

Fergas Group AB

Sustainability Report

2025/2026





At Fergas, sustainability is not about standards or reporting—it is about securing our long-term competitiveness and being a force for good in the society. It has to be real: a reflection of what we actually do every day, not something created for the sake of a report.

By using resources responsibly and fostering genuine engagement across our teams—where initiatives are encouraged to grow organically — we strengthen our ability to be a trusted partner, today and for the future.

Rikard Wallman
Owner and board member



About the report

We are pleased to present Fergas' fourth sustainability report, which covers all our three manufacturing companies, in Sweden, China and Italy. The report covers the financial year from 1 April 2025 to 31 March 2026.

Do you have any questions or comments about our sustainability report? Please contact us at customerservice@fergas.com

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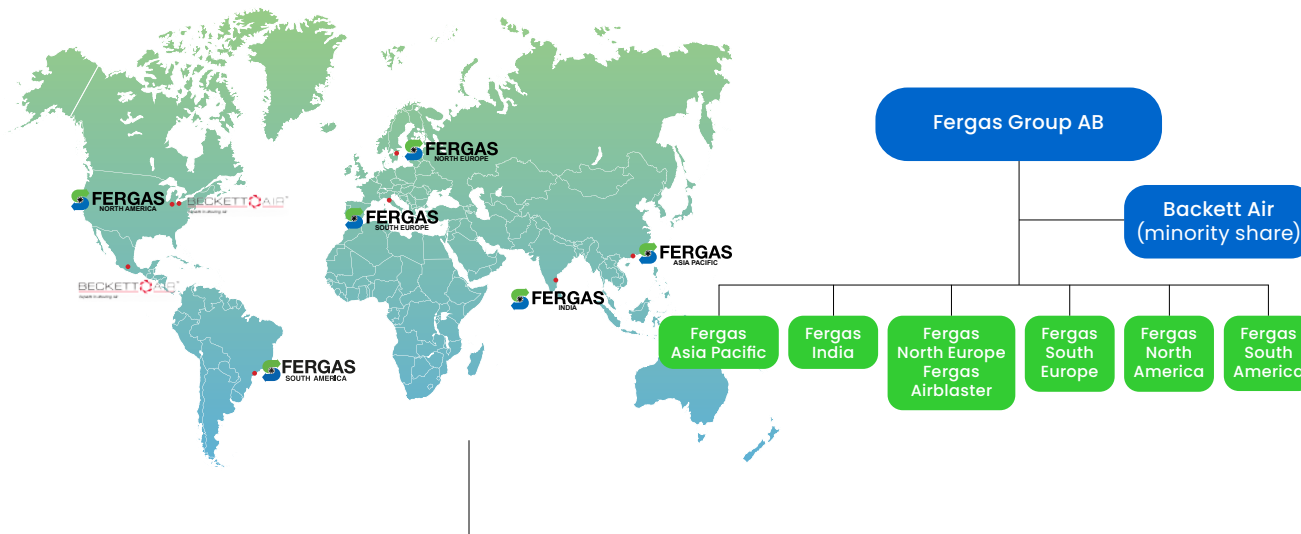
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Welcome to Fergas

Fergas was founded in 1949 by Lennart Wallman in Linköping, Sweden, which is still the location for the head office and one of our factories. Today, Fergas consists of the global corporate group Fergas Group AB, which in turn is owned by Walinov AB. Fergas Group has production units in Sweden, China and Italy as well as sales offices in the USA, Brazil and India. Since 1988, the Fergas Group has been a partner with Beckett Air, for production in North America.

Key developments in 2025/26

- Implemented a new organizational structure within the Fergas Group.
- Launched a new strategic development initiative.
- Introducing an enhanced global supplier audit standard.
- Launched a new strategic initiative with an updated business plan.
- Developed global standards for key business processes.
- Implemented a new global management system.
- Enhanced employee assessments to better understand needs and engagement.
- Started to develop and expand our product portfolio.
- Evaluated product manufacturing strategies, including what to produce and where.
- We remain committed to our sustainability goals and continue progressing toward net-zero emissions.



Fergas North Europe (FNE), Sweden

Fergas North Europe, which serves the northern European market, has an annual turnover of approximately 120 million SEK and employs around 50 employees. The company specializes in the development, production, and sale of blower wheels, blowers and blower systems. The manufacturing site produces approximately 4 million blowers per year, with 90% of them being exported outside of Sweden.

Fergas Asia Pacific (FAP), China

Fergas Asia Pacific, founded in 2005, joined the Fergas family of companies in a joint effort to serve the Asian markets with air moving products. With offices in both Hong Kong and Southern China and with the factory conveniently located in Dongguan, the company serve Asian market with Fergas local production and engineering support.

Fergas South Europe (FSE), Italy

Fergas South Europe is located in Misinto outside Milan Italy. The site well positioned to serve our South European markets. Together with our facilities in Sweden and China, it covers the whole Fergas range of products and supplies seamlessly to our global markets.

Comments from the CEO

Despite negative currency developments, we achieved increased sales in both Europe and the Americas compared with the previous year. The positive changes are mainly driven by our Automotive and Heating (electric and solid fuel) product areas.

The improved profit is primarily due to significant profitability improvements in both of our manufacturing units in Europe. The organizational changes we implemented have had the intended effect.

We believe we have successfully navigated an uncertain global environment. We have fully compensated for increased costs related to tariffs, raw materials, freight, energy, and more.

Asia

In Asia, we managed to increase sales slightly compared with the previous year. This was achieved through increased sales to the United States. Our customers in the U.S. significantly increased their purchases before the new tariffs between the U.S. and China came into effect. We have improved our margins by reducing our material and input costs.

We see strong sales potential in the domestic market. However, local price pressure and competition remain intense.

Our growth in India has been volatile from a low base. Growth has varied but continues to move forward at a slow pace. Together with Business Sweden, we have conducted market studies to identify which markets hold the greatest potential for Fergas. We are currently evaluating whether we can expand within certain product areas. This business opportunity assessment will clarify what is required in terms of product development and local presence, including production capabilities. We will make targeted efforts within selected market segments where we see strong future potential.

Europe

In the short and medium term, Europe is the growth engine for Fergas Group in terms of sales. For Fergas in Europe, including Fergas North Europe, Fergas AirBlaster, and Fergas

South Europe, the year was characterized by our ability to achieve a significant profitability improvement in both Italy and Sweden. Despite continued relatively weak market conditions, we have successfully reduced our costs, primarily through major organizational changes. We have also managed to lower our indirect and fixed costs in a favorable manner.

We have continued successfully reducing our working capital, meaning that we have released capital that can be used to invest in our operations and continued product development.

During the final quarter of our broken financial year, we saw improved order intake and sales. We therefore hope and believe that we have passed the bottom of the current economic downturn.

America

In North America, we increased our sales compared with the previous year, which is positive. Growth has mainly been driven by the Seat Ventilation segment. We continue to have many interesting projects, primarily within commercial appliances and the automotive industry.

We have entered a partnership with JVIS (Joint Development Agreement) to develop seat ventilation solutions for the automotive industry. The development of this partnership is an important part of realizing our future growth strategy.



2025/26 in brief

- At Group level, we have developed a new strategic plan covering the years 2029–2030. This plan aims to increase our growth across all three continents. It also includes a business plan focused on developing and improving our product offering to support future sales growth.
- We have made investment decisions to design new products within new market segments where we see significant growth potential. According to our plan, these new products will gradually reach the market during the coming financial years.
- We have implemented an updated sales strategy, focusing on selected market segments. Going forward, Motor & Blower (HVAC) and Heating will be our two primary focus segments. We have therefore strengthened our organization with the necessary expertise to enable this journey.
- We still need to continue investing in our organization, products, and production capabilities to best prepare Fergas Group AB for the future. Fergas' ability to offer global solutions remains one of our strongest competitive advantages.



We would like to thank all employees around the world for their dedicated efforts during the past year.

Patrik Jonsson CEO Fergas Group AB

Fergas' vision and foundation

Fergas Group is a multinational company with global operations, leveraging local expertise and strategically placed production facilities. Our vision is to support our customers' international market expansion, strengthening their global business efforts.

At Fergas, we cultivate an inclusive corporate culture, that empowers employees with significant responsibilities and streamlined decision-making. Rooted in the company's 75 year history, the Fergas Foundation value are reflected in every operation and in everything we do. Today we are focused on transformative growth, prioritizing our workforce, and embracing sustainability to align with our global objectives.



Fergas Foundations

CUSTOMER

We ensure mutual, future success by devotedly serving our customers.

OPERATIONS

Our processes should be customer focused and should utilize world class technology.

The FERGAS TEAM

The heart of the Fergas Culture is our dedicated team members who want to cooperate, take responsibility and embrace change.

INNOVATION & SUSTAINABILITY

We should be innovative and sustainable in all aspects of our business.

FORCE OF GOOD

We are a "force of good" in the Workplace and in our local communities that we serve.

PROFITABILITY

The company has profitable growth that fuels future prosperity.

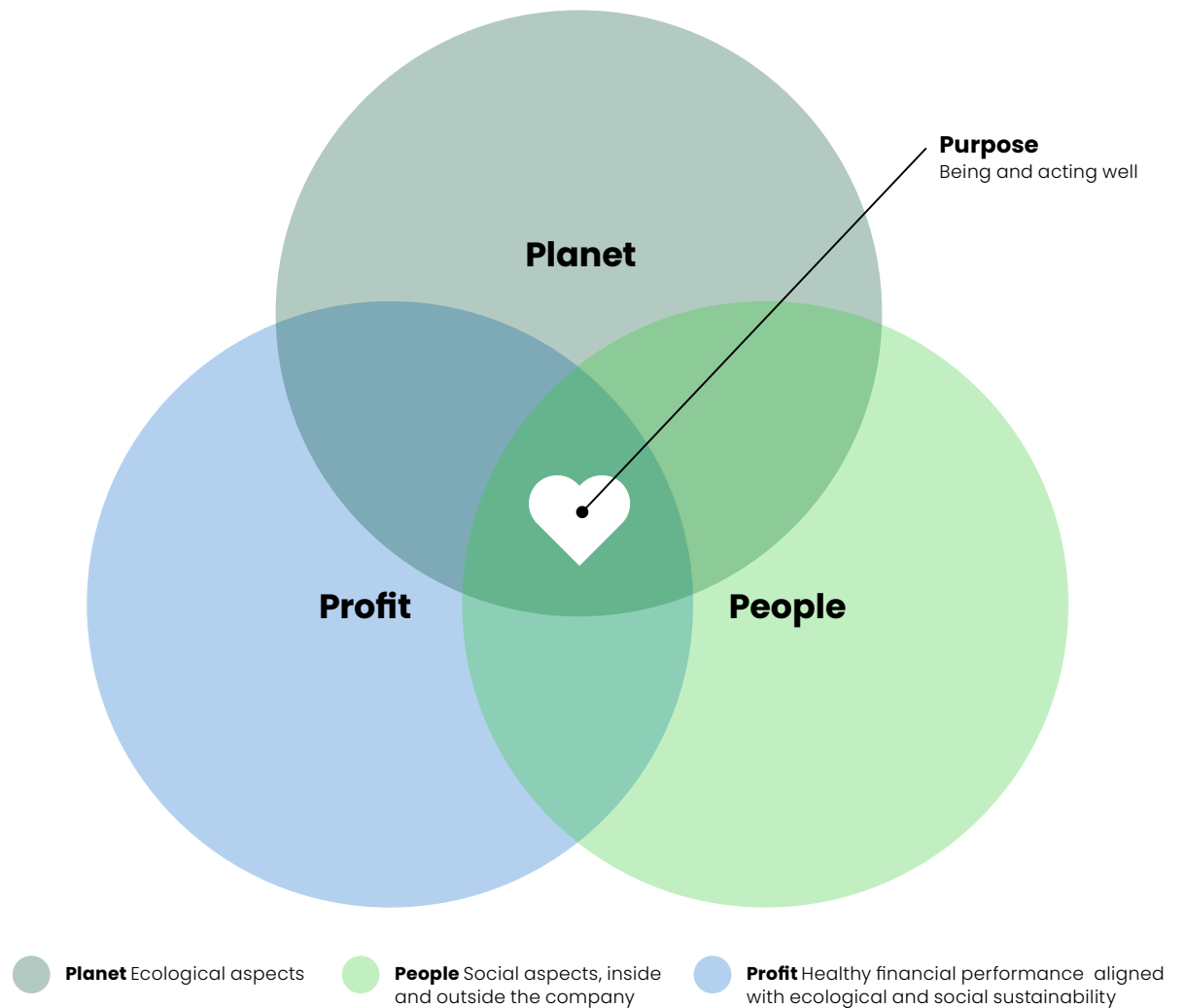
Sustainability at Fergas

For Fergas, sustainability is meeting today's social, environmental, and economic needs while safeguarding the ability at for future generations to meet their needs.

The three dimensions of sustainability interact across a multitude of processes and cannot be handled individually. Our task is to find the sweet spot where they interact.

To ensure a comprehensive approach to sustainability, we have chosen to categorize our sustainability matters into four P's – People, Planet, Profit and Purpose – enabling us to actively address sustainability across multiple dimensions.

In recent years, we have observed a high demand from our stakeholders for us to address all aspects of sustainability and to provide information about our efforts. Consequently, we have dedicated our focus to this area, understanding our current position and sharing our progress transparently to others.



Building a common framework for sustainability across Fergas

Fergas is committed to aligning sustainability efforts across our global operations, and our common sustainability report marks an important milestone in that journey. We recognize that our different entities have historically measured activities and outcomes in different ways. Over the past few years, we have made significant efforts to reduce these differences and move towards a more standardized approach.

One example of this progress is the establishment of cross-functional monthly meetings between our production sites. These forums

bring together representatives from Quality, Sustainability, Operations, and Supply Chain, with plans to include additional functions in the coming year. This collaboration supports knowledge sharing, alignment, and continuous improvement across the organization.

At the same time, we want to be transparent about the remaining differences, and some tables and diagrams may contain gaps. These inconsistencies highlight areas where we need to improve and harmonize our data collection and reporting practices going forward.

Sustainability management

Fergas has decided to undertake a compre-

hensive review of the sustainability matters that are most important to the Fergas Group in terms of management, monitoring, and reporting.

In the revised strategy for the coming years, one of Fergas' five most important strategic objectives is to embed sustainability into Core Business Practices.

We have started to develop new products that contribute to lower energy consumption and reduced emissions for end users. This development represents the first step in our broader effort to expand and innovate our product portfolio. This is explained in more detail in the Profit section of this report.



Robert Leuchovius
Quality and Sustainability Manager
Fergas Group AB

Certifications and Management system

For many years, Fergas has held management system certificates regarding quality and environment, ensuring that our management system supports standards and continuous improvement. Over the past few years, we have successfully obtained certification according to ISO 45001, the standard for occupational health and safety, in two of our plants. This is an important step for us and demonstrates that safety always comes first.

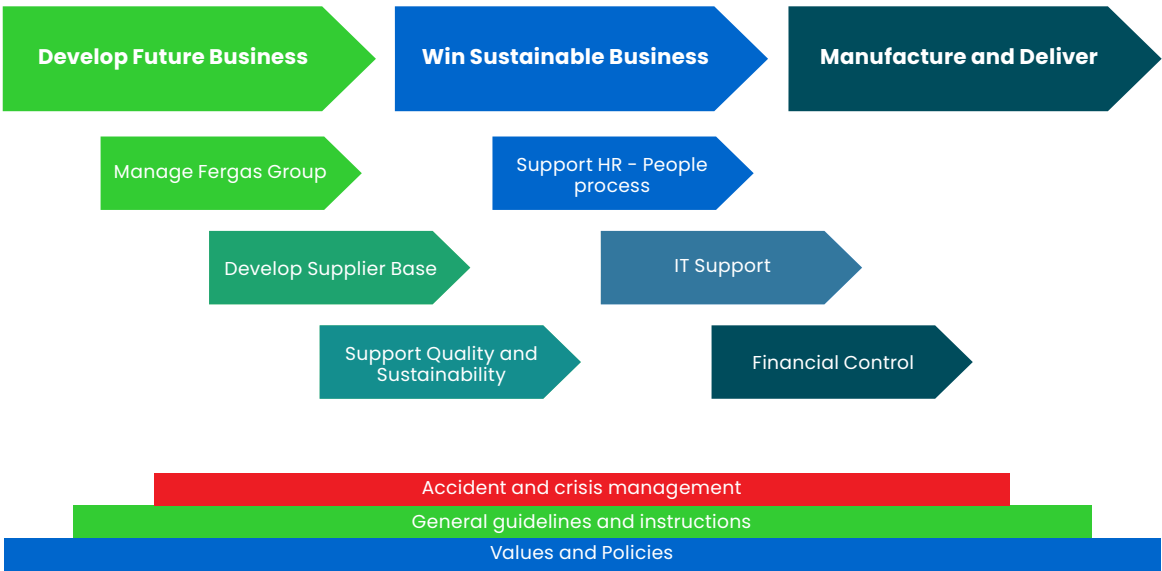
During the last year we have initiated a new approach for internal audits. We have started conducting internal audits between our sites, and have also begun auditing processes within the mother company Fergas Group AB. This helps us learn from each other and to further improve our operations.

Policies and routines, integrated into our management system, are crucial tools for driving overall improvement and addressing sustainability issues in our business. Our goal is to

create an efficient management system that actively engages all employees and processes within the company, rather than just drafting policies for their own sake.

During 2025/26 we have documented global standards for key business processes, including implementation of a global management system for Fergas Group. The system contains all governing documents at Group level, and it is accessible and utilized at all Fergas locations. The system is named “Lennart”, in tribute to the company’s founder Lennart Wallman.

Welcome to Lennart

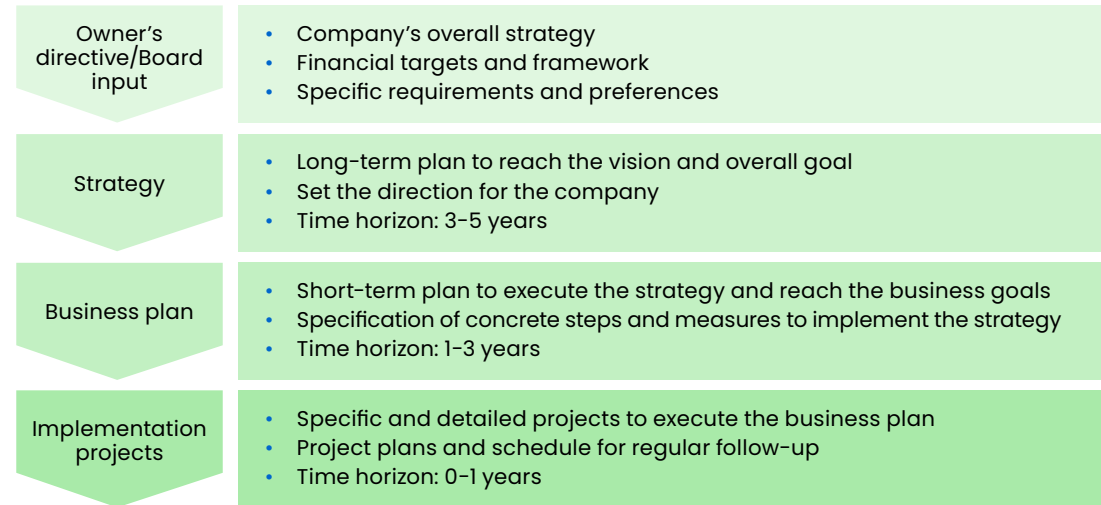


The companies within Fergas Group hold the following management systems certificates:

		FNE	FAP	FSE
ISO 9001	Quality	X	X	X
IATF 16949	Quality in automotive business	X	X	
ISO 14001	Environment	X	X	
ISO 45001	Health and safety	X	X	

New framework for strategic planning

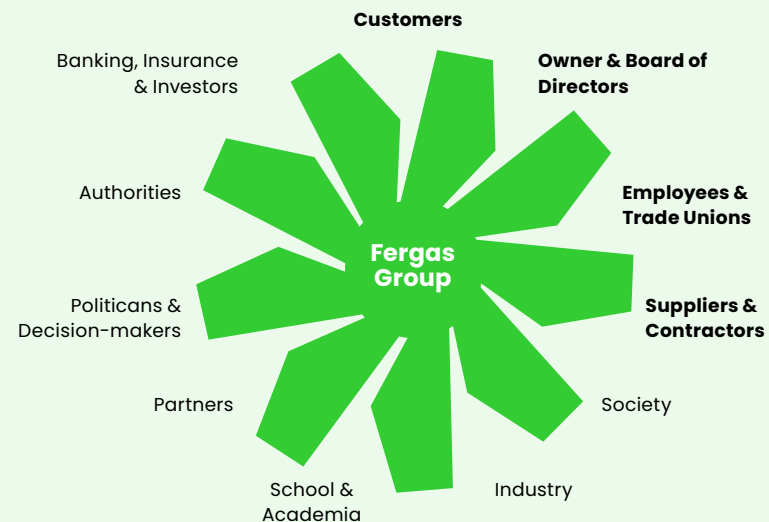
To set targets and ensure effective follow-up of our strategic directions, we have implemented new strategic processes over the past year. We continuously measure performance, monitor progress, and take corrective actions to stay aligned with our objectives.



Stakeholders

It is not solely our own goals and expectations that determines what is driving our sustainability work – the outside world and our stakeholders have an impact on us, just as we impact them.

Our stakeholders have been identified as individuals or groups with whom we have a mutual influence, interaction, or who are impacted by our operations in various ways. The depiction of these stakeholders can be found in the illustration beside.



Fergas and the planet

Fergas primarily affects the environment and climate through four key areas, and our objective is to make improvements in all these areas:



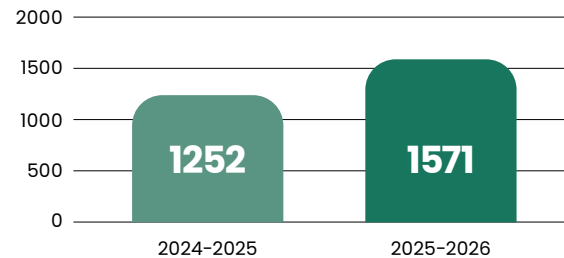
Limiting our climate impact

The climate crisis demands greater societal change and Fergas strives to minimize its negative climate impact. To reduce the burden on the environment and make a positive contribution to society, Fergas takes long-term responsibility for limiting its climate impact across all business processes.

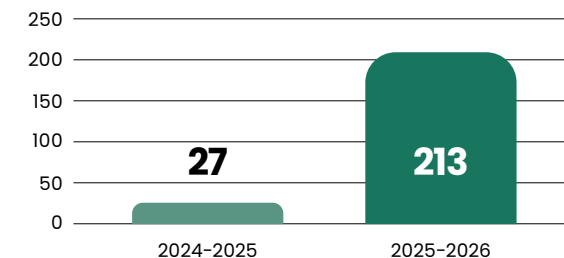
Solar panels have already been installed at Fergas South Europe, and during the past year we implemented the same solution at Fergas Asia Pacific. In September 2025, the rooftop photovoltaic (PV) system at the factory was

successfully installed and put into official operation, covering an area of approximately 1,900 square meters. By the end of 2025 the cumulative power generation of the PV system reached 98,852 kWh. This contributes to a reduction in grid electricity consumption and lowers the carbon footprint of our operations.

Energy consumption, electricity, MWh



Energy production, electricity, MWh



Solar panels at our manufacturing plant in China.

ISO 50001 is expected to become a requirement for large energy consumers. Although Fergas operates well below the applicable limits, we regularly monitor developments and continue our efforts to improve energy efficiency across our operations.

Important areas for us include applying circular economy-principles when designing new products, improving energy efficiency in our facilities and production, and actively substituting chemicals restricted under appendix XVII of the REACH regulation.

Environmental impact

Our factories are not located in sensitive areas. and our products and production processes do not have any direct impact on the local environment. The manufacturing processes we use consist primarily of mechanical processing, which does not directly affect biodiversity or contribute to pollution of air or water.

Our customers and suppliers are spread around the world. Customer relations are a key value for us and we prioritize regular visits. Since we usually travel by air, business travel is another area that contributes significantly to our CO₂ emissions. We have already started to evaluate our CO₂ emissions in scope 1-3, and during the coming year we will have more concrete information.

Raw material usage, ton

Steel

2035t

Aluminium

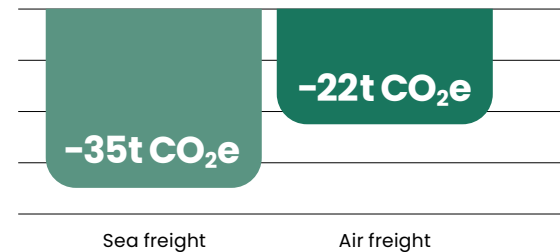
119,6t

Carbon insetting

As a small company with a global presence, transport is important to us. Motors are mainly bought from China, including for our European factories and we also have customers on different continents.

During the past year, we focused on reducing emissions from purchased goods associated with long-distance transport from Asia to Europe. This is done through carbon insetting, where we support the use of low-carbon fuels within our value chain. As part of this effort, we addressed 100% of emissions from these transport flows, resulting in an estimated reduction of 57 tonnes of CO₂ compared to a fossil-based baseline.

Reduction of CO₂ equivalents for freights from Asia to Europe



Resource management and Sustainable materials

Sustainable resource management is crucial for us. We are committed to practical approaches, for example we maximize metal sheet usage to minimize waste. We sort and recycle leftover steel and aluminum, continuously reducing plant scrap. We do not accept products containing chemicals listed in ECHA's Restrictions Database and we comply with REACH, RoHS, CMRT and EMRT. We also work continuously to substitute hazardous chemicals to less hazardous alternatives.

Over the past few years, Fergas, both in Sweden and Italy, have reduced its production area, thereby freeing up space for other business activities. During the last year, 11 % of FNE's facility was leased to another company. As a result, FNE's energy consumption has decreased correspondingly, as FNE no longer needs to heat or ventilate that area.

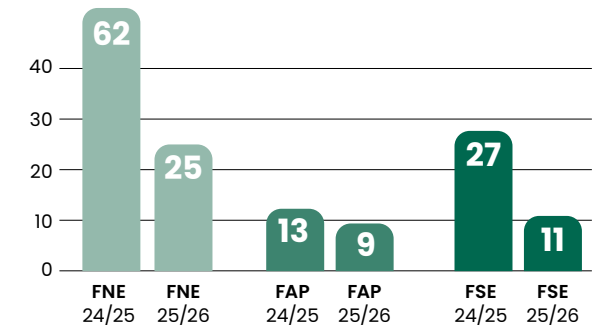
At Fergas Asia Pacific, we have completed the data connection and production of two sets of Radial automation equipment. In addition, we plan to integrate all production equipment with the ERP system to enable intelligent manufacturing and improve operational efficiency. In May 2025, the Kanban system for the FAP manufacturing plant was introduced, supporting real-time visual monitoring of production control indicators and enabling the digitalization of 2nd-Generation production.

Customer Service

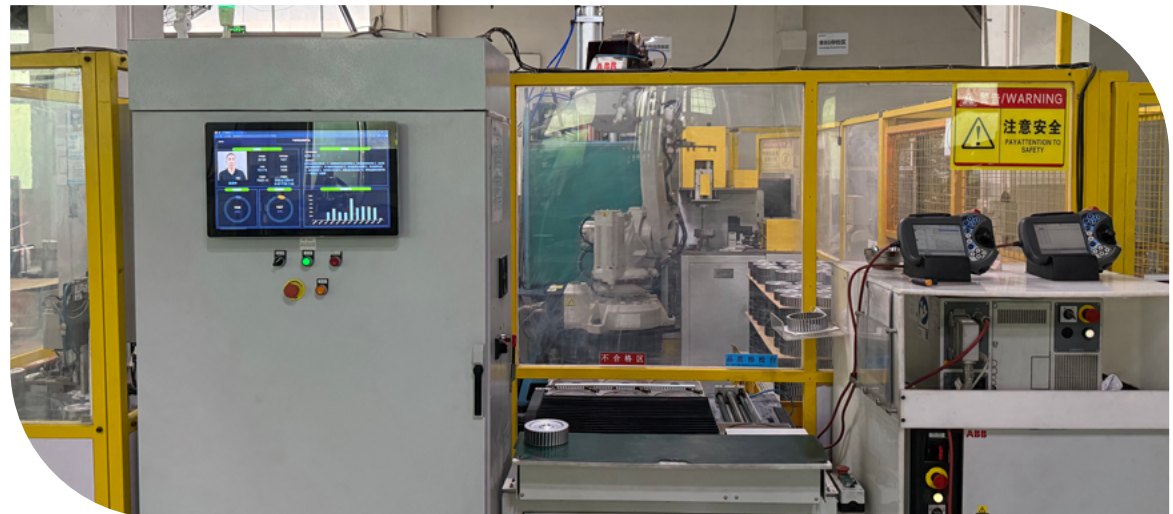
To provide optimal customer service and minimize waste, we place significant emphasis on effectively handling customer claims. We maintain open communication with our customers and conduct investigations to identify root causes and implement appropriate countermeasures.

Today we have different systems to handle customer claims, and when comparing the result from our three plants we notice that there are differences in the measurement method. During next year we will focus on aligning our claim processes, to increase efficiency and effectiveness and improve product quality and customer satisfaction.

Customer satisfaction
Number of accepted customer claim reports



After a year with increased claim rates across all our plants, we managed to reduce claims through active dialogue with our customers and improvements in our production processes.



View of the manufacturing plant at FAP, China

Fergas and the people

At Fergas, our employees, remains our top priority. They are critical to our long-term resilience and competitiveness. We are committed to providing a safe, inclusive, and responsible workplace, guided by internationally recognized human rights, including the UN Declaration of Human Rights and ILO conventions. Our focus areas:

Healthy employees	Work environment, & Workers Rights	Employee Development & Competence	Employee Engagement & Equal treatment
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During 2025/26, our people agenda has been shaped by a more challenging business environment, including organizational changes, workforce reductions, and increased recruitment needs in key areas. These changes affected both employee well-being and our overall competence balance, highlighting the importance of continued focus on health, engagement, and capability development.

Healthy employees

Ensuring a safe and healthy work environment remains a top priority. Our systematic health and safety work is aligned with ISO 45001 and focuses on risk prevention, incident management, and continuous improvement.

During the year, we observed an increase in illness rates across parts of the organization, indicating growing challenges related to workload, organizational changes, and the psychosocial work environment. This development represents a key area of focus going forward.

We continue to take a proactive approach to employee well-being, combining preventive health initiatives with targeted actions aimed at reducing absence and supporting employees

during periods of change. Due to insufficient data illness rate is not presented this year.

Work environment

Safety is our highest priority. We strive to provide safe working conditions and prevent incidents, while Regular Plant Meetings engage employees in safety initiatives. Insights from our employee surveys also help us strengthen employee satisfaction and organizational development.

Employee Data

	2023	2024	2025
Total number of employees at FNE: 1st April	73	62	49
Percentage of employees divided between blue Collar (BC) and white Collar (WC) %	BC 74% WC 26%	BC 74% WC 26%	BC 78% - FNE WC 22%- FNE
Gender distribution in total:	19% Women 81% Men	17% Women 83% Men	18% Woman 82% Men
Gender Distribution BC	14% Women 86% men	15% Women 85% men	16% Woman FNE 84% Men -FNE
Gender Distribution WC	24% women 76% Men	31% women 69% Men	27% Woman -FNE
Illnessrate BC Short- & longterm illness	8,2%	8,4%	9,3% - FNE
Illnessrate WC Short- & longterm illness	1,3%	1,8%	1,1%- FNE

Workforce Development and Competence

We foster a culture of lifelong learning for personal and organizational growth. Access to the right competence is a strategic priority for Fergas.

During 2025/26, we have identified gaps in both technical and organizational capabilities, partly driven by restructuring, employee turnover, and increased business demands. While training initiatives have been carried out across the organization, including quality, safety, digital systems, and ESG-related training, overall training volumes have not fully met internal targets. To address these challenges, we are taking steps to:

- Finalize a global competence mapping
- Strengthen reskilling and upskilling efforts
- Increase focus on internal knowledge sharing

At the same time, limited resources have affected our ability to scale external collaborations, such as partnerships with universities and employer branding initiatives. Strengthening these areas will be important for long-term talent attraction and retention.

Having the right personnel at the right time is crucial to effectively manage fluctuations in the economy and address the potential loss of

broad and specialized expertise as employees have been with us for a long time. Throughout the year, our employees have participated in the development of courses and programs such as:

- Extensive ESG training for all employees
- Digital Competence
- Quality Training – measurement, statistics etc.
- Six Sigma Green belt training
- Continuous training in ISO-standards
- Competence transfer
- Training and Transfer of Skills for New Responsibilities

Employee Engagement

At Fergas, we value long-term relationships, both professional and personal. Each year, management together with selected employees from all our sites meet during a few days to share information, discuss strategies, and strengthen connections across the organization. These gatherings play an important role in supporting collaboration and our day-to-day work.

Also at every site, activities are organized to promote employee well-being and create a positive work environment.



Running event Blodomloppet, to promote health and blood donation awareness, FNE, Sweden.



International women's day event, FAP, China



Fergas Asia Pacific

Our company upholds a people-oriented philosophy and actively provides thoughtful care for its employees. It organizes a variety of supportive activities, including annual group tours, year-end parties, birthday celebrations, as well as festival gifts delivered to employees' elders. Through these initiatives, the company conveys warmth and demonstrates humanistic care, enabling employees to gain a strong sense of belonging and engagement.



Fergas North Europe

The company places strong emphasis on employee engagement and open dialogue. Each year, "Fergas Days" are organized for all employees, bringing the team together outside the plant. During these events, we reflect on the past year and encourage employees to share ideas for future development. The initiative promotes collaboration, constructive discussions, and a strong team spirit.



Fergas South Europe

At Fergas South Europe, there is a strong belief that well-being at work is built through relationships, respect, and everyday moments shared between colleagues.

During the year, time has been taken to come together, celebrate important occasions, and show appreciation to the people who contribute every day to the company. Moments of change have also been marked by thanking colleagues for their commitment and the journey shared over time.

These moments, even when simple, are considered important. They help create a positive and supportive environment, where people feel valued and part of a team. Going forward, Fergas South Europe will continue to encourage this spirit, keeping people at the heart of its activities.

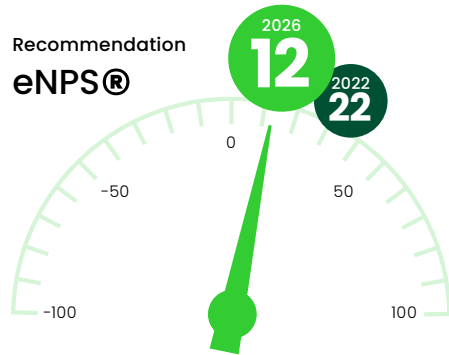
This is also reflected in the latest employee survey results, which indicate a positive development in both leadership and overall engagement, although variations remain between sites.



Easter gathering at Fergas South Europe

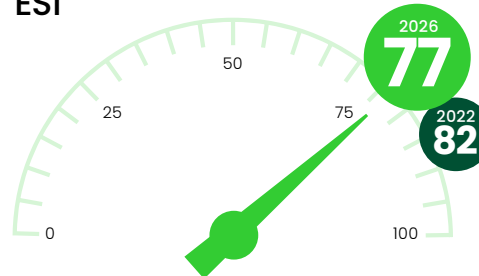
Engagement & leadership

Recommendation
eNPS®



How likely is it that you would recommend Fergus as an employer to a friend or acquaintance?

Overall opinion
ESI

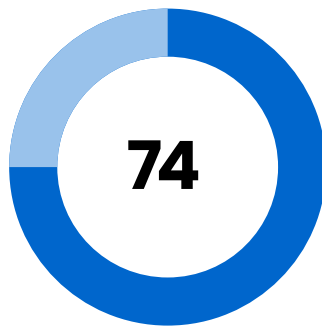


What is your overall opinion about Fergus as an employer?

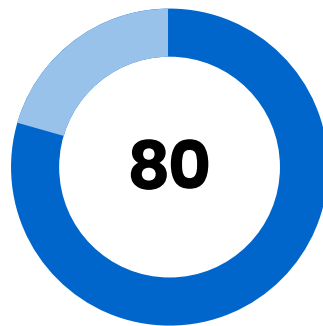
eNPS and ESI scores have declined slightly since the previous survey, but despite a few challenging years, we have maintained strong results in both metrics

Index (0-100)

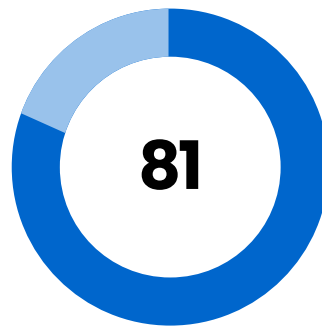
Engagement



Leadership



Risk



Top 4 positive areas

- We have a safe workplace
- My work is free from discrimination or bullying
- I feel respected by my manager
- My Manager set clear goals for my work team stress

Top 4 areas to improve

- How our work is organized
- Clarity in roles and processes
- Encourage Individual development
- Wellbeing reducing periods of unhealthy stress

These improvements is particularly important in the context of organizational changes, where strong leadership and employee involvement are critical to maintaining trust and performance. At the same time, ongoing restructuring and recruitment needs have created challenges related to competence availability and workforce stability. Ensuring the right skills at the right time remains a key priority.

Worker's Rights

Fergas respects and promotes workers' rights across all operations. We adhere to collective agreements and maintain ongoing dialogue with employee representatives and unions, who are involved in key strategic discussions. During the year, organizational changes, including workforce reductions, were carried out in accordance with applicable regulations and in close cooperation with employee representatives. Despite these changes, Fergas continues to maintain relatively low employee turnover in several parts of the organization, indicating a stable and committed workforce.

During the past year, no incidents related to human rights violations have been reported within our supply chain, neither among our own workforce, our suppliers' employees, nor in the communities connected to our operations.

Equal treatment

We are committed to fostering a diverse and inclusive workplace where all employees are treated with respect and have equal opportunities to develop. We maintain zero tolerance for discrimination, harassment, and bullying. Employee survey results confirm a positive work environment and a strong results related to respectful treatment. However, we recognize the importance of continuing to strengthen inclusion and equal opportunities across all parts of the organization.

Fair and individual salary setting remains a key principle, and annual reviews confirm that no unjustified pay differences have been identified.

Risk observations, incidents and accidents

	Safety Number of accidents with personal injuries			Safety Number of preventive risk observations and incident reports		
	FAP	FNE	FSE	FAP	FNE	FSE
2024/2025	1	0	0	0	81	0
2025/2026	2	1	0	13	49	8



Safety awareness training, FAP, China

Fergas and the Profit

At Fergas, we act ethically, build trust, and set positive examples. Honesty and fairness are core to our values and strategy, helping to build long-term, trustworthy relationships with stakeholders. Practicing sound business ethics also require good judgment and risk mitigation, and we recognize that reducing environmental impact is closely linked to long-term economic profitability.

Sound Business

Our Code of Conduct guides business behaviors across the organization and is shared with both employees and suppliers. Our dedication to customers fosters long-term relationships. Customer feedback shows high satisfaction in service, quality, claims handling, and delivery, but also highlights a need for continued improvement in sustainability-related efforts.

Force of Good

Fergas aims to be a positive long-term employer and contribute to local communities through financial support for charity organizations and commercial collaborations with broader purposes.

NATTVANDRARNÄ
Sedan 1989

ÖSTERGÖTLANDS
STADSMISSION

Giving
People

NO
TOLERANCE
NOT MORNING

Anticorruption

We prioritize financial sustainability, ethical practices, and long-term capital management. We combat corruption through a whistleblowing procedure and partnership with an external reporting entity, ensuring that all employees understand how to report corruption or bribery. Code of Conduct training is provided to all employees, including the board and management.

Fergas takes a zero-tolerance stance against all forms of corruption and bribery, and during the past financial year, no incidents have been identified or reported.

Economic Stability

We maintain customer-oriented relations, open communication, and a strong focus on personal development. Financial sustainability at Fergas integrates business ethics with social responsibility. Our goal is to deliver high-quality products and maintain a sustainable business direction supported by a strong financial position. With a 75-year history, we boast stability, no long-term loans, and support through Fergas Group's overdraft facility. Low customer losses are maintained through strong relationships with large global companies.

Our Products

Fergas produces impellers and blowers for HVAC, refrigeration, and the automotive sector, promoting energy efficient motors to save energy globally. The use of high efficiency EC-motors has a significant impact on energy savings and reduces noise in our customers' applications.

Fergas' forward-curved blower wheels use "key rivet" technology for a rigid, lightweight, and efficient design.

New product strategy

During the past year, Fergas has established a new product strategy focused on selected product areas to increase efficiency. The aim is to improve product performance and create value for our customers, for Fergas, and for the environment.

One example is the development of a new product group: backward-curved wheels. These wheels offer higher efficiency, and we have invested significant development resources to optimize their performance. This initiative is driven both by market demand and by our ambition to provide products that contribute to lower energy consumption and reduced emissions for end users.

This development represents the first step in our broader effort to expand and innovate our product portfolio, with more new product



Assembly of crossflow blowers, FNE, Sweden

groups already in progress and planned for the coming years. One example is seat ventilation, where we have entered a partnership with JVIS (Joint Development Agreement) with the purpose of developing seat ventilation solutions for the automotive industry. The development of this partnership is an important part of realizing our future growth strategy.

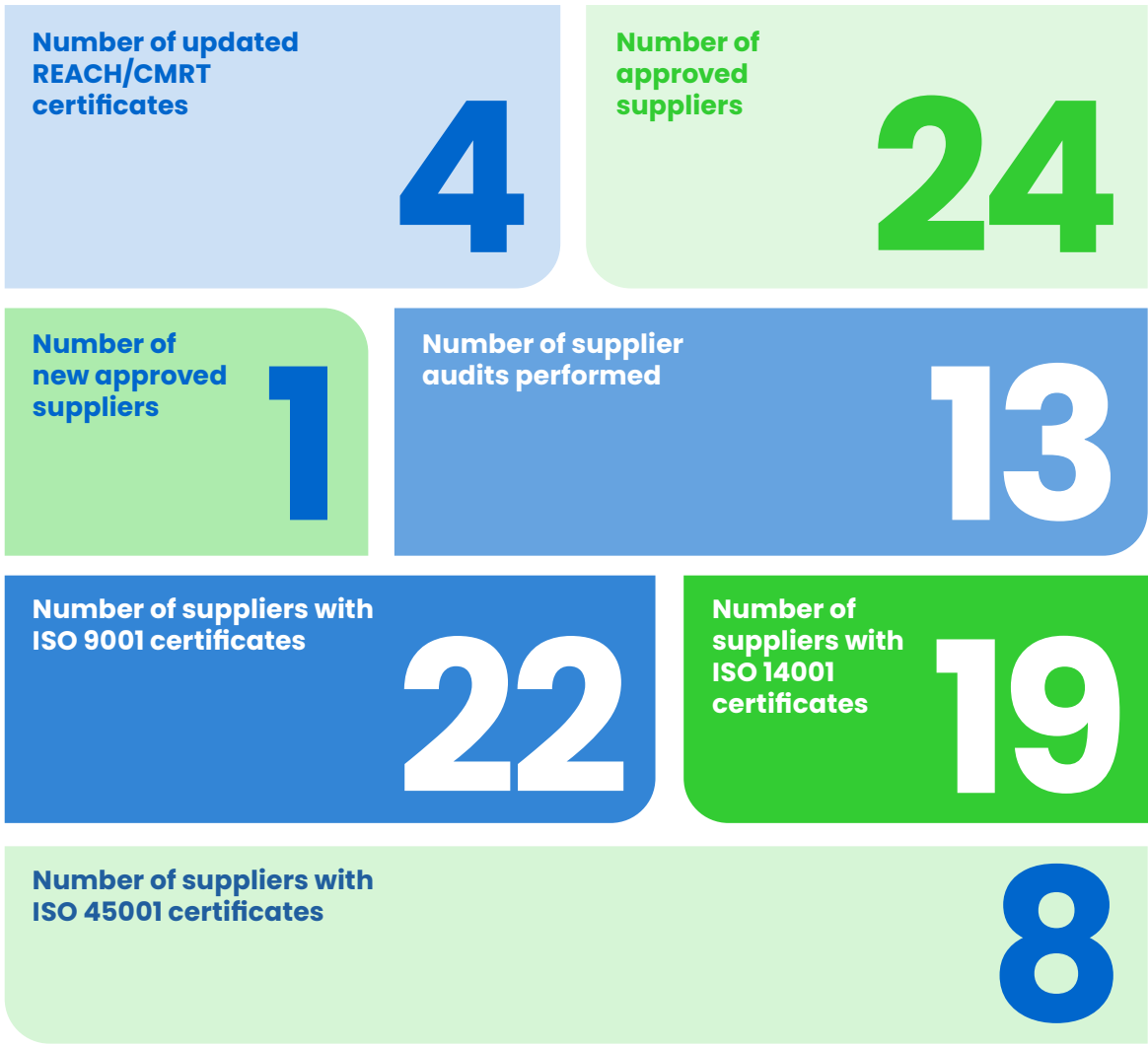
Supply Chain Management

Fergas focuses on developing suppliers in the areas of work safety, cost efficiency, delivery precision, quality, sustainability, and service. A global standard for approval, auditing, and monitoring helps ensure supplier consistency and alignment with our sustainability demands.

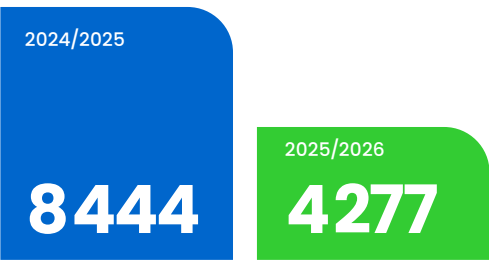
Suppliers failing to meet Fergas' expectations regarding work safety and environmental footprint reduction will not be approved. We prioritize close, trust-based relationships with suppliers, along with continuous performance measurement, action plans for improvement, and efforts to reduce the environmental footprint. Technical assessments and evaluations during supplier visits helps ensure compliance with ISO certification or equivalent management standards.

It is very important for us that we have a high standard of workers rights throughout our supply chain, and compliance with REACH, RoHS, CMRT/EMRT, PFAS, TSCA, PROP 65, POP and other regulations is mandatory for new and existing suppliers and products and is monitored regularly.

Supplier improvement data



Supplier claim rate (ppm)



The Carbon Border Adjustment Mechanism, CBAM, is starting to apply during 2026. Fergas purchases all raw material from within the EU, and we are therefore not directly impacted on this mechanism.

Innovation and Development

Fergas is actively transforming its 75-year legacy into a modern, sustainable industry. We have taken significant steps in improving production efficiency, enhancing quality performance, and optimizing our use of production space.

With the implementation of a new organizational structure across the Fergas Group, we have reignited our focus on continuous product development, innovative design, and world-class manufacturing.

Fergas' global sales strategy plays a key role in this transformation by identifying emerging market trends and delivering solutions that align with customer needs—in our commitment to being "Your Global Partner in Air-Moving Solutions."

Risks and opportunities

Each company within the Group performs and evaluates an analysis of their risks and opportunities. Once a year, the Fergas Group conducts a comprehensive SWOT analysis for the entire group, assessing both risks and opportunities. This process results in prioritized actions that are then executed accordingly.

Main risks

- Unclear implementation of processes and organization throughout the group
- Geopolitical instability, supply chain issues, tariffs, and trade barriers
- Incomplete product portfolio, technological advancements, and price/performance competition

Main opportunities

- Product adaptation, customer partnerships, and production consolidation
- New technology, strategic product development, and AI integration
- Launch products with increased efficiency – new ERP requirements



What lies ahead?

Fergas' focus for 2025/26 encompasses a combination of existing priorities and new initiatives. We will continue our efforts in **standardization** regarding products and processes, recognizing their long-term significance for our business. Looking ahead, sustainability remains a key focus for Fergas. In the coming year we will adopt a holistic approach and undertake new priority areas for the future and sustainability. This includes:

Sustainability and Environmental Commitment

- Define baselines and set CO₂ emission targets for all production plants
- Initiate Life Cycle Assessments (LCAs) for our products
- Develop a roadmap for achieving zero emissions

Strategic and Operational Development

- New sales strategy, focusing on specific market sectors
- Strategic product development – Centrifugal wheels, Seat ventilation etc.
- Introducing a new site manager for our European sites, to develop operations in Europe

Employee Well-being and Engagement

- Strengthening employee health through targeted well-being initiatives
- Promoting a sustainable work-life balance across all parts of Fergas

Product and Production Optimization

- Implement production standardization at all sites



At Fergas we want to take responsibility and continue acting for our employees and a better community today and in the future. We stand firm in our purpose and look forward to developing the ways in which we can contribute to making a change for the better. It is only what we do that counts.

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