceeding the cost of acquisition, and in this context to consider the risk of obsolescence. The risk of obsolescence is influenced by Bufab's business model, as an important part of the group's customer offering is to meet customers' needs for C-Parts quickly and cost-effectively. In order to meet customer needs, Bufab may in certain cases find it necessary to hold significant quantities in stock, which reduces the inventory turnover rate and may increase the risk of obsolescence. In order to identify and consistently calculate the risk of obsolescence, management has established a group-wide obsolescence policy. The obsolescence policy takes into account the turnover rate of individual items, which together with estimated future sales volumes provides management with a basis for determining a reasonable obsolescence reserve. The group's principles for the valuation of inventories and the accounting for obsolescence are described in note 2 on page 121 of the annual report. Significant estimates and judgements that the group needs to make in connection with the accounting for inventories are set out in note 4 of the annual report.	Our audit procedures included an evaluation of the group's principles for calculating inventory obsolescence. In order to assess the reasonableness of the company's obsolescence reserve, we have instructed our component auditors to examine and report back to the group team any deviations from the group-wide obsolescence policy. We have tested the reasonableness of the assumptions and judgements made by management regarding the saleability of items with low turnover rates. We have also held discussions with management and reviewed minutes from board meetings and other important management meetings in order to identify forecast changes in the company's sales that could cause inventory items to become obsolete. Finally, we have evaluated that the group has satisfactorily described its principles for the valuation of inventories in the annual report, including the estimates and judgements made to value inventories as of 31 December 2025.

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OTHER INFORMATION THAN THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-29, 160-167 and the statutory sustainability report on pages 47-113. The other information also consists of the remuneration report 2025, which we expect to have access to after the date of this audit report.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit 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.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the Managing Director are responsible for the assessment of the company and group’s ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, cease operations or has no realistic alternative to doing any of this.

The Audit Committee shall, without prejudice to the Board of Director’s responsibilities and tasks in general, among other things oversee the company’s financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen’s website: www.revisorsinspektionen.se/revisornsansvar This description is part of the auditor’s report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The auditor's examination of the administration of the company and the proposed appropriations of the company's profit or loss
 Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Bufab AB (publ) for year 2025 and the proposed appropriations of the company’s profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generallyaccepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor’s Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company’s profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company and group’s type of operations, size and risks place on the size of the parent company’s equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company’s organization and the management of the company’s affairs.

This includes among other things continuous assessment of the company and group’s financial situation and ensuring that the company’s organization is designed so that the accounting, management of assets and the company’s financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors’ guidelines and instructions and among other matters take measures that are necessary to fulfill the company’s accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company’s profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company’s profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen’s website: www.revisorsinspektionen.se/revisornsansvar This description is part of the auditor’s report.

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THE AUDITOR’S EXAMINATION OF THE ESEF REPORT Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Bufab AB (publ) for the year 2025.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinion

We have performed the examination in accordance with FAR’s recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors’ responsibility section. We are independent of Bufab AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Director’s and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor’s responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

The auditor’s examination of the corporate governance statement

It is the Board of Directors who is responsible for that the corporate governance statement on pages 40-46 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR’s auditing standard RevR 16 The auditor’s examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Öhrlings PricewaterhouseCoopers AB, 113 21 Stockholm, was appointed as Bufab AB (publ)’s auditor by the general meeting of shareholders on 24 April 2025 and has been the company’s auditor since 12 September 2005. Bufab AB (publ) has been a public interest company since 21 February 2014.

Göteborg 25 March 2026
 Öhrlings PricewaterhouseCoopers AB

Johan Rippe
 Authorized Public Accountant
 Auditor in charge

Frida Wengbrand
 Authorized Public
 Accountant

Auditor’s limited assurance report of Bufab AB (publ’s) statutory sustainability statement

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

To the general meeting of the shareholders of Bufab AB (publ), corporate identity number 556685-6240

CONCLUSION

We have conducted a limited assurance engagement of the sustainability statement for Bufab AB (publ) for the financial year 2025. The sustainability statement is included on page 47-113 in 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 does not, in all material respects, meet the requirements of the Swedish Annual Accounts Act which includes,

- whether the sustainability statement meets the requirements of ESRS,
- whether the process the company has carried out to identify reported sustainability information has been conducted as described in the sustainability statement,
- compliance with the reporting requirements of the EU’s Green Taxonomy Regulation Article 8.

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 according to this recommendation is further described 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 MATTER

The sustainability statement for the previous financial year has not been subject to a limited assurance engagement and no review of the comparative figures in the sustainability statement for the year 2025 has therefore been performed.

OTHER INFORMATION THAN THE SUSTAINABILITY STATEMENT

This document also contains other information than the sustainability statement and is found on pages 1-46 and 114-153 and 160-167. 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 form of assurance conclusion 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.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE 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 determines 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 on whether the sustainability report has been prepared in accordance with Chapter 6, Sections 12–12f of the Swedish Annual Accounts Act based on our review. 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 operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

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

A limited assurance engagement involves performing procedures to obtain evidence about the sustainability statement. 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 procedures regarding the process that the company has implemented to identify sustainability information to be reported included, but were not limited to, the following:

- Obtaining an understanding of the process by:
 - Making inquiries to understand the sources of 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 actions regarding the process implemented by the company is consistent with the description of the process in the sustainability statement.

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

- Through inquiries, obtain a general understanding of the internal control environment, reporting processes, and information systems relevant to the preparation of the information in the sustainability statement.
- Evaluate whether the information identified by the process is included in the sustainability statement;
- Evaluate whether the structure and the presentation of the sustainability statement is in accordance with the ESRS;
- Perform inquiries of relevant personnel and analytical procedures on selected information in the sustainability statement;
- Perform substantive assurance procedures on selected information in the sustainability statement;
- Through inquiries and analytical procedures, evaluate supporting evidence to the methods, assumptions and data for developing significant estimates and forward-looking information;
- Obtain an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the sustainability statement, and
- The review of taxonomy disclosures included, but was not limited to, the following review procedures:
 - Analytical review procedures and inquiries of relevant personnel
 - On a sample basis, perform review procedures on material disclosures in the sustainability report regarding the EU Taxonomy.

INHERENT LIMITATIONS IN PREPARING THE SUSTAINABILITY STATEMENT

In reporting forward-looking information in accordance with ESRS, the Board of Directors and the Managing Director of Bufab AB (publ) are required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by Bufab AB (publ). Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Göteborg 25 March 2026
 Öhrlings PricewaterhouseCoopers AB

Johan Rippe
 Authorized Public Accountant
 Auditor in charge

Frida Wengbrand
 Authorized Public Accountant

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SEK million	2025	2024 ¹⁾	2023 ¹⁾	2022 ¹⁾	2021 ¹⁾
Earnings					
Order intake	8,118	7,814	8,602	8,453	6,084
Net sales	8,072	8,035	8,680	8,431	5,878
<i>Europe North & East</i>	2,832	3,103	3,429	3,416	2,926
<i>Europe West</i>	2,330	1,861	1,951	1,758	1,150
<i>Americas</i>	1,000	1,028	1,182	1,373	777
<i>UK/Ireland</i>	1,467	1,586	1,676	1,451	611
<i>Asia Pacific</i>	442	457	443	495	413
Gross profit	2,576	2,389	2,494	2,389	1,638
Operating profit (EBITA)	1,050	959	1,043	990	695
<i>Europe North & East</i>	406	368	440	410	331
<i>Europe West</i>	314	233	245	202	112
<i>Americas</i>	156	114	177	–19	99
<i>UK/Ireland</i>	143	186	132	342	102
<i>Asia Pacific</i>	65	62	64	82	82
Depreciation and amortisation of acquired intangible assets	–81	–71	–69	–60	–31
Net financial items	–146	–196	–219	–102	–49
Profit after financial items	823	695	755	828	615
Tax on profit for the year	–197	–144	–181	–218	–145
Profit for the year	626	551	574	609	470
Margins					
Gross margin, %	31.9	29.7	28.7	28.3	27.7
Operating margin, %	13.0	11.9	12.0	11.7	11.7
<i>Europe North & East</i>	14.3	11.9	12.8	12.0	11.3
<i>Europe West</i>	13.5	12.5	12.6	11.5	9.7
<i>Americas</i>	15.5	11.1	15.0	–1.4	12.8
<i>UK/Ireland</i>	9.7	11.7	7.9	23.6	16.8
<i>Asia Pacific</i>	14.8	13.6	14.4	16.6	19.8

SEK million	2025	2024 ¹⁾	2023 ¹⁾	2022 ¹⁾	2021 ¹⁾
Capital structure					
Net debt	3,432	3,369	3,399	3,762	2,003
Net debt, adjusted	2,815	2,757	2,861	3,273	1,621
Equity	4,027	3,899	3,418	3,036	2,377
Debt/equity ratio, %	85	86	99	124	84
Equity/assets ratio, %	43	42	40	32	36
Average working capital in relation to net sales, %	38.0	39.0	39.7	38.2	28.6
Cash flow					
Operating cash flow	1,027	1,335	1,602	99	210
Key figures per share²⁾					
Earnings per share	3.30	2.91	3.03	3.25	2.51
Dividend per share	1.30*	1.05	1.00	0.95	0.75
Employees					
Average number of employees	1,707	1,724	1,840	1,835	1,423

* Proposed by the Board of Directors.

1) Retroactive recalculation has been performed for 2021–2023 to the new regional structure.

2) A retrospective restatement has been carried out for 2021–2024 due to the 5:1 share split completed in May 2025

Bufab on the stock exchange

Listing and turnover

The Bufab share has been listed on Nasdaq Stockholm since 21 February 2014. The total turnover in 2025 was 72.3 million shares and the average turnover was 156,606 shares.

Brief facts

Listing: Nasdaq Stockholm
Number of shares: 190,552,665
Ticker: BUFAB
ISIN code: SE0025010671

SEK million	2025	2024
Earnings per share before dilution, SEK	3.30	2.91
Earnings per share after dilution, SEK	3.29	2.90
Dividend per share, SEK	1.30 ¹⁾	1.05
Yield ²⁾	1.3%	1.2%
Share of dividend ³⁾	39.4%	36.0%
Share price at year-end, SEK	100.6	439.2
Highest share price, SEK	106.9	459.0
Lowest share price, SEK	67.8	330.6
Number of shareholders at year-end	8,133	7,952
Market capitalisation at year-end, SEK million	19,162	16,738

- 1) The dividend pertains to the Board's proposal.
- 2) The dividend in relation to the share price at year-end.
- 3) The dividend for the financial year in relation to earnings for the year per share.

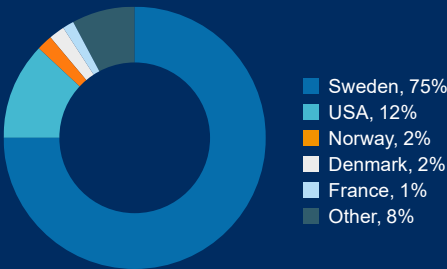
Largest shareholders on 31 December 2025	Share of capital and votes
Liljedahl Group AB	29.21%
Lannebo Fonder	8.78%
Carnegie Fonder	5.39%
Swedbank Robur Fonder	5.30%
Andra AP-fonden	5.08%
Invesco	3.47%
Vanguard	2.99%
Spiltan Fonder	2.39%
Alcur Fonder	1.65%
Danske Invest	1.63%
Other shareholders	34.12%
Total	100.00%

Source: Monitor by Modular Finance AB. Compiled and processed data from, among others, Euroclear, Morningstar and Finansinspektionen

More information

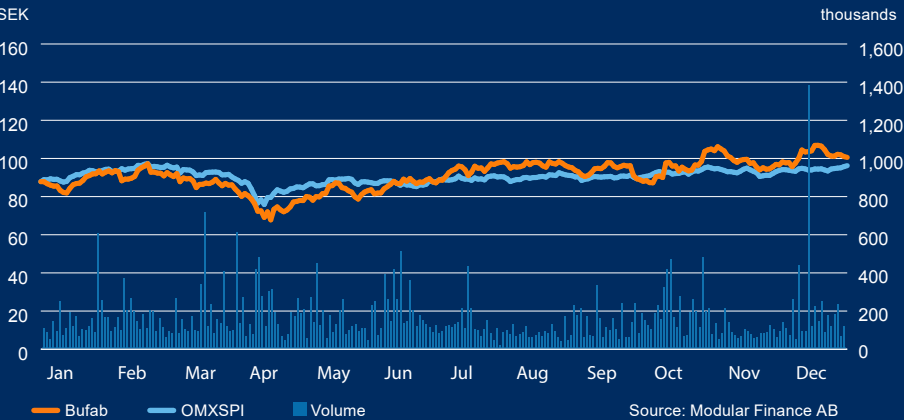
For share price and up-to-date information, visit www.bufabgroup.com

Ownership distribution by country, 31 December 2025



Source: Monitor by Modular Finance AB. Compiled and processed data from, among others, Euroclear, Morningstar and Finansinspektionen.

Bufab's share price trend in 2025



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Gross margin, %
Gross profit as a percentage of net sales for the period.

EBITDA
Operating profit before depreciation, amortisation and impairment.

EBITDA, adjusted
Operating profit before depreciation, amortisation and impairment, less amortisation on right-of-use assets according to IFRS 16 Leases. This key figure is an approximation and is intended to present a comparable EBITDA as though IAS 17 continued to be applied.

Operating profit (EBITA)
Gross profit less operating expenses.

Operating margin, %
Operating profit as a percentage of net sales for the period.

Net debt
Interest-bearing liabilities less cash and cash equivalents and interest-bearing assets, calculated at the end of the period.

Net debt, adjusted
Interest-bearing liabilities, lease liabilities according to IFRS 16, less cash and cash equivalents and interest-bearing assets, calculated at the end of the period.

Operating expenses
Total distribution costs, administrative expenses, other operating income and other operating expenses excluding depreciation, amortisation and impairment of acquisition-related intangible assets.

Debt/equity ratio, %
Net debt divided by equity, calculated at the end of the period.

Net indebtedness/EBITDA, adjusted, multiple
Net debt, adjusted at the end of the period divided by EBITDA, adjusted in the last twelve months.

Working capital
Total current assets less cash and cash equivalents less current non-interest-bearing liabilities, excluding liabilities for additional purchase prices, calculated at the end of the period.

Average working capital
Average working capital calculated as the average of the past four quarters.

Working capital/Net sales, %
Average working capital as a percentage of net sales in the last twelve months.

Equity/assets ratio, %
Equity as a percentage of total assets, calculated at the end of the period.

Operating cash flow
EBITDA, adjusted, plus other non-cash items, minus changes in working capital and investments.

Cash conversion
Operating cash flow divided by EBITDA, adjusted

Earnings per share
Profit for the period divided by the average number of ordinary shares adjusted for the set-off issue and 80:1 split conducted in the first quarter of 2014.

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Key figures not defined in accordance with IFRS

EBITDA		
EBITDA is an expression of operating profit before depreciation, amortisation and impairment. The key figure is defined below.		
SEK million	2025	2024
Operating profit	969	891
Depreciation/amortisation and impairment	306	279
EBITDA	1,275	1,170
EBITDA, adjusted		
The performance measure EBITDA, adjusted, is an expression of operating profit before depreciation, amortisation and impairment, less amortisation on right-of-use assets and interest expenses on lease liabilities according to IFRS 16. The key figure is defined below.		
SEK million	2025	2024
Operating profit	969	891
Depreciation/amortisation and impairment	306	279
Less: amortisation on right-of-use assets according to IFRS 16	–169	–148
Less: interest expenses on lease liabilities according to IFRS 16	–26	–19
EBITDA	1,080	1,002
EBITA		
Bufab's growth strategy includes the acquisition of companies. For the purpose of illustrating the underlying operation's performance, management has chosen to monitor EBITA (operating profit before depreciation, amortisation and impairment of acquired intangible assets). The key figure is defined below.		

Operating expenses		
Operating expenses is an expression of operating expenses before depreciation, amortisation and impairment of acquired intangible assets. The key figure is defined below.		
SEK million	2025	2024
Distribution costs	–1,024	–971
Administrative expenses	–607	–590
Other operating income	98	131
Other operating expenses	–74	–68
Depreciation and amortisation of acquired intangible assets	81	69
Operating expenses	–1,527	–1,429
Working capital		
Because Bufab is a trading company, working capital represents a large share of the balance sheet's value. In order to optimise the company's cash generation, management focuses on the local company's development, and thereby the entire Group's development, of working capital as it is defined below.		
SEK million	2025	2024
Current assets	4,529	4,640
Less: cash and cash equivalents	–205	–211
Less: current non-interest-bearing liabilities excluding liabilities for additional purchase prices	–1,282	–1,251
Working capital on the balance-sheet date	3,042	3,177

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SEK million	2025	2023
Non-current interest-bearing liabilities	3,339	3,346
Current interest-bearing liabilities	298	271
Less: cash and cash equivalents	–205	–218
Less: other interest-bearing receivables	–	–
Net debt on balance-sheet date	3,432	3,399

Net debt

Net debt is an expression of how large the financial borrowing is in the company in absolute figures after deductions for cash and cash equivalents. The reported additional purchase considerations are included from the time when they are finally calculated and paid out. The key figure is defined below.

SEK million	2025	2023
Non-current interest-bearing liabilities	3,339	3,265
Current interest-bearing liabilities	298	315
Less: lease liabilities according to IFRS 16	–617	–612
Less: cash and cash equivalents	–205	–211
Less: other interest-bearing receivables	–	–
Net debt on balance-sheet date	2,815	2,757

Net debt, adjusted

Net debt, adjusted, is an expression of how large the financial borrowing is in the company in absolute figures after deductions for lease liabilities according to IFRS 16 and cash and cash equivalents. The key figure is defined below.

	2025					
	Group	Europe North & East	Europe West	Americas	UK/Ireland	Asia-Pacific
Organic growth	0.3	–0.1	0.6	4.6	–3.1	3.5
Currency translation effects	–3.7	–1.7	–3.8	–7.3	–4.3	–6.7
Acquisitions	6.6	–	28.4	–	–	–
Divestments	–2.7	–7.0	–	–	–	–
Recognised growth	0.5	–8.8	25.2	–2.7	–7.4	–3.2

Organic growth

Because Bufab has operations in many countries with different currencies, it is essential to provide an understanding of the company’s performance without currency effects when translating foreign subsidiaries. In addition, Bufab has an important strategic objective in carrying out value-generating acquisitions. For these reasons, growth is also recognised excluding currency effects when translating foreign subsidiaries and excluding acquired operations within the term Organic growth. This key figure is expressed in percentage points of last year’s net sales.

	2024					
	Group	Europe North & East	Europe West	Americas	UK/Ireland	Asia-Pacific
Organic growth	–5.4	–4.5	–4.4	–10.0	–7.7	4.4
Currency translation effects	–0.4	0.1	–2.1	–3.1	2.3	–1.3
Acquisitions	0.4	–	1.8	–	–	–
Divestments	–2.0	–5.1	–	–	–	–
Recognised growth	–7.4	–9.5	–4.7	–13.1	–5.4	3.1

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23 april, 2026

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14 juli, 2026

Interim Report Q3, 2026

23 oktober, 2026

Annual General Meeting 2026

The Annual General Meeting 2026 will be held on 23 April 2026 at 10.30-12.00 at Vandalorum in Värnamo, Sweden.

The shareholders may, besides physical attendance, also exercise their voting rights at the Annual General Meeting by postal voting prior to the meeting.

Information on the right to participate and notification of participation, on how shareholders will be able to exercise their voting rights, and on proxies and assistants can be found in the notice of the Annual General Meeting. Information can also be found at the company's website www.bufabgroup.com

Contact

Bufab AB (publ)
 Box 2266
 331 02 Värnamo, Sweden
 org nr 556685-6240
 Phone +46 370 69 69 00
www.bufabgroup.com

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Bufab's Annual and Sustainability Report is published in Swedish and in an English translation. In the event of any discrepancies between the two versions, the Swedish version takes precedence.

BUFAB