



Table of Contents

Comment from the CEO	3
We are Hector Rail Group	4
About the sustainability report	5
Strategy and business model in relation to sustainability	6
Sustainability management	7
Stakeholder analysis and dialogue	8
Policies	9
Material sustainability topics	11
Environment	13
Strategy	14
Policies	14
Targets and metrics	14
Scope 3	14
Social	15
Strategy	15
Policies	15
Targets and metrics	15
Governance	18
Strategy	18
Policies	19



“As we navigate the complexities of today’s world, our commitment to sustainability remains unshaken.”



Comment from the CEO

We present to you Hector Rail’s Sustainability Report for the fiscal year 2025. As the CEO of Hector Rail Group, I am committed to operating responsibly and sustainably, with a clear focus on benefiting our customers, society, our employees and the environment.

Sustainability lies at the heart of our corporate strategy as we strive to harmonize economic growth with social advancement and environmental responsibility. In this report, you will find insights into our sustainability practices and performance across key areas:

Social: Our workforce is our greatest strength, and we are devoted to ensuring their safety, well-being and professional growth. We are steadfast in building a workplace that values diversity, equity, and inclusion, empowering all employees to realize their full potential.

Environment: As a leader in rail transport, we are committed to contribute to our customers’ ability to reduce their carbon emissions in the logistics chain and to reducing our own environmental impact. By investing in energy-efficient driving practices and eco-conscious energy procurement, we aim to lower GHG emissions by promoting sustainably sourced energy and sustainable operations throughout our network.

Governance: A solid corporate culture, including a solid safety culture, is of the utmost importance to Hector Rail and the engagement of our leaders are essential. Trust and accountability are the cornerstones of our approach. We are dedicated to upholding the highest ethical standards, ensuring integrity and transparency in all our interactions and decisions.

As we navigate the complexities of today’s world, our commitment to sustainability remains unshaken. We recognize that our choices today will have far reaching implications, and we are determined to contribute positively to a sustainable future every step of the way.

I sincerely thank our stakeholders for their continued trust and collaboration as we work together toward a more sustainable tomorrow.

Stockholm, June 2026

Carsten Hinne, CEO Hector Rail Group

We are Hector Rail Group

Hector Rail Group offers sustainable and energy efficient logistics services across Germany and Scandinavia. As a group, Hector Rail possesses vast experience in carrying

out cross-border transportation, intermodal freight on national and across corridor tracks, transport of heavy industry products, raw and refined materials as well as passenger traffic.



90+ transports a day

- result in more than 32 000 transports per year



200+ laps around the globe

- or over 8 million train kilometers a year



Over 110 locomotives

- depart regularly from our 16 driver stations from Germany in the south, through Denmark to Norway, and across all of Sweden



About the sustainability report

This report covers Hector Rail Group and its operations in Sweden, Denmark, Norway and Germany. The company offers energy efficient logistics services.

Important for this sustainability report are the events unfolding in the European Union. Hector Rail Group is not required to report according to the Corporate Sustainability

Reporting Directive however this report takes inspiration from the Voluntary Sustainability Reporting Standard for non-listed Micro-, Small- and Medium-Sized Enterprises (VSME) that has been recommended by the European Commission. As Hector Rail Group's headquarters is situated in Stockholm, Sweden, the report is also aligned with the requirements of

the Swedish Årsredovisningslagen (1995:1554). It includes all topics deemed material in Hector Rail's double materiality assessment, for more information see page 11.

The report has been prepared using beforementioned standard as a guide, however Hector Rail is not aiming to be fully in conformity this year. Key parts of the supply

chain have been included, both upstream and downstream, to highlight the impact, risks and opportunities present across Hector Rail's operations.

Metrics and targets regarding sustainability are included in this report. The process of how to develop metrics and targets will be revisited in 2026.



Strategy and business model in relation to sustainability

Hector Rail provides transport solutions across Scandinavia and Germany by rail. Rail is an industry with an environmental advantage compared to transport by land (diesel based freight transport) or sea, as it is less energy intense. The core of the business model fosters environmental sustainability. However, Hector Rail is committed to a broad vision of sustainability, including aspects of environment, social topics and governance, and has a strategy to organise its work.

Hector Rail's overall vision is "We outperform as Scandinavia's most reliable, innovative and customer focused company", and mission is "Setting the standard for excellence through safe, smart, sustainable and efficient rail transport solutions in Scandinavia and across Europe". The core values are safety, commit-

ment, flexibility and efficiency.

The vision, mission and core values are purposefully connected to sustainability in different ways, for example, the mission mentions safe and efficient rail transport solutions, to which corresponding targets measure performance.

The Board of Directors is responsible for the company's strategy and at Hector Rail we have a sustainable business strategy rather than a separate sustainability strategy. Hector Rail provides large-scale, energy-efficient freight transportation for our customers and strive to minimize negative environmental, social and governance impact and maximize positive impact of our operations. We believe that our approach, in addition to creating long-term value for people, the environment and society, also contributes to a long-term positive financial effect.



Sustainability management

The overall ambition for Hector Rail’s sustainability work is set by the Board of Directors and the Executive Management Team, which is then operationalised through policies, targets and activities. The Executive Management Team and the Board of Directors regularly receive reports on targets and performance, both on short and long term. A number of certificates, systems and policies govern sustainability management - as well as Hector Rail’s overall operations.

Hector Rail Group holds certificates in Single Safety from ERA (European Union Agency for Railways) for Sweden, Norway, Denmark, Finland and Germany, as well as Entity in Charge of Maintenance (ECM) certificates from external certification bodies. ISO certificates 9001:2015, 1400:2015 and 27001:2023 are audited annually and recertified every three years. Safety, quality, information security, security and environmental processes are all covered by the management systems.

Role in relation to sustainability	Responsible function
Monitoring	Owners, Board of Directors
Responsibility	Executive Management Team
Implementation	Executive Management Team
Operationalisation	Management, employees



Stakeholder analysis and dialogue

Hector Rail's stakeholder register is made up of six categories: customers, employees, owners, suppliers and infrastructure owners, regulatory bodies and the public. We are in a continuous dialogue with the first five in different manners and keep the interests of the public in mind in everything we do. Hector Rail are also in continuous contact with regulatory bodies, primarily the Swedish Transport Agency and its counterparts in Germany, Denmark and Norway. Included in employees are also consultants, who work for Hector Rail in such a way that they also represent Hector Rail.

Hector Rail's customers are fundamental for our existence. It is therefore in our interest to keep our customers satisfied with our services and continue to be a reliable provider of

sustainable transport and logistics. To achieve this, we have customer meetings and perform surveys to anticipate changes in purchasing behaviour.

Without our employees, Hector Rail would not function. They are therefore at the forefront in everything we do. Hector Rail is a company with diverse employees, from drivers, maintenance staff and planners to our office personnel, which creates a necessity for leadership and governance that adapts to all employee needs.

Ancala Partners is Hector Rail's majority stakeholder. It is an infrastructure investment manager with a portfolio of critical infrastructure companies across Europe and North America. The firm is focused on implementing

responsible investment practices across its portfolio. Every year, Hector Rail perform sustainability reporting to Ancala. Ancala has been a signatory of UNPRI (Principles for Responsible Investment) since 2018 and support the Paris Agreement's goals of climate change.

Both our suppliers and the owners of infrastructure that we use are critical to our operations. Critical suppliers are audited regularly and in 2025 four audits were performed. Due to changed traffic mix, spending and organisation, four new suppliers were introduced in 2025. We are also daily in dialogue with infrastructure providers to ensure efficient cooperation.

Policies

Hector Rail maintains a set of policies related to sustainability. The table below provides an overview of the key elements of each policy, identifies the relevant stakeholder groups, and specifies the member of the executive management team responsible for each policy.

The main governance policy is the internal Code of Conduct. It covers human rights, working environment, environment, anti-corruption and bribery, as well as information security and is in line with the UN Global Compact principles. All new employees sign the Code of

Conduct during the onboarding process. The supplier code of conduct and the Information Security Supplier Guideline are expected to be signed and adhered by all suppliers.

Policy	Main content and sustainability issue	Scope	Responsible function	Respected third party standards	Relation to stakeholders	Availability
Code of Conduct	The Code of Conduct is an overarching policy spanning over all ESG areas. It also outlines Hector Rail's core values.	All employees, board members and consultants.	Executive Management Team, adopted by the board.	UN Global Compact Principles	All of Hector Rail's stakeholder are impacted, although not all are in scope	External, available on Hector Rail's website, part of onboarding process etc.
Code of Conduct for suppliers	The Code of Conduct for suppliers is an overarching policy spanning over areas such as money laundering, corruption and fraud.	All suppliers	CFO, Executive Management Team	A number of regulatory demands regarding money laundering, corruption etc.	Suppliers	Embedded into all supplier contracts.
Traffic Safety policy	The policy's main purpose is creating an equal understanding of how traffic safety is addressed at Hector Rail, and what goals are in place to measure progress.	All employees and consultants	CEO, Executive Management Team	A number of regulatory demands regarding health and safety are followed	All stakeholders, although not all are in scope	Can be shared publicly but is not available on website
Working Environment	The working environment policy focuses on the well-being of Hector Rail's employees in the workplace. It also clearly defines that promoting a good working environment is a team effort, however it is always the CEO's responsibility formally. Relevance for social topics.	All employees and consultants	Human Resources are responsible for the policy; however, the CEO is responsible for all employees' working environment	A number of regulatory demands regarding working environment.	Employees	Internal only

Policy	Main content and sustainability issue	Scope	Responsible function	Respected third party standards	Relation to stakeholders	Availability
Information Security Policy	The policy focuses on informing those in scope of how to handle information and cyber security, as well as who is responsible and what proactive work is performed. Relevance for governance.	All employees and consultants	CIO, Executive Management Team	ISO 27001	All stakeholders are impacted, as they all share information with the company.	Can be shared publicly but is not available on website
Employee policy	The policy focuses on informing employees of in what situations they are responsible for acting in line with Hector Rail's values. Relevant for governance and social topics.	All employees	Human Resources	–	All stakeholders as they all meet Hector Rail in different ways.	Internal
Policy against sexual harassment	The policy defines sexual harassment and clarifies where employees and consultants can turn to in case of sexual harassment.	All employees and consultants	Human Resources, Executive Management Team	Diskrimineringslagen (2008:567)	All stakeholders, although not all are in scope	Internal
Policy against money laundering and terrorism financing	The main purpose of the policy is to prevent that Hector Rail, or its employees are used for money laundering and terrorism financing. Relevance for governance.	All employees, board members and others that act on behalf of the company, no matter geographical location	CFO, Executive Management Team	Penningtvättslagen (2017:630)	All stakeholders are impacted, although in different ways	Internal

Material sustainability areas

The company has defined the materiality of different sustainability areas based on their relevance to the company and their relevance to stakeholders. The relevance has been assessed on a scale between 1 and 10 where 1 is least relevant and 10 is most relevant. The topics

identified have been within areas Environment, Social issues and Governance but also included other topics of relevance in relation to the company. The results from the materiality analysis have led to the table below. The topics have been placed under the sub-category

relevant in line with ESRS 1 AR16¹⁾. The process for materiality analysis will be revisited under 2026, given that the regulations regarding EU's Corporate Sustainability Reporting Directive (CSRD) has changed. All material topics are connected to Hector Rail's strategic objectives,

and targets have been developed to accurately measure progress and set goals, both long-term and current year.

Dimensions	Relevance	Target/Metric
Environment		
Climate Change	GHG-emissions: In Hector Rail's operations, a large portion of the emissions are in Scope 1 and 2. The company has an overarching climate goal to yearly reduce emissions.	Decrease in gCO ₂ e/Gross ton-km
Climate Change	Energy efficiency: Hector Rail uses a considerable amount of electricity for the operation of its trains. Energy consumption is determined largely by the weather, the number of stops and the speed. Measures to increase energy efficiency therefore create long-term results when it comes to total consumption. The company has an overarching climate goal to yearly reduce energy consumption. Energy usage is expressed in Wh/Gross ton-km and comprises the energy consumption of electricity and diesel for train operations. Diesel consumption is converted to kWh.	Decrease in Wh/Gross ton-km

1) <https://xbrl.efrag.org/e-esrs/esrs-set1-2023.html>

Dimensions	Relevance	Target/Metric
Social		
Own Workforce	Collective bargaining coverage and social dialogue: Hector Rail is a workplace with stable employment, collectively agreed wages, and union cooperation. That we are a good employer and have a solid work environment effort is entirely central to ensuring low absenteeism, low staff turnover and that employees enjoy their work. Equal opportunities for skills and career development for all are central both for retaining existing employees and from a recruitment perspective.	Collective bargaining coverage (% of employees)
Own Workforce	Diversity: Hector Rail work proactively to achieve gender equality in the male dominated rail transport market. We also strive to achieve diversity with regards to age, ethnicity and nationality.	Share of women (%) in Hector Rail Group, Share of women (%) in Management positions
Own workforce, Consumers and end-users	Health & Safety (incidents & accidents): Securing a safe working environment is an ongoing effort within Hector Rail. We are continuously working on improving the work environment and conditions, e.g., by ensuring that work equipment meets or exceeds regulatory requirements. Each incident is recorded, analysed, and reviewed together with the operational staff to minimize the risk for accidents where possible, to raise awareness and to avoid incidents and accidents as much as possible. As the public occasionally are involved in accidents and incidents, the work we do to prevent incidents and accidents affects them as well.	Risk index Number of serious accidents, LTIs per 100,000 working hours
Governance		
Business Conduct	Safety compliance: We ensure that we maintain our safety management systems to maintain our safety certificates covering the group's operations in Sweden, Denmark, Norway and Germany. Having a solid safety culture is of the utmost importance to Hector Rail and the engagement of our leaders are essential. We strive for continuous dialogue and involvement of all staff in safety-related matters.	Maintenance of safety management systems in line with certificates.
Business Conduct	Legal compliance, ethics and anti-corruption: At Hector Rail, we have a zero-tolerance approach to bribery, corruption and money laundering and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships.	Number of whistleblower cases Number of anti-corruption cases

Environment

Shifting the logistics sector to become more environmentally friendly has never been more important and while the future holds many uncertainties, Hector Rail will keep its focus on creating value for all stakeholders while contributing to greener modes of transportation. Using rail transport for the long distance is the fastest way to reduce carbon dioxide emissions

from transportation and achieve a more energy-efficient logistics solution. At the same time, Hector Rail is working to reduce the climate impact that our operations nevertheless have.

Regarding environment, Hector Rail aims to contribute to our customers' ability to reduce their carbon emissions from their transport.

Responsible function

Executive Management Team

Guiding documents

Code of Conduct



Strategy

The transport industry is a leading polluter, and its GHG emissions total up to about a third of the total emissions in Sweden.²⁾ Hector Rail's ambition is to contribute to lower that number by providing efficient rail transport to our customers with lower emissions than for example road and sea transport, which also serves the interests of the greater society. Our strategy is to furthermore lower our own climate impact by optimise our energy intensity. By investing in energy-efficient driving practices and eco-conscious energy procurement, we aim to lower GHG emissions by promoting sustainably sourced energy and sustainable operations throughout our network.

Hector Rail's material topics on the environmental side are highly focused on energy use; energy efficiency, eco-driving, green value proposition, fleet age and GHG emissions, which is what our metrics reflect. We act to lower our energy use and keep transports efficient.

Policies

The area of environment is included in Hector Rail's Code of Conduct. The Code of Conduct is built around the UNs Global Compact Principles, i.e. Hector Rail seeks to;

- support a precautionary approach to environmental challenges;
- undertake initiatives to promote greater environmental responsibility; and
- encourage the development and diffusion of environmentally friendly technologies.

The principles of UNs Global Compact and Hector Rail's aim are operationalised in several targets and metrics, explained below. The Code of Conduct is adopted by the Board of Directors, and the Executive Management Team is responsible for implementation.

Targets and metrics

Hector Rail's policy and strategy have been operationalised into two targets concerning environment and climate change; to reduce energy usage and reduce carbon emissions. The metrics used to monitor these targets are decrease in Wh/Gross ton-km and decrease in gCO₂e/Gross ton-km as shown below. Each target contributes to achieving the aims explained above. Each target is further explored under the headings below.

Decrease in Wh/Gross ton-km

Energy usage is expressed in Wh/Gross ton-km and comprises the energy consumption of electricity and diesel for train operations. Diesel consumption is converted to kWh by means of the conversion rate of 9.96 kWh per litre for Hector Rail AB and 10.0 kWh per litre for Hector Rail GmbH. Gross ton-km is used as a denominator to measure the target to be able to capture improvements made from running longer and heavier trains.

Running longer and heavier trains is in line with Hector Rail's overall strategy of efficient transport, both cost-wise and energy-wise, as it consumes less energy per transported goods. In other words, it is a way for Hector Rail to move more, whilst consuming less diesel and electricity. The long-term target is to lower energy usage (Wh/Gross ton-km) to 15.9, with a 2025 target of 17.0.

The first target, regarding energy usage, which has been declining steadily over the last few years saw an increase in 2025. The main driver is in Sweden, where Trafikverket changed the default values for electric locomotives without a meter starting 2025-01-01. There is an ongoing project to equip all modern locomotives with energy meters, but this is

done during larger overhauls and therefore takes time. In other words, the increase is due to a new way of measuring. The goal of 17.0 for 2025 was not reached, and Hector Rail landed at 17.32 for the year.

Decrease in gCO₂e/Gross ton-km

Measuring and collecting data regarding greenhouse gases (GHGs) Scope 1 and 2 are a part of this target. Displayed in the table above, and what makes up the target data, are Scope 1 diesel and Scope 2 electricity consumption for train operations, excluding office consumption as it is deemed too minor to be relevant for this reporting. The reason for not including Scope 3 is that the target was formed prior to Scope 3-reporting. As explained below, Scope 3 is also difficult to compare year over year due to lacking coverage of emissions. We have identified opportunities for increasing coverage, a work which will continue to be operationalised in the coming years.

Hector Rail's result for 2025 is 1,43 which was better than the annual target of 1,50 and an improvement compared to the 2024 outcome (1,95).

In 2023, Swedish infrastructure and electricity provider Trafikverket moved from offering

renewable energy as the only alternative for rail transport to instead providing the options: renewable, CO₂ free and the residual mix for railway companies. The first two alternatives can be offset by guarantee of origin certificates, while the residual mix contains energy sources that cannot be offset by such certificates. When given the choice, the majority of Hector Rail AB's customers chose the renewable or CO₂ free option in 2023, 2024 and 2025, but some customers chose residual mix. Instead of the downward trend that had previously been reported, Hector Rail AB therefore saw an increase of Scope 2 emissions for those three years. About 50 percent of electricity purchased in Germany in 2025 was covered by certificates.

Scope 3

Indirect GHG emissions, Scope 3, in the up-stream value chain reporting was conducted for 2025 as previous years; however, the response rate amongst suppliers saw a rapid decline compared to previous years, resulting in numbers that are not comparable year over year without a significant level of uncertainty. In the coming year, Hector Rail aims to formalise its annual request of Scope 3 emissions to suppliers.

Metrics	2021	2022	2023	2024	2025	2025 Target	Long-Term Target
Decrease in Wh/Gross ton-km	17.99	17.53	17.33	16.56	17.32*	17.0	15.9
Decrease in gCO ₂ e/Gross ton-km	1.0	0.91	1.84	1.95	1.43	1.50	0.80

* not comparable with previous years due to a new measurement method. If the same method had been applied, the outcome would likely have been on target.

2) <https://www.naturvardsverket.se/data-och-statistik/klimat/vaxthusgaser-utslapp-fran-inrikes-transporter/>

Social

Rail operations are generally safe, yet potential incidents can have significant impact. Consequently, safety remains a fundamental priority, supported by clearly defined objectives to safeguard employees and stakeholders.

The organization places great importance on its workforce, fostering well-being, profes-

sional development, and an inclusive environment where individuals can succeed. It also maintains strong stakeholder relationships, striving to act responsibly and create shared, long-term value.

Responsible function
Executive Management Team
Human Resources
Safety & Security

Guiding documents
Code of Conduct
Working Environment policy
Traffic Safety policy
Sexual Harassment policy
Employee Policy

Strategy

The railway industry is an industry where accidents seldom happen, but when they do they risk major consequences. Hector Rail’s mission and core values are therefore referencing safety directly, as it is our goal to ensure that our employees and stakeholders are safe and sound. Several targets for safety are set up and closely monitored.

The strategy regarding social topics for Hector Rail focuses on two main stakeholder groups: employees and the public. Both are safeguarded through our continuous efforts to prevent accidents and incidents, as well as through our commitment to maintaining a safe and healthy work environment.

Our workforce is our greatest strength, and we value their well-being and professional growth. Therefore, we are building a workplace that values diversity, equity and inclusion, empowering all employees to realize their full potential. We also prioritise engaging with our stakeholders and uphold our role as a responsible corporate entity. Collaborating with stakeholders, we focus on generating shared value.

Policies

The Code of Conduct, which relies on the UN Global Compact, highlights that safety always comes first at Hector Rail. The policy applies to all who work for or otherwise represent Hector Rail and encourage suppliers to also follow the Code of Conduct. Hector Rail also has a Supplier Code of Conduct which suppliers sign and are expected to uphold.

Hector Rail’s strategy and policies result in activities aiming to actively strengthen the safety culture. For example, the Traffic Safety Policy (Trafiksäkerhetspolicy), appointed by the Executive Management Team, points out two overarching safety goals; no person deceased or seriously injured due to Hector Rail’s operations, and that no serious accidents caused by Hector Rail occur. The policy outlines the safety management system and encompasses both production and maintenance.

The policy regarding working environment (Arbetsmiljöpolicy) should also be mentioned. It is an important policy, encompassing all employees and consultants, and clarifies how Hector Rail works with its working environment. It also clarifies responsibilities in relation to working environment, both the employees’ and Hector Rail’s.

Targets and metrics

Hector Rail has several goals regarding social topics, for example diversity, equality, health and safety. The goal concerning diversity is to be better than industry average, as it is the stark conviction of Hector Rail that companies work best when they reflect the society they operate in. The freight rail industry is highly male dominated in all countries where Hector Rail operates. We work towards the goal proactively to attract women to the industry, and by fostering an environment where inclusion is the norm and discrimination, on any ground, is non-existent.

The metrics monitored also include number of serious accidents and Lost Time Injuries (LTIs) per 100,000 working hours as referenced in the

table below, however more data surrounding security and safety are tracked as well. For example, Hector Rail employees are encouraged to report near misses, an event where no injury occurred but the potential to cause injury was great. Interestingly, the number of near misses saw a 10 percent increase in 2025 vis á vis 2024, but the number of LTIs decreased with 63 percent. This indicates that the decrease of LTIs is not due to a lack of reporting, but a real decrease.

A dash means that the target was not in place at the time. Each target is further explored under the headings below.

Number of serious accidents

Definition: Serious accidents

For traffic safety, Hector Rail uses the definition of serious accidents by the Swedish Transport Agency: Signifikant olycka³⁾ which aligns with the definition of signifikante Unfälle by the German Federal Railway Authority⁴⁾.

A serious accident is recorded when one of the following conditions is met:

- At least one person died
- At least one person injured badly enough to require hospitalisation for more than 24 hours
- Damages to railway vehicles, railway infrastructure, the environment and/or other property exceeding 150,000€

Furthermore, the cause of these accidents must lay within Hector Rail's responsibility.

As we value our employees highly, measuring accidents is of the utmost importance. If they do occur, we have a responsibility to ensure their well-being and to do all that we

Metrics	2021	2022	2023	2024	2025	2025 Target	Long-Term Target
Number of serious accidents	1	2	2	0	1	0	0
Risk index*	–	–	9.6	12.1	8.6	<=10	<=10
LTIs per 100,000 working hours	2.3	1.6	1.7	2.54	1.03	<2	<2
Share of women (%) in Management positions	27	28	31	32	37	32	>=50
Share of women (%) in Hector Rail Group	21.3	21.5	19.5	19.0	22.1	>23	>30

* Hector Rail AB

can to prevent further accidents happening. In 2024, the number of incidents involving members of the public was unusually high at three. Luckily, there has been a decrease in 2025 to two. One serious accident that occurred was a collision in Värö, Sweden which resulted in material damage only.

Whenever serious accidents, incidents and near misses do occur, a thorough investigation commences as demanded in the safety management system. We review our processes and analyse the event to make sure that all safety regulations and procedures are correct, and that the staff's conduct is correct.

Risk index

Definition: Every safety incident that we ourselves have caused is assigned a risk value from 1 to 375 based on the severity of the incident. Every month, all risk values are weighed to-

gether and calculated as an average risk value for the month. The highest possible risk value (375) is only assigned in cases where there was a potential for multiple fatalities or costs exceeding SEK 24 million.

Hector Rail demonstrated a positive development in the Risk Index during 2025, with the full-year result 8.6 representing the best performance achieved since measurements began. In 2025, we continued our efforts to strengthen the safety culture with leadership presence and improved training for all employees in production. Hector Rail has a structured strategy for the use of simulators as a key tool for competence development and risk prevention. The simulator is primarily used to enhance drivers' situational awareness, decision-making, and ability to manage complex or non-routine scenarios. It also supports training in rule application, handling of exceptional cases, and operational safety.

Simulators are available at all relevant locations, and both software and training scenarios have been significantly enhanced and expanded during 2024 and 2025. In addition, the simulator is actively used during refresher training and assessments as a tool to verify knowledge, particularly in relation to special cases and regulatory compliance.

LTIs per 100,000 working hours

Definition: A work-related injury or illness that results in an employee or contractor being absent from work for at least one full day or shift following the day the incident occurred. It excludes restricted work cases or medical treatment where the employee or contractor remains on the job.

Hector Rail measure this KPI by using LTIs amongst employees and working hours for employees. However, LTIs are also tracked amongst non-employees (for example individual contractors such as self-employed individuals). Non-employees working hours are not tracked. In 2025, LTIs amongst non-employees was zero.

In general, LTIs occur in Hector Rail's operational environment as the work is physically demanding, meaning that the nature of the working environment and tasks results in a higher risk of injury. LTIs in the offices are near non-existent.

In 2024, the LTIs was higher than normal and exceeded our goal of below two annually, mainly driven by events in Germany where 11 LTIs occurred. The outcome in 2025 for our business in Germany is significantly lower at only three LTIs over the year. We see clear

3) https://www.transportstyrelsen.se/tsfs/Tsfs%202011_86.pdf

4) https://www.eba.bund.de/SharedDocs/Downloads/DE/Bahnbetrieb/Sicherheitsbericht/10_leitfaden_sicherheitsbericht.pdf?__blob=publicationFile&v=8

connections with the work we do to actively strengthen the safety culture and the improvements of our annual continuing education which has given very successful results. We have also become better at reviewing reporting so that incorrect reporting has been eliminated.

The total number of LTIs in Sweden during 2025 was five.

As part of our preventive approach, we conduct regular risk assessments and work environment surveys to proactively identify, assess, and manage potential risks in our operations, thereby contributing to a safer and more sustainable working environment.

Share of women (%) in management positions

Hector Rail's definition of management is directors as well as management staff reporting directly to a director and includes all managers with direct reports. It is measured in the same way as share of women, i.e., on average over the year.

Across the societies we operate in, management positions are dominated by men. To better reflect our society, which is our ambition, Hector Rail's long term target is to have at least 50 percent women in management positions. The 2025 outcome of 37 percent exceeded the annual target of 32 percent, demonstrating strong performance. This number has been steadily increasing over the years.

Share of women (%) in Hector Rail Group

The gender diversity targets are measured as the number of female employees divided by the total number of employees, both on average over the year. We currently do not track the number of non-binary employees.

Our ambition is to reflect the society we live in, as we believe that a diversified workforce can positively impact our employees. We also believe that a diverse workforce will provide better services. Rail freight transport as an industry is male dominated, which is why Hector Rail measures the share of women with the goal of continuously increasing the number of women.

We are not quite there yet but have seen an increase over the years. In 2025, Hector Rail had a share of 22.1 percent women in the group, compared to 19 percent in 2024.

Governance

Hector Rail’s governance is based both on its integrated management system and our commitment to ethical conduct. After the group’s consolidation, all certifications will continue to be maintained and regularly reviewed. The company aims to ensure integrity and transparency in all decisions and interactions. It

also holds important safety and maintenance certificates, supported by internal systems covering safety, quality, information security, and environmental processes.

All governance-related areas are considered important and are integrated into policies and strategy.

Strategy

Hector Rail’s governance strategy is built around the company’s integrated management systems with associated certifications and its commitment to ethical conduct. GmbH and AB hold different certifications, and those certificates will continue to be upheld. ISO certifications are audited annually and recertified every three years. ISOs certified are 9001:2015, 1400:2015 and 27001:2023. The ethical conduct goal is to be dedicated to upholding the highest ethical standards, ensuring integrity and transparency in all our interactions and decisions.

Hector Rail also hold certificates in Single Safety from ERA (European Union Agency for Railways) and ECM (Entity in Charge of Maintenance). The internal management system cover safety, quality, information security and environmental processes.

The double materiality analysis concluded that several areas pertaining to governance are material for Hector Rail, for more information see page 11. This includes safety compliance, legal compliance, ethics and anti-corruption, as well as, maintenance and management. All topics are included in policies and strategy, to ensure operationalization.

Hector Rail has a whistle blowing mechanism to ensure that serious incidents can be reported anonymously. There is no target connected to whistle blowing, however upholding a strong culture of safety around it is part of overarching governance goals. Chosen members of the Executive Management Team and Board are automatically reached by any incoming cases reported through Hector Rail’s whistleblowing portals. The portals are available for employees as well as external stakeholders. There are portals for Sweden and for Germany. The portals guarantee full anonymity for the rapporteur. Under 2025, a total of four cases were reported to the whistleblowing mechanism. Three were determined not to meet criteria for whistleblowing cases and were handled through management processes. One case did meet criteria and appropriate measures were taken. Hector Rail does not have any litigation cases related to ESG.

During 2025, cyber security work was intensified to align with the new the Swedish law “Cybersäkerhetslag 2025:1506”, which went into practice in January 2026. Hector Rail has an ambitious phishing operation, more on that below.

Responsible function
Executive Management Team

Guiding documents
Code of Conduct
Code of Conduct for suppliers
Traffic Safety Policy
Money laundering and anti-terrorism financing policy

Policies

The main governance policy is the Code of Conduct, it covers human rights, working environment, environment, anti-corruption and bribery, as well as information security. The policy is part of the onboarding process. For suppliers, the Supplier Code of Conduct, that all suppliers are expected to adhere to, together with the Information Security Supplier Guideline, are important governance policies.

Furthermore, Hector Rail has an internal information security policy to ensure that all information is handled in a proper way within the organisation. As an ongoing part of the cybersecurity work phishing tests are done annually, followed by individually adapted education. The tests are so called spear phishing tests, i.e., more complex situationally adapted tests geared towards specific individuals or roles. During 2025, results increased by 50 percent. The goal is to continue work in 2026, both to align with the new Cybersäkerhetslag (2025: 1506) and to develop targets.

In 2025, a new policy regarding money laundering and terrorism financing was introduced. The policy adheres to the Swedish law of money laundering (Penningtvättslagen 2017:630), although Hector Rail is not in scope of the law.

Hector Rail is part of the future of rail transport

The European Union Agency for Railways' (ERA) mission is "Moving Europe towards a sustainable and safe railway system without frontiers". Furthermore, ERA believes that rail has the potential to become the backbone of the European multimodal transport and mobility system.

Hector Rail shares this vision and will continue to do our part by providing safe, flexible, and environmentally friendly transport solutions for freight and passenger traffic in Sweden, Norway, Denmark, and Germany while at the same time creating a safe and rewarding place of work for our employees.



Head office

Hector Rail AB
Svärdvägen 27
SE-182 33 Danderyd
Växel: +46 (0) 8 544 967 20

Info Hector Rail

info@hectorrail.com

For traffic safety information:

safety@hectorrail.com

For financial information:

finance@hectorrail.com

For sales inquiries:

sales@hectorrail.com

