

# SUSTAINABILITY REPORT

2025

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## LSAB IN BRIEF



## ABOUT US

With headquarters in Sweden LSAB operates cutting-edge manufacturing across the sites in Sweden, Finland and Germany. These centres of excellence are the heart of our business – where our production teams work hand in hand with R&D engineers and leading machine manufacturers to shape the future of products. By partnering with world-class research institutes and top universities within the field, we ensure every product we deliver is rooted in the latest science, breakthrough technology, and real-world customer needs.

Our mission is clear: deliver superior performance, lower production costs, and enable sustainable, environmentally conscious manufacturing – all without compromise.

But our value goes far beyond exceptional tooling. We empower our customers with a

complete, end-to-end solution. Our extensive portfolio of premium products supports global industrial leaders and skilled craftsmen within the wood, metal, food and plastics processing industries. Whether in timber construction, panel processing, flooring production, metal fabrication or PVD manufacturing – we provide products that boost productivity, enhance quality, and set new industry standards. Whatever the process, we deliver the optimal products to elevate your performance.

As an industry leader and strategic partner at your side, we don't just supply products – we solve problems. Allowing our customers to gain competitive advantage, the ability to focus on your strengths, and the confidence to grow your core business.

## SUSTAINABILITY MATTERS TO US

At LSAB, sustainability is at the very heart of everything we do. It is not a slogan or an abstract concept, but a long-term commitment that guides our decisions every day. Sustainability means taking responsibility for the future – recognizing that what we do today will have consequences for many years to come.

This responsibility is reflected in many ways: ensuring a safe and healthy workplace for our employees, continuously reducing our environmental footprint for future generations, and relentlessly developing new products and services that create lasting value for our customers. Equally important is building a strong and healthy business – one with the financial resilience and capability to invest in future production, innovation, and growth.

The majority of LSAB's sales are connected to the wood industry, where our products play a role in transforming a precious raw material – a log – into something built to last. This may take the form of a wooden house where a family grows over generations, or a dinner table in a preschool cafeteria where children eat, laugh, and form social bonds that last a lifetime.

We believe that even our small part of this great industry matters. That is why it is essential to us that the tools we manufacture, service, and deliver are produced in the most sustainable way possible.

We care about the future – and that is why we choose to act today.



MARCUS WÄRRING, CEO LSAB

# SUSTAINABILITY PLAYS A CENTRAL ROLE



Sustainability plays a central role for LSAB. We develop innovative and sustainable solutions both in our own business and in the production of our customers. Our three areas of focus:

## PEOPLE

- Our employees are our most important asset. We always put safety first.
- We continuously monitor our employees' working conditions and act preventively to achieve zero accidents.
- Gender equality and diversity are important to us.

## ENVIRONMENT

- We need to reduce our environmental impact at all levels.
- We must ensure that our products are manufactured using the lowest possible energy and raw material consumption.
- We use 100% renewable electricity.
- We measure and monitor our CO2 footprint and actively work to reduce it.
- All of our waste is sorted and disposed of by certified recycling companies.

## BUSINESS ETHICS

- We act at all levels according to our Code of Conduct.

# FROM AMBITIONS TO ACTIONS

**2025 has been the year in which we truly have moved from ambitions to actions. We have focused on transforming our long-term ambitions into action plans that create real impact in all our three focus areas within sustainability – people, environment and business ethics.**

## People

### *Safe workplaces*

At LSAB the safety and wellbeing of our employees is the foundation of everything we do. Building safe workplaces is not only a responsibility - it is also a commitment we make to every individual who enters our workplaces each day.

During the year we have strengthened our efforts to ensure that safety is embedded in our processes, our mindset and our culture. We have continued our safety audits, our safety tour and also at the end of 2025 launched a safety campaign at our sites in Sweden and beginning 2026 it will go forward to our sites in Finland, Estonia and Germany – with focus on Detect – React – Protect.

Building safe workplaces is an ongoing journey that never ends. We will always push ourselves to do better, to learn more and to adapt to new challenges and opportunities. Our goal is clear – every LSAB employee should

return home in the same condition they arrived – safe, healthy and confident in their work environment. This is our responsibility!

## Environment

### *Sustainable production/service sites*

To build sustainable production and service sites are essential for our long-term success and also our responsibility as an industrial company.

One important part of this work is our ISO 14001 certifications, which provide us with a structured and transparent foundation for working systematically with environmental improvements. During this year we have started an ISO journey at LTT in Finland with target to get certified during 2026.

Another important topic is the energy at our sites. Transition to renewable energy together with reduction of our energy consumption are central parts of this.

This year we have started to investigate possibilities for renewable sources at our latest acquisition HDS in Germany. All other energy agreements that we own and have control of are secured with renewable energy since before.

Many of our sites have during the year reach our target regarding energy consumption. Energy mapping has started up at several of our sites to investigate the biggest energy thieves. Measure is to know. And our target is that every site within our organisation shall work active to build up an energy efficient production and/or service business.

### *Decarbonizing*

During 2025, we took the next step in our decarbonization journey and further strengthened our control over CO<sub>2</sub> emissions across our operations. As part of this progress, our most recent acquisition, HDS, was successfully onboarded into our decarbonization efforts.

With regard to Scope 1 and Scope 2 emissions, we achieved and exceeded our target for 2030 during the year. Compared to the 2022 base year, emissions were reduced by 45%, surpassing our target of at least a 40% reduction. This achievement demonstrates that, with the right focus and understanding, it is possible to initiate and implement measures that deliver meaningful emission reductions.

The experience and learnings gained from this work form an important foundation for addressing

our Scope 3 emissions. During the year, we began developing a concrete decarbonization plan, including identified actions aimed at reducing emissions across the value chain. We recognize that close cooperation with suppliers and other key stakeholders is essential to succeed in this effort. While the challenge is significant, we are confident that continued focus, collaboration and learning will enable further progress.

Sustainability is a necessary and value creating journey for us, that strengthens our long term development. With increased focus, we deepen our understanding and enhance our ability to drive transformation.



ANNA THURESSON  
SUSTAINABILITY DIRECTOR



## RENEWABLE ENERGY

By switching to renewable energy at our offices and plants, we are reducing our CO2 footprint.



## TRANSPORTS

Transport at LSAB accounts for a considerable part of our CO2 emissions, which is why we are actively working on converting our vehicle fleet to sustainable alternatives, such as electric/hybrid and HVO.



**EPD**  
INTERNATIONAL EPD SYSTEM

## GREEN STEEL

Our ambition to produce cutting tools with continues every day. 2024 we launched the first band saw blade in the world manufactured with green steel and verified by EPD.



## SOCIAL RESPONSIBILITY

We are proud to be part of the Social Initiative Women & Climate. Women are trained to sell solar lamps in Tanzania that gain access to clean energy and reducing carbon emissions.



## LOCAL INITIATIVES

We are engaging us locally. During 2025 we started to support local initiatives in Sweden, Finland and Germany.

# SUSTAINABLE EVERYDAY EFFORTS MAKE A DIFFERENCE

Step by step, we are taking action towards ensuring a better, more sustainable environment. Measures such as switching to renewable energy at our offices, converting our vehicle fleet to run fossil fuel-free are making a significant impact on our carbon footprint.

We're also proud of our social responsibility. Every year we contribute to projects such as Solvatten and Social Initiative Women & Climate. And during 2025 we started to contribute to different local initiatives in our different countries.

# 2025

## **SUSTAINABLE PERFORMANCE**



**TARGET:  
VISION  
ZERO**  
(INDEX PER 1000 FTE  
- FULL-TIME EMPLOYEE)

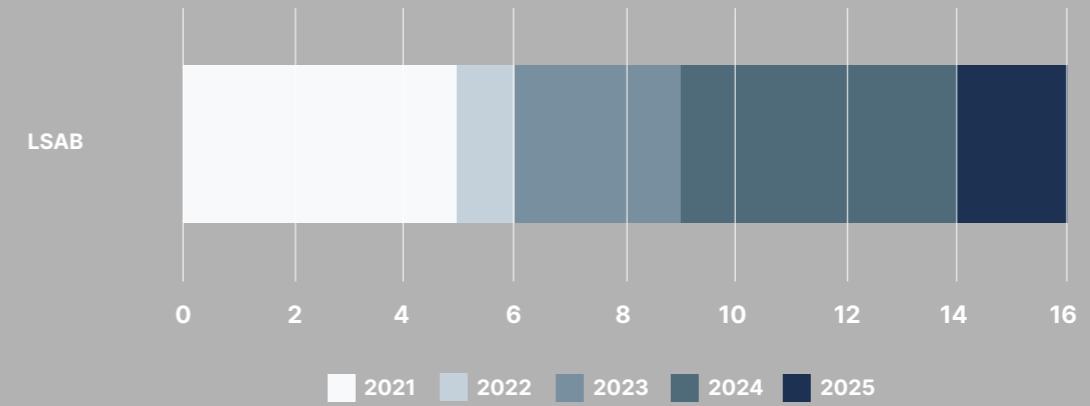
# WORK-RELATED ACCIDENTS

LTI (LOST-TIME INJURY)

**SITUATION:**

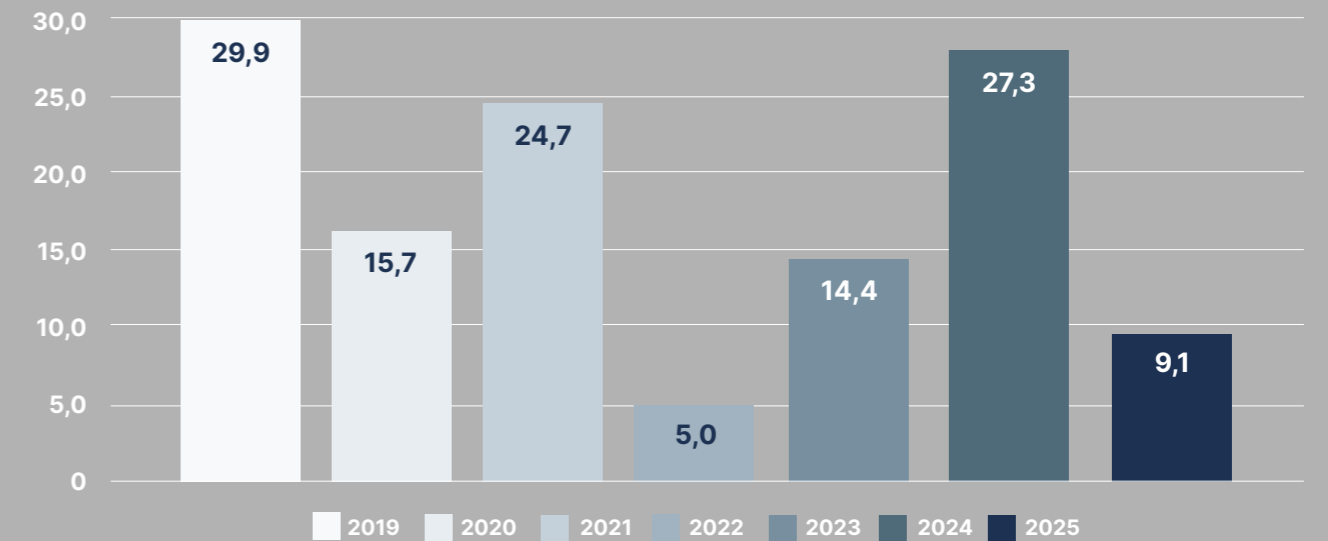
- 2 LTI's during 2025.
- Increasing reporting culture.
- Major focus on building a safety culture.
- Safety tour continues.
- Start Up Safety Campaign.

## NUMBER OF LTI (LOST-TIME INJURY)



## LSAB (INDEX PER 1000 FTE)

NOTE: The diagram is based on an established method for reporting LTI's and assumes that the company has 1,000 employees. Therefore, a higher number is reported than what it actually is.





**TARGET:  
100%  
RENEWABLE  
ENERGY  
BY 2030**

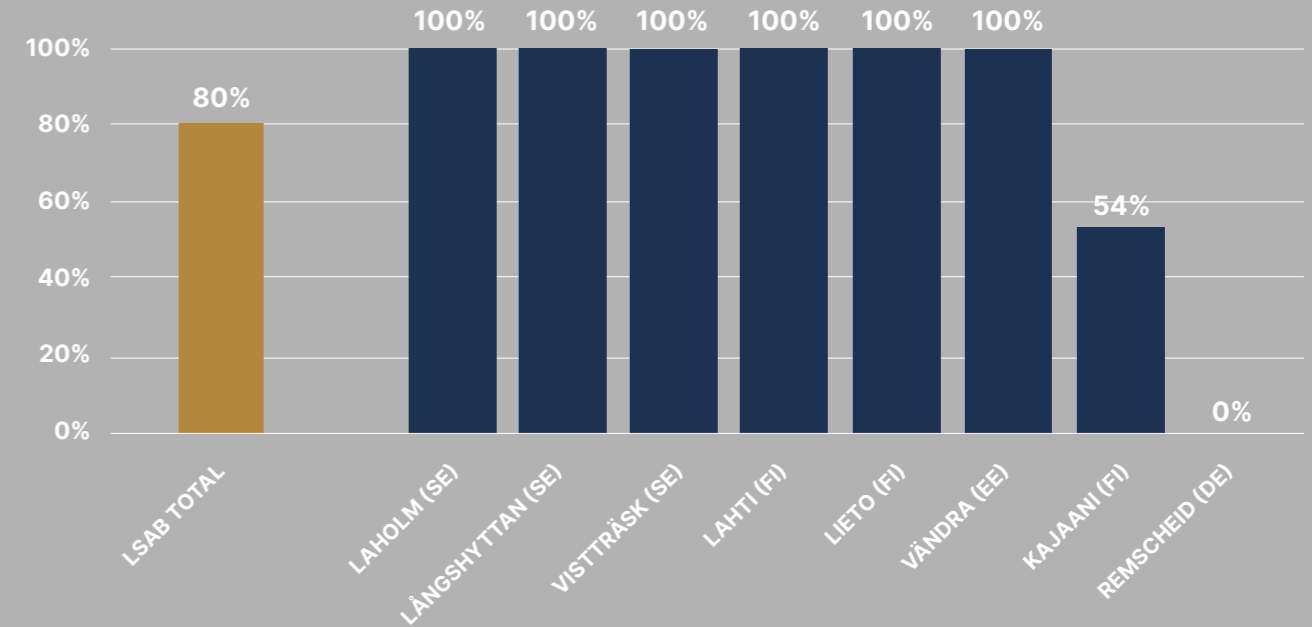
SCOPE 1 & 2

## ENERGY MIX

### SITUATION:

- District heating in Kajaani is fossil
- Our latest acquisition in Remscheid have fossil electricity and heating.

## LSAB - ENERGY (% RENEWABLE)





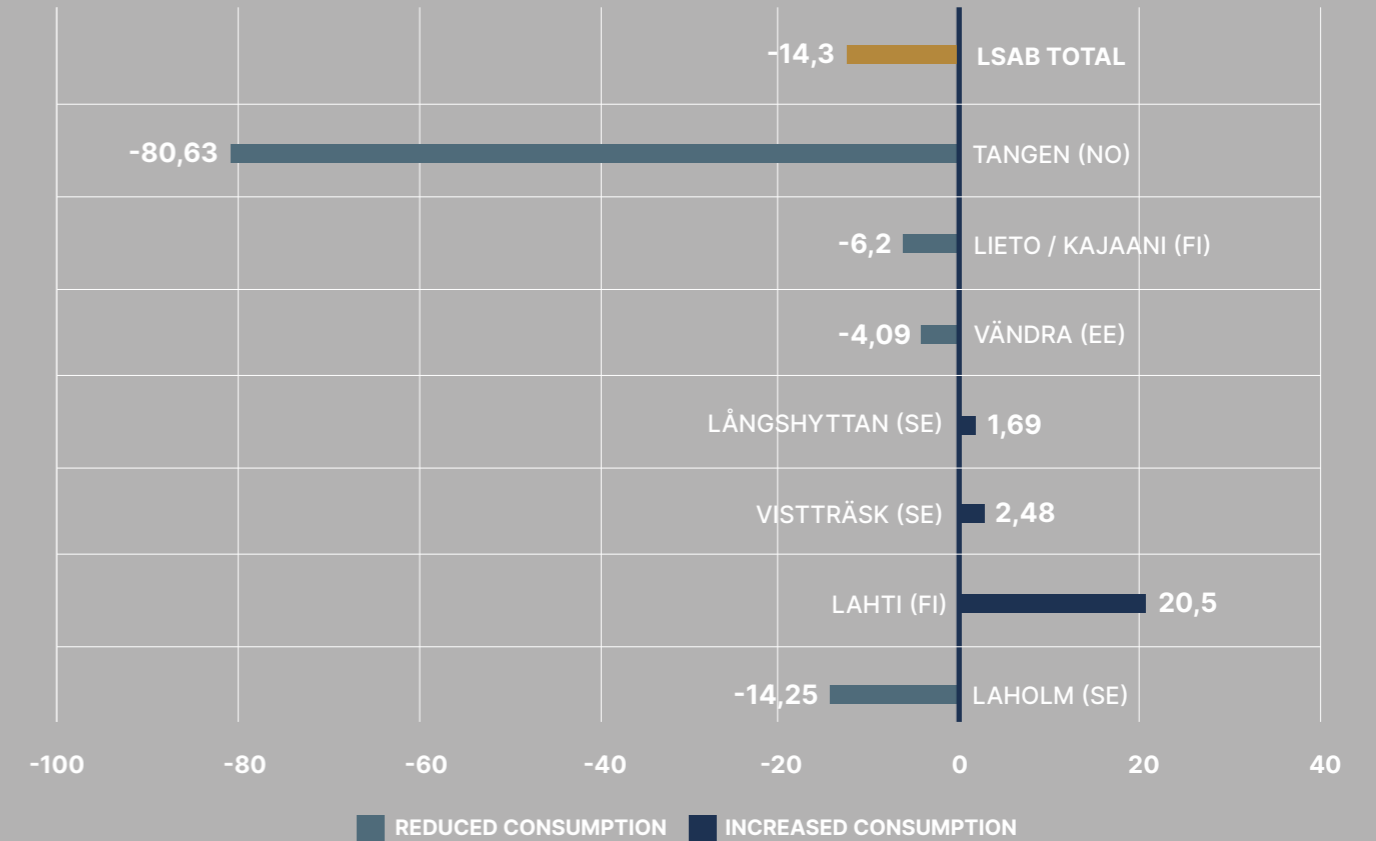
**TARGET:**  
**ANNUAL -5%**  
**IN RELATION**  
**TO TURNOVER**  
 (MWh/MSEK)

# ENERGY CONSUMPTION

## SITUATION:

- In absolute figures we have had higher energy consumption this year, but in a good balance with our turnover. We have done several organizational changes that effect this target in a positive way.
- LSAB reach a reduction of 14,3% during 2025.

## ENERGY REDUCTION 2025 (%)





# CO2 EMISSIONS SCOPE 1 & 2

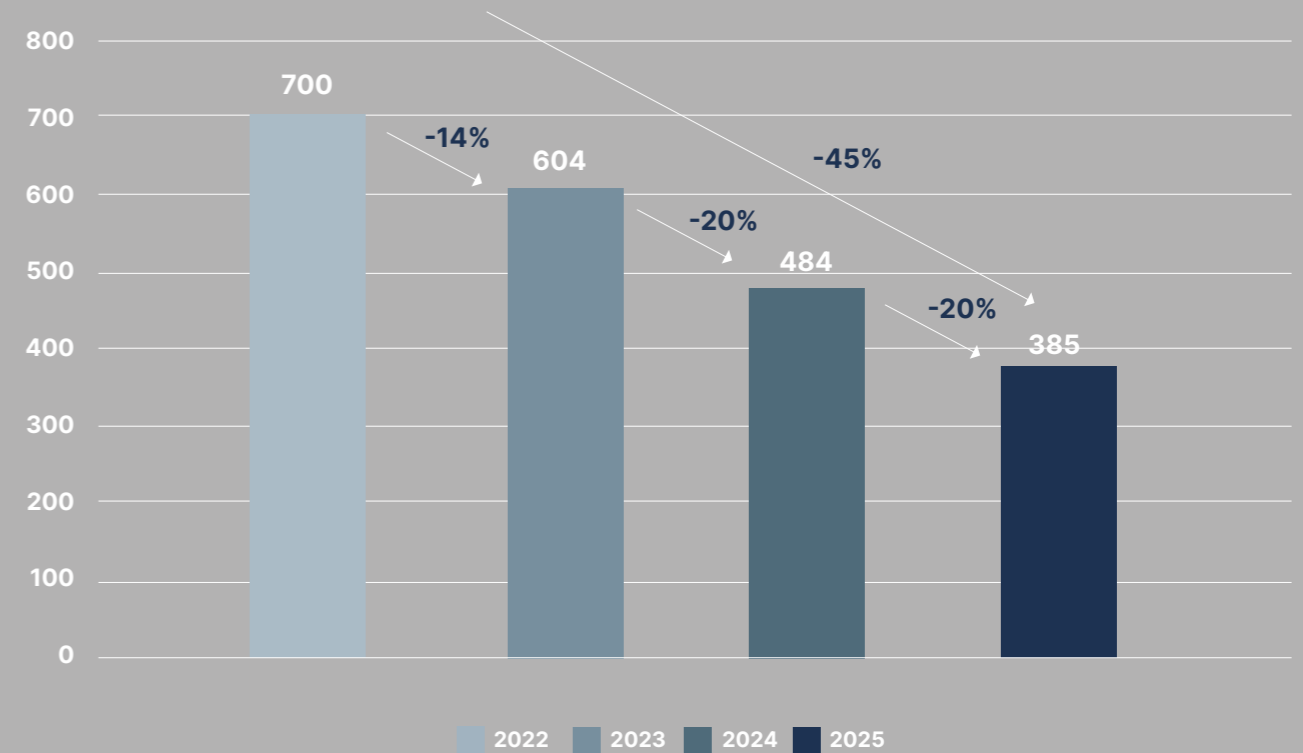
**TARGET:**  
**ANNUAL -5% IN ABSOLUTE TERMS**

SCOPE 1 & 2 (TONNES)

**SITUATION:**

- During 2025 we made a reduction of 20% and we also reach our long term target with a reduction of at least 40% from 2022 until 2030 - 45%.
  - bigger share of electrical cars.
  - more running with HVO for our transport cars.

## SCOPE 1 & 2 (TONNES)





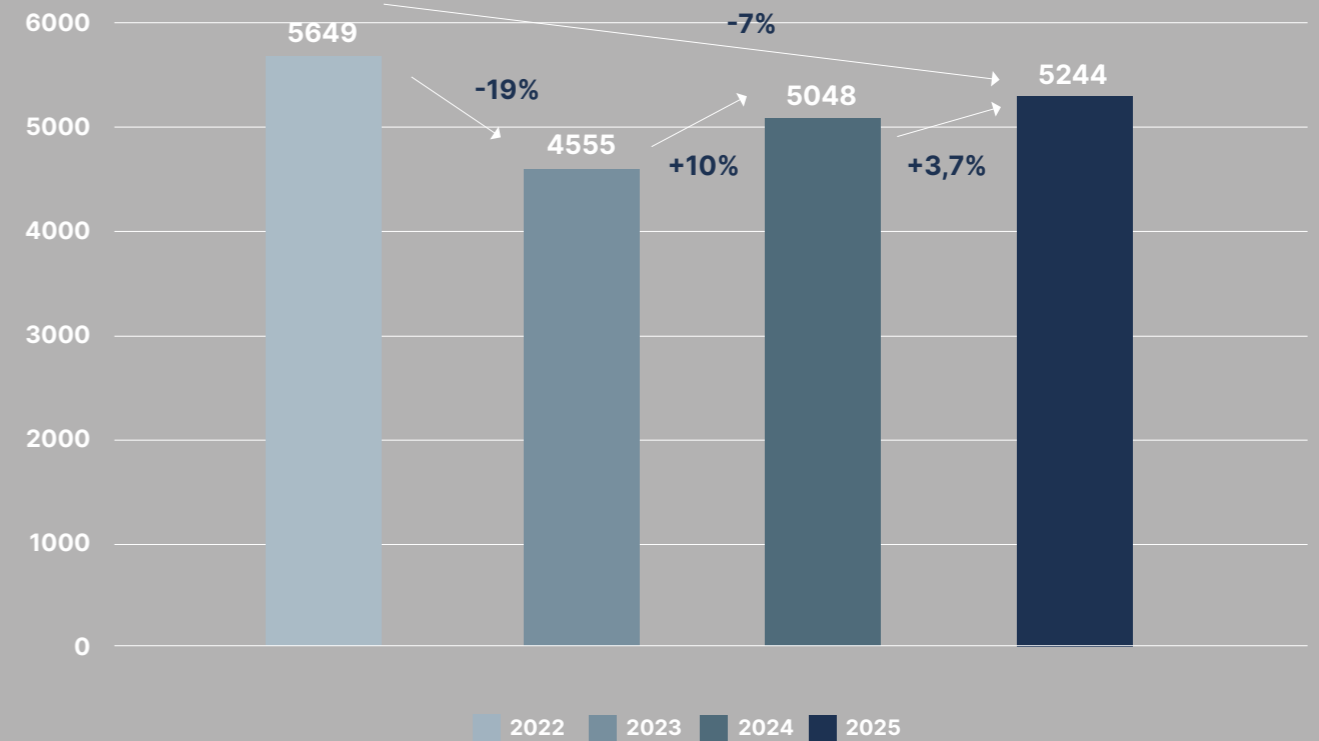
# CO2 EMISSIONS SCOPE 3

TARGET:  
**ANNUAL -2,5%  
 IN ABSOLUTE  
 TERMS**  
 SCOPE 3 (TONNES)

**SITUATION:**

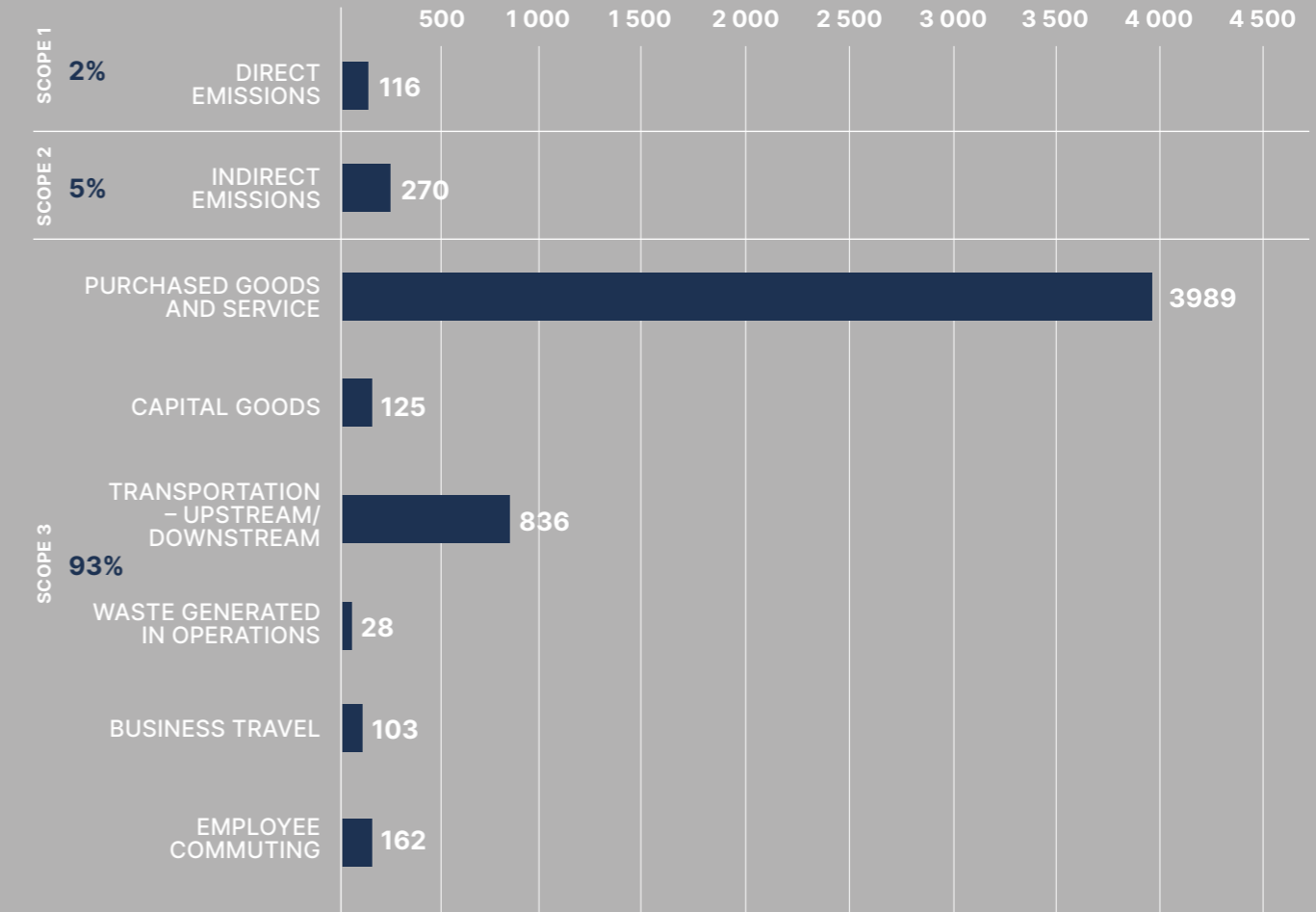
- During 2025 we have better control of our Scope 3 emissions.
- Our latest acquisition in Remscheid are now included in the figures.
- We have started to create a decarbonizing plan to reach long term target until 2030.

## SCOPE 3 (TONNES)



# SUMMARY CO2 EMISSIONS

## CO2 EMISSIONS BY CATEGORY (TONNES)



Total CO2 emissions 2025 = 5 629 tonnes



# ISO 14001- CERTIFIED PRODUCTION PLANTS

TARGET:  
**100%**  
**2025**

### SITUATION:

- We are now at 66% level.
- During 2025, the process of ISO-certifying LTT (Lahti) has begun.

### NEXT STEP:

- ISO-certification of LTT (Lahti) in november 2026.



### ● ISO 9001- & ISO 14001-CERTIFIED PLANTS

- KAJAANI (FI)
- LAHOLM (SE)
- LIETO (FI)
- LÅNGSHYTTAN (SE)
- VISTTRÄSK (SE)
- VÄXJÖ (SE)

### ○ PLANTS THAT ARE PLANNED TO BE CERTIFIED

- LAHTI (FI) 2026
- VÄNDRA (EE) 2027
- REMSCHIED (DE) 2028

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LSAB.COM

ENGINEERED CUTTING TOOLS

