

Environmental Policy

Version: December 2025

Owner: Head of Sustainability

Adopted by the Group Management Team on December 5, 2025.

This policy is to be reviewed on a regular basis.

1. Introduction

Our Sustainability agenda

We find it crucial to contribute to a sustainable development. We strive to always do our best and in a responsible manner make sure that we treat people well and that we continuously lower the negative impact on the environment.

We are acting and working determinedly to contribute to the Sustainable Development Goals within the UN Agenda 2030 and we have developed climate targets to become net zero by 2045, validated by the Science Based Targets initiative (SBTi).

Our work with sustainability is an ongoing process, a process that is and remains a natural part of our everyday work.

Our Environmental Responsibility

Since lighting requires energy and a luminaire's greatest environmental impact comes from the current that runs through it, our energy efficient luminaires are right at the heart of our environmental work. In our environmental work we strive to meet or exceed the relevant legal requirements. Our overall ambition is to limit the luminaire's environmental impact throughout its lifecycle – from development, manufacture and use to recycling.

2. Purpose and scope

All companies within Fagerhult Group must operate in full compliance of the laws and regulations governing the activities they conduct in the countries they are located in. This Environmental policy outlines Fagerhult Group's ambition to contribute to a more sustainable and resource-efficient future. The policy reflects our values and our responsibility toward society, the environment, and future generations, and shall be embedded in our strategies, processes, and daily decision-making.

The policy applies to all companies within Fagerhult Group, as well as to all employees, consultants, and temporary staff working within or under the direction of a Fagerhult Group company. We encourage every individual to actively contribute to our environmental initiatives and expect compliance with the policy in our daily work.

We also encourage our suppliers and business partners to adopt similar environmental principles in their own operations.

3. Climate change and resource use

Our ambition is for our lighting solutions to contribute to a better world. We have great opportunities to contribute to energy efficiency, reduced emissions, more efficient material use.

As a company with high environmental ambitions Fagerhult Group has set short- and long-term targets that have been validated and approved by the Science Based Targets initiative (SBTi). The short-term target is to reduce direct and indirect emissions (Scope 1 and Scope 2) by 70

per cent and reducing other indirect emissions (Scope 3) by 30 per cent until 2030 (from the base year 2021). The long-term science-based target is to reach net-zero by 2045.

Actively driving the transition to a circular economy is also an important priority. We evolve together with our customers by streamlining, reusing, rebuilding and updating existing lighting solutions.

To actively work for a better future we shall:

- Reduce our energy use, improve operational energy efficiency, and strive to only use renewable energy.
- Continuously improve the energy efficiency of our products.
- Be mindful of our material/resource use, strive to only use reused, recycled or renewable materials in our products and packaging. In the design process we shall always incorporate guiding principles from a circularity perspective, amongst others. The Fagerhult Group Circularity Charter outlines such principles which should be followed directly or embedded in existing guidelines if already established. New products should consider four principles: narrow (use less), slow (use longer), regenerate (make clean) and/or cycle (use again).
- Reduce the amount of waste generated in own operations, strive to recycle and reuse as much as possible. We aim for zero landfill.
- Minimize our use of hazardous substances, and handle with extreme care.
- Always act responsibly to improve our impacts on biodiversity, to reduce our water use and be careful in handling water, and to avoid pollution to air, soil and water as far as possible.
- Monitor and evaluate physical and transition climate risks and prepare for and/or develop business continuity strategies to minimize climate-related disruptions.

4. Reporting

Fagerhult Group reports on sustainability performance each year in our Annual and Sustainability Report. Our targets and metrics show our progress in our environmental work, as well as other sustainability topics. The sustainability areas that we focus on and the disclosures which we share in this report are based on a Double Materiality Assessment (DMA) as defined by the EU Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). This work is reviewed annually in a process which involves the Group companies, internal and external stakeholders and experts, and is validated by the Group Management Team.

5. Framework

This Environmental policy is part of Fagerhult Group's set of policies, which all support the ambition to contribute to a more sustainable world:

- Code of Conduct
- Code of Conduct for Business Partners, as well as the Policy for Human Rights, Policy for Working conditions, and the Policy for Conflict Minerals.
- Other Fagerhult Group policies, such as the Diversity and inclusion policy, the Health and safety policy, and the Anti-bribery and corruption policy.

6. Governance and responsibilities

Sustainability is embedded across Fagerhult Group's operations and is an integrated component of the Group's corporate governance framework.

Fagerhult Group has a whistleblowing function. We encourage all our employees and business partners to report any violations of our policies. The whistleblowing function is available on our website. For us, the whistleblowing function is important to maintain our high ethical standards and the customers' and the publics' confidence in us.

Each Group company Managing Director has the ultimate responsibility for implementing and adhering to the Group's policies, to applicable regulations and guidelines at the local level, as well as to international standards and environmental legislation. Each Managing Director is responsible for communicating the content and importance of Group policies throughout their respective company.

The Head of Sustainability and the Group Sustainability Team have a responsibility to inform the Group companies about the environmental policy, and possible updates thereof. The Group Management Team adopts the environmental policy and oversees the strategic direction of the environmental efforts carried out by the companies.

The Board has the ultimate responsibility for the Group's sustainability work and review and approve the Sustainability statements. The CEO and Head of Sustainability regularly update the Board on progress, key sustainability matters, focus areas and related impacts, risks, and opportunities.