



# Sustainability Report

We are present where people reside, work and live their lives.

2022



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# Responsibility and opportunities in an uncertain world



**A**fter two years of the coronavirus pandemic, we barely managed to take a breath before the next global crisis arose. 2022 will go down in history as being a dismal year with Russia's invasion of Ukraine, which has affected us all as fellow human beings and has also had major consequences for society and business. The heightened energy crisis, escalating inflation and economic decline in the Nordic region and the rest of Europe naturally also affect Ahlsell's operations. High energy and fuel costs, impacted supply chains and a trend towards a reduction in investments in the property and housing sector are all factors we need to take into consideration and manage going forward.

2022 has also been a good year for Ahlsell in many ways. Our business and operations have grown, developed and, above all, functioned well in spite of the turbulence in the world around us. The fact that we operate primarily in the Nordic market, which has nevertheless been relatively stable, and that we are positioned in several different market sectors (construction, industry, infrastructure) makes us robust. With several strategic acquisitions, a strong organisation and a clear direction going forward, we are well equipped for the future.

Even challenging times bring new opportunities. We are now seeing how transitioning to the sustainable society we need is accelerating with different means of control and not least through courageous people

and companies. Property owners are getting better incentives to improve energy efficiency, and major investments are being made in expanding new, climate-smart industries and in electrification. A lot of private individuals are also changing their behaviours and are making different, conscious choices.

## Strong growth and good profitability

In summary, Ahlsell's 2022 financial results were solid, with good profitability and strong growth. Sales totalled SEK 44 (37) billion, which is equivalent to growth of 19 (12) per cent, of which 15 (11) per cent was organic. Operating profit (EBITA) was SEK 4.9 (3.9) billion.

We have had good conditions in all our markets, with all countries increasing in volume and profitability compared to previously. We have also made larger acquisitions overall than a year or so before, with a total net sales increase of more than SEK 6 billion.

## Strategic acquisitions

The acquisition of Danish Sanistål is an important step in our Nordic strategy. We are now a true Nordic player with strong local coverage in Denmark. Sanistål is a well-managed company that shares our drive and corporate culture, and offers good opportunities to develop and learn from each other in the future! During the year, we also made other acquisitions that complement and strengthen our development towards tomorrow's sustainable business. Two examples are Solelgrossisten, a company focusing on solar energy, and Grönvold Maskinservice, offering repairs and circular services.

Our strategy for sustainable growth is steadfast. While we are working on integrating the companies we have acquired and realising our synergies, we continue to have a high level of ambition to make further acquisitions and consolidate our market position.

## Strengthened organisation and vision of sustainable development

Our company vision "We build a more sustainable society" is indicative of the purpose and level of ambition of Ahlsell's operations and offering. Sustainability has been a consistent perspective for years, and we are now ramping it up further based on what the outside world requires of us and the potential we see that we have. ►



With our new Chief Sustainability Officer (CSO) in place in corporate management, we are now able to further integrate and take the Group's work to the next level.

In an unsettled world where political cooperation and formal instruments are not moving at the necessary pace, the role of the business community is particularly important. My view is that large companies have both the opportunity and the responsibility to influence – together. In speaking with customers and suppliers, we clearly see that we have the same ambition and agenda: to achieve real change for a sustainable society through sustainable business development.

### Sustainable progress in 2022

We have made much progress to be proud of in our work in 2022. In Ecovadis' annual assessment, we went from Gold to the highest level Platinum, acknowledging that we have come a long way with structure and governance for environmental and social responsibility throughout the supply chain. However, there is still work to be done with systematic risk follow-up if we are to achieve the goal of zero high risks and to safeguard human rights along the entire chain.

In the area of climate, we have taken the decision to join the Science Based Targets Initiative, which entails a commitment to work towards science-based climate goals in line with the Paris Agreement. That being said, we have a long journey still ahead to achieving a climate-neutral value chain with resource-efficient, circular flows of materials and products. Here, we need to continue to develop our innovative partnerships with customers and suppliers.

During the year, we have worked to formulate an updated strategy and overall long-term goals aimed at 2027. The purpose is to clarify and make it more understandable for the organisation what we need to prioritise in concrete terms going forward. Sustainable business development has an even clearer place, with the core being to successfully decouple profitable growth from carbon dioxide emissions and other negative impacts on nature and people.

### Sustainable employeeship – health, inclusion and expertise

Sustainable, sound business is based on having a

healthy organisation and healthy people. We strive to be an excellent, attractive workplace and place great emphasis on having a safe working environment and promoting health and well-being. This should also characterise the relationship with our customers and suppliers. Again in 2022, we organised Sweden's largest padel tournament, with almost 3,000 competitors, and got many employees and customers to hit the ski trail through our collaboration with Vasaloppet.

In what is still a traditional industry, we are also continuing our efforts to increase diversity. Diverse teams in terms of gender, age, culture and professional background perform better. By taking an inclusive approach, we also strive to broaden our recruitment base and better reflect our clients and society as a whole. In 2022, we increased the proportion of women in managerial positions to 24 percent compared to 22 percent in 2021. The target is to reach 30 percent by 2030.

Rapid development of our range of products, our offering and our working methods requires us to be a constantly learning organisation. For the first time in 2022, we conducted Learning Week to kick off a more continuous, flexible and needs-based model for skills development. An important aspect is our digitalisation journey which holds exciting development for more efficient working methods and new interfaces in offerings and customer relations.

### In closing...

With a turbulent, but for Ahlsell, clearly positive 2022 behind us, we will now tackle 2023. Though we are prepared for tougher economic times and continued uncertain developments in the world at large, we nonetheless have a strong desire to see an end to the war and a more positive outlook for the world. For Ahlsell, sustainable business development is the obvious strategy going forward. In this, we have strong support from owners and the Board of Directors, customers, suppliers and, not least, our employees.



**Claes Seldeby**  
President and CEO





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# About Ahlsell







# This is Ahlsell

Ahlsell is present where people reside, work and live their lives. Ahlsell is currently the Nordic region's leading community building distributor of installation products, tools and supplies for installation, construction, real estate management, industrial and power companies and the public sector. With around 7,500 employees, 300 stores, e-commerce and four central warehouses, we are working daily to achieve our vision of building a more sustainable society.

## Ahlsell in figures 2022

Employees (average): Approx. 6,400

Headquarters: Stockholm

Owners: CVC Capital Partners

Number of items: 1 million

Contractual suppliers: 3,500

Stores: 300 (incl. Sanistål)

Business customers: 150,000

Sales: SEK 44 billion

Operating profit (adjusted EBITA) :  
SEK 4.9 million

Ahlsell's history dates back to 1877. At that time, John Bernström & Co was founded, which sold threshers and pumps to mechanical workshops, sawmills and other industries. More than 140 years of growth, business development and acquisitions later, Ahlsell is a modern, international trading company with a wide offering.

## Objectives and business idea

Ahlsell's overall goal is to strengthen our customers' competitiveness and to be an attractive partner to our suppliers. As our customers' most important business partner, it is our job to make their lives easier. We do this by continuously providing and developing a wide range of sustainable products and services, world-class specialist knowledge and logistics that meet their needs and exceed their expectations. We must achieve profitable growth through a combination of organic growth and acquisitions, and by making operational improvements. Our goal is to be the leading player in each segment in our primary markets.

## Vision

*Building a more sustainable society*

## Core values

*Responsibility – Openness – Simplicity*

## Sustainable development

For us, sustainability is everything from satisfied customers, suppliers and employees and profitable growth and value creation for our stakeholders, to a company that, over time, is sustainable in economic, environmental and social aspects. For Ahlsell, sustainable development is also about being able to advise our customers to choose more climate-adapted products and services over time.

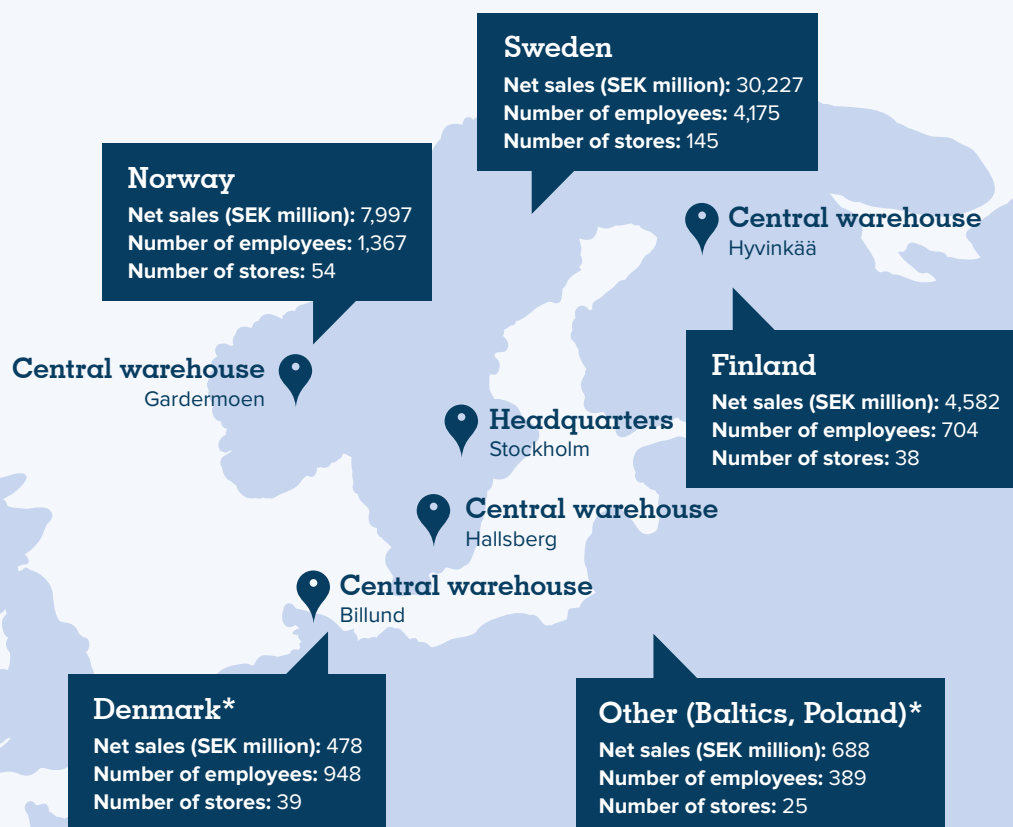
## Financial targets

Ahlsell's financial targets include growth, profitability, stable cash flows and financial strength. Our goal is to grow faster than the market through strategic growth initiatives, acquisitions and increased efficiency.



# Ahlsell 2022

## Geographic presence



\*Number of employees and stores at the end of the year, including Sanistål which was acquired in late December 2022.

Ahlsell's main operations are conducted in the Nordic region. Overall, the Nordic countries account for over 97 per cent of the Group's sales. We also have a presence in Denmark, Estonia and Poland, and a local purchasing office in China.

### Profitable Growth Strategy

Ahlsell has an active profitable growth strategy. We are investing in both organic growth and growth via acquisitions. Ten or so companies were acquired in 2022. The largest and most strategic are Danish Sanistål, Swedish Solelgrossisten Sverige, Norwegian Intec Pumper, Eurolan AB and Finnish El-parts.

### Acquisition of Sanistål

At the end of 2022, the Danish company Sanistål was acquired. The acquisition of Sanistål is an important step in Ahlsell's ambition to be a comprehensive Nordic player with a complete offering that also includes Denmark. Sanistål is a Danish distributor and sourcing partner for construction and industrial businesses, with a large network of stores and operations in Denmark, Latvia, Lithuania and Poland. The company has around 1,200 employees and an annual turnover of around DKK 3.5 billion. The transaction received final approval from the relevant authorities in December 2022.

### Organisation

Ahlsell strives for a market-oriented, decentralised organisation with a developed local entrepreneurship. The Group includes several independent subsidiaries that are operated under their own brands. A list of all Group companies and a definition of those covered by this report can be found in Note 1 on page 52.

 **Purchasing office**  
Guangzhou, China  
**Number of employees: 13**





## Our offer:

# Make it easier to be professional

Ahlsell is the Nordic region's leading distributor of technical installations and is driving development with manufacturing, installation, building, repairing and maintenance professionals. We have a wide range of more than one million items and also offer associated services. We keep more than 200,000 items in stock, available for delivery within 24 hours. More than 150,000 business customers in many different industries choose Ahlsell.

### Comprehensive range

We strive to be a "one-stop-shop" where our customers can buy everything they need. Our range includes the following categories of items:

- **HEATING & PLUMBING** – installation materials for heating, ventilation and refrigeration, and water, sanitation and drains.
- **ELECTRICAL** – cables and installation materials, lighting and accessories, automation, data, telephony and security products, and other electrical products, such as measurement instruments.
- **TOOLS & SUPPLIES** – tools, machines, personal protective equipment and construction products.

We sell products from a large number of well-known supplier brands and have over 20,000 quality-assured private label products. We also offer services such as customised delivery, storage solutions, construction site logistics, training courses, administrative tools and profile printing to support and save time for our customers.

### Availability via stores and e-commerce

We strive to be close to our customers and can be reached through several channels, such as physical stores, e-commerce, personal meetings, email and telephone. We have a large number of physical stores across the Nordic region and our online store is one of the largest in the Nordic B2B region. Our channels interact. For example, customers can make purchases in the webshop and then pick their goods up at a physical store.

### Local stores with competent staff

Our physical stores are a meeting place for customers, where competent, professional employees promptly assist in finding the right solutions and products. More than 3,000 of our employees work in sales, most of which are in Ahlsell's stores. The stores carry locally adapted ranges of products and are located in easily accessible industrial or commercial areas. We also have several on-site solutions and temporary pop-up stores.

### World-class logistics and delivery quality

Ahlsell is a competent and reliable trading partner that delivers the right products at the right time to the right place. We have world-class logistics

with efficient, secure transport, which is one of the most important things for our customers when choosing a supplier. Thanks to our broad product range, Ahlsell has a high degree of utilisation in transport to customers, meaning fewer deliveries, saving time, money and the environment.

### Our customers

Ahlsell's customer base is large with different customer categories and purchasing patterns. Our customers come from the fields of installation, industry, construction, property management and similar services.

Altogether, more than 150,000 corporate customers from various sectors choose Ahlsell. In addition, many large customers also make decentralised purchases meaning several smaller purchases from a number of product categories, which makes the distributor's role particularly important. Overall, small and medium-sized enterprises account for just under half of the Group's net sales, and our ten largest customers account for less than ten per cent. Through the Proffsmagasin brand, we also have a broad offering aimed at private customers.

## Our supplier offering:

# Strong and stable partner

Having a market-leading position in the Nordic region, high local availability, a professional sales organisation and a loyal customer base, makes Ahlsell an attractive partner for our suppliers and their brands.

We collaborate with a large number of contractual suppliers, over 3,500, the ten largest of which account for just under one quarter of the Group's total goods purchases measured in value. We focus on quality and well-known brands and choose responsible suppliers who meet our clear requirements on competence, innovation, sustainability and more.

### Continuous development work

Together with our suppliers, Ahlsell makes continuous improvement efforts to ensure innovation and improved, more sustainable products and services. Our size means that we can guarantee sufficient volumes at times when suppliers are required to make investments to meet the demand for more sustainable products, for example.

Our ten largest suppliers together account for about a quarter of our total purchase value:

Nexans, Pipelife, Schneider Electric, Geberit Group, Nibe, Uponor, LK Systems, Villeroy & Boch Gustavsberg, Oras, FläktGroup.

 **GEBERIT**



 **LK Systems**



**Villeroy & Boch**  
1748

 **Nexans**

**FläktGroup**

 **NIBE**

**Uponor**

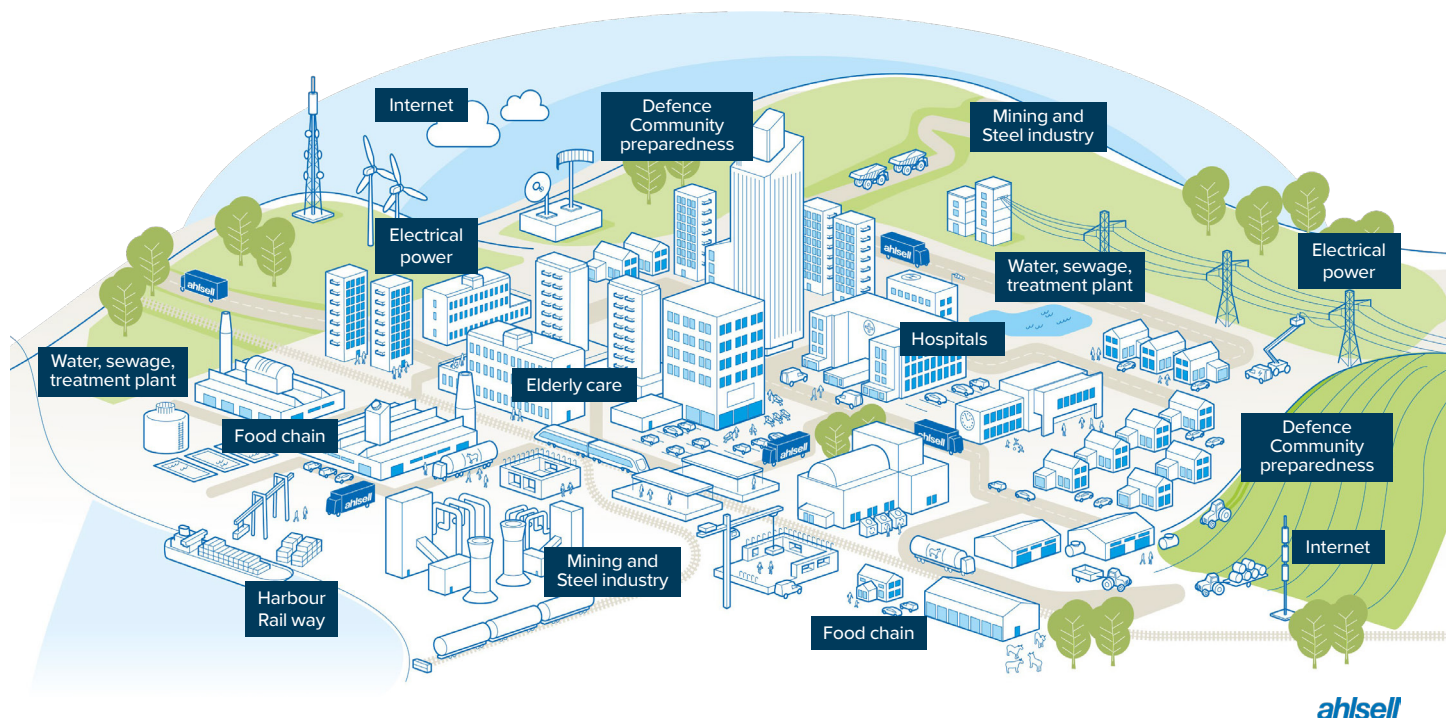
**Schneider**  
 **Electric**

**PIPELIFE** 



# Our value creation and benefit to society

Ahlsell is present where people reside, work and live their lives. As a leading distributor, we drive development together with professionals in manufacturing, installation, building, repair and maintenance. We strive to contribute to building a better society.



## Rail and ports

Ahlsell has several unique storage solutions for larger industrial workplaces that promote sustainability and reduce transport.

## Healthcare, schools and elderly care

Constructing and operating hospitals involves complex projects with advanced logistics, technology and material supply. Ahlsell can offer the right range of products and services in, e.g., construction logistics.

## Mining, steel and engineering

As we transition to a fossil-free society, a great deal of Swedish metals (Cu, Zn, etc.) will be required for future electrification. Ahlsell supplies materials and system support for the safe handling of chemical products to customers in the mining industry and the processing chain.

## Food & Beverage

Food safety places high demands on work materials and equipment. Ahlsell offers hoses and pipe systems specially designed for the food industry.

## Electricity generation and distribution

It is vital to society that we have a safe and stable electricity grid. Ahlsell offers electrical grid materials, accessories and guidance for safe and professional installations.

## Water, sewage and treatment plants

Ahlsell's range includes complete systems for water supply and wastewater treatment, for both small, individual facilities and large public facilities.

## Defence and civil contingency

Ahlsell's robust supply chain and logistics are important to the nation's defence and civil contingency. Ahlsell provides defence and civil contingency actors with commodities, tools and personal protection equipment.

## Mobile networks and internet

Having a functioning, accessible internet is now important for democracy and equality. Construction of the next generation of mobile networks is a material-intensive project that also requires advanced logistics.

## E-Mobility

The future of mobility is electric. Ahlsell contributes to this development by offering market-leading charging boxes and expert knowledge to installers, purchasers and property owners.



# World-class logistics and delivery quality

Logistics is at the heart of our business. The availability and delivery of the right products, at the right time to the right place, is vital to our customers when they choose a supplier. With world-class logistics and delivery quality, we do our best every day to live up to the expectations of what it means to be a competent and reliable trading partner. Join us at the facility in Hallsberg, one of Europe's largest logistics centres.

Our efficient, quality-assured flow of products, from suppliers via warehousing operations and transport out to our customers, is essential to our core business. Our three Nordic central warehouses (logistics centres) are the hub of our logistics: Hallsberg in Sweden, Gardermoen in Norway and Hyvinkää in Finland.

Hallsberg is one of the largest in Europe and is also an important hub for transports. More than 1,000 employees work here to receive, pack and ship products around the clock. ►

## Hallsberg logistics centre in figures

### Size:

240,000 square metres of storage space, of which 90,000 square metres under roof

### Employees:

Approx. 1,000 employees working in shifts

### Frequently ordered products:

Radiator plugs (27,000 times a year), AA batteries (22,000), wall sockets (11,600)

### Lead time from order to delivery:

Under 24 hours

### Other:

- Approx. 125,000 items in stock, from large wastewater tanks and heat pumps to cables, batteries and small screws
- 18 million order lines per year and nearly 10,000 shipments per day
- Approx. 220 vehicles pass in and out every day



# How it works!

From order to delivery – an example

## 1 4 pm Purchase order

A customer places their order either through a sales person or via our online store. The order is immediately displayed at the logistics centre in Hallsberg.

## 2 4 pm – 5:15 pm Picking

The order lines on the order are distributed to the various parts of the facility, manual departments where items are picked by forklift and from shelves, and our automated small goods facility (ASL). Large items are loaded onto forklifts outdoors to await transport.

## 3 4:15 pm – 5:30 pm Packing

Items from the automated warehouse are guided via conveyor belts to packing staff who pack the right quantity in the right box before the goods are sent on the conveyor belt to be sorted and loaded. It is important to choose the right packing material for the goods to avoid unnecessarily transporting air and so that they arrive undamaged.

## 4 5:30 pm Sorting

Our sorting facility has around 50 chutes. The label on the box specifies the customer's name and address, barcodes for the shipment number and a QR code providing the customer with the entire delivery note.

The labels are scanned so that the boxes end up in the correct sorting chute, depending on where their final destination is in Sweden.

## 5 10 pm Loading

Every day, around 100 lorries with trailers are loaded at our Logistics Centre for transport to one of our 35 distribution terminals around Sweden and the Nordic region. Schenker, Ahlsell's largest transport partner, and several other carriers are responsible for ensuring that the goods are loaded, transported and unloaded correctly and efficiently.

## 6 1 am – 6 am Distribution

Our distribution partner unloads the goods and re-pick them for further distribution to the customer and the final destination. Together with a nationwide, fine-meshed network of reliable partners, we strive for the highest quality delivery and an efficient, sustainable transport system.

## 7 6 am – 8 am Delivery

The customer receives their goods less than 24 hours after ordering, often directly to the site where the ordered material will be used that day.







### Investment in system support and automation

A customised information system provides great precision in the various stages of the logistics process. In 2022, we implemented a new purchasing system, Relex, enabling us to better plan our purchases and manage and follow up to optimise our stock. Each respective product manager updates the range and stock selections on an ongoing basis. For us to keep a product in stock, it must be ordered by a customer at least once a month. The overall goal is to optimise the balance of availability and demand, i.e. that the products ordered by customers are in stock for delivery, while keeping stock volumes at a good level.

We are also continuing to invest in developing our automated warehouses for small goods, to increase efficiency and improve the working environment. In 2022, six new lifting machines were installed in the facility.



### Hallsberg Logistics Centre 2024

To meet the demand of continued growth, a wider range, maintained quality and a reduced climate footprint, it has been decided that the Hallsberg LC will be significantly expanded. A nearby plot of land has been acquired on which a new facility will stand in 2024. The project is being carried out with high climate and environmental demands. Among other things, the buildings will be energy self-sufficient and will meet the requirements for BREEAM Excellent certification.

The investment totals around SEK one billion, of which SEK 800 million for land and buildings and SEK 200 million for equipment.

**Daniel Johansson**  
Logistics Director, Ahlsell Sweden AB



### Success factors for sustainable logistics and delivery

Ahlsell's offering is characterised by high availability and cost efficiency with the best precision and quality. The promise to our customers is "one order – one delivery" in under 24 hours to any address. We need to keep this promise every day of the year, despite the challenging conditions of uncertain forecasts and large variations in demand and volumes between different seasons, weeks and days.

Our people at Ahlsell are our most important success factor. It is our employees' passion for excellent logistics, commitment and pride that lay the foundation for succeeding in delivering on their own and their customers' expectations. A logistics centre's work environment is physically taxing, with its high pace. Therefore, we have a strong focus on health and safety, and on harnessing employee proposals for continuous improvements.

By continuously investing in increased automation, we improve both capacity and ergonomics. At the same time, business being more digital and automated brings with it other new risks that need to be managed, for example, in the areas of IT security and electricity supply. To minimise the risk of interruptions or intrusions, the new role of IT Security Manager has been filled. The facility is also equipped with back-up systems for electrical supply and internet connectivity.

Going forward, we strive to continue optimisation of the order to delivery flow, with the least possible climate impact and residual stock. It will be important to work with customers and carriers to find solutions for larger coordinated orders and fewer transports. For example, moving away from free deliveries and making shipping costs visible on invoices is one way of making it easier to make a sustainable choice.



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# Business model, strategy and governance





# One Ahlsell

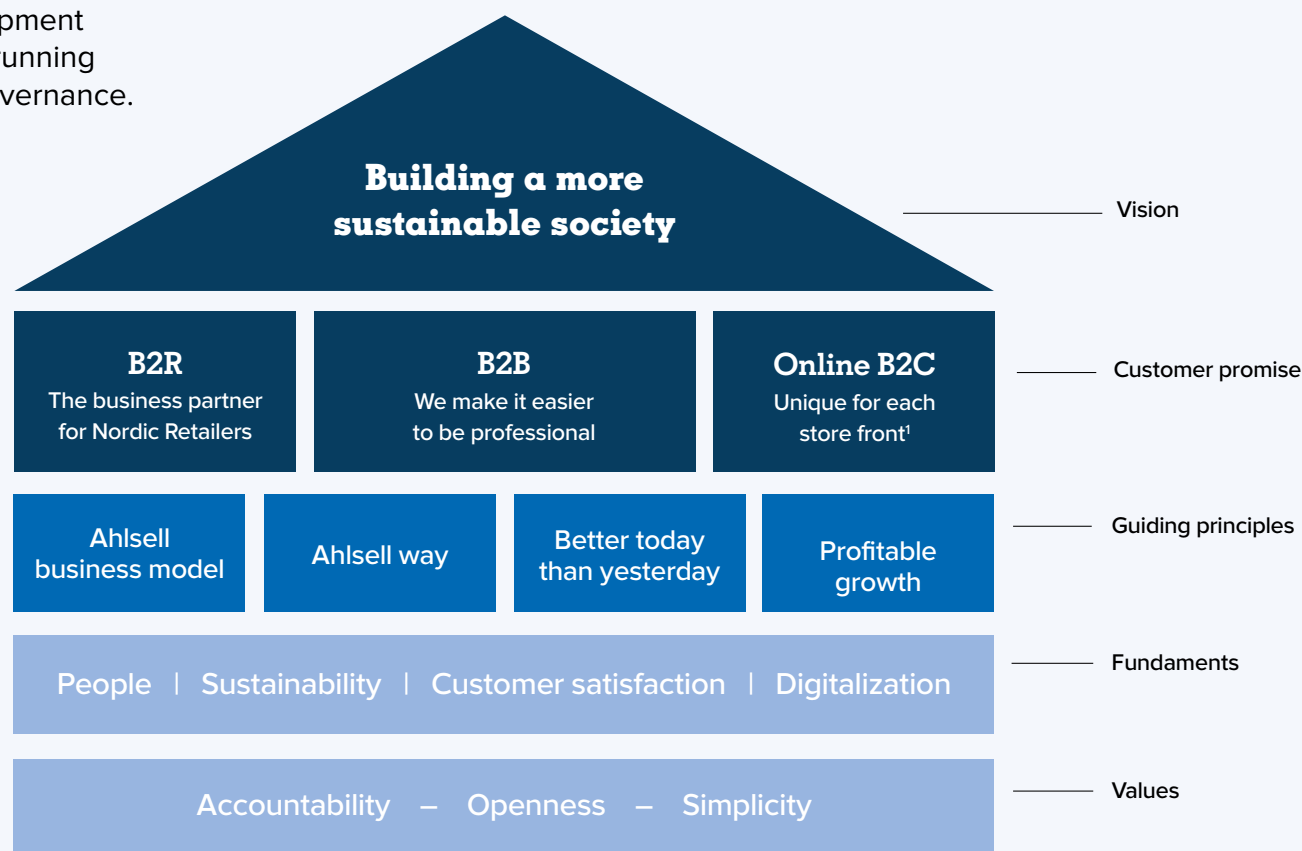
Ahlsell's goal is to be the leading distributor within the respective product segments in our primary markets.

To get there, we need to be an attractive partner for customers and suppliers. Sustainable development in business and society is a common thread running through our business model, strategy and governance.

## Ahlsell's framework

Ahlsell's strategic house constitutes the direction, framework and focus for developing our business. The foundation is built on our core values, Responsibility, Openness and Simplicity. On this foundation rest our People, Sustainability, Customer Satisfaction and Digitalisation pillars. These two blocks form the basis of our business and model towards our Vision – Building a more sustainable society.

We call the way we do this One Ahlsell. It describes our business model, our culture, how we work with continuous improvements and how we drive profitable growth.



<sup>1</sup> The promises we make our customers differ between different e-commerce channels and brands.



## "Growing faster than the market requires innovation, creativity and additional actions"



### The Ahlsell Model

For more than 140 years, we have worked according to the same fundamental customer satisfaction model. Our four fundamental success factors contributing to customer satisfaction are:

- **Scale**  
A strong market position and large volumes give scale benefits through procurement, sales, logistics and business support.
- **Breadth**  
A broad range and offering reduces customers' total costs and increases customer loyalty. Our effective matrix organisation offers expertise and depth in each range. At the same time, our breadth enables economies of scale and cost synergies for customers as well as Ahlsell.
- **Local presence**  
Having a local presence allows for close customer relations and gives the brand exposure. With a seamless transition between stores, the sales force and e-commerce, we can meet customers on their terms.
- **Value-based offering**  
Relevant services, advice, availability and product delivery precision are what we offer our customers. This combination exceeds the value of dealing purely in products.

### The Ahlsell Way

The Ahlsell Way is about how we work in our organisation. The strategy includes creating employee engagement, shared core values, leadership, our Code of Conduct and our successful model for leading the business.

### Our core values

Our core values describe how we work and how we relate to customers, suppliers, society and, not least, each other. Leadership and employeeship in Ahlsell's culture are defined by strong business acumen and an entrepreneurial spirit. This requires initiative and individual development, and the aim is to reach high levels of motivation in all employees.



### Code of Conduct

Our code of conduct describes how the company must be run on an ethically, socially and environmentally sustainable basis. We expect everyone in the organisation to observe the Code, and we make the same demands of our suppliers and partners.

### Market-oriented organisation

Ahlsell strives for a market-oriented and decentralised organisation with developed local entrepreneurship to efficiently create value for our customers. Shared corporate principles and models set a clear structure for follow-up, management and business development.

### Continual improvement

We are a decentralised and learning organisation, which enables us to quickly adapt to changes in demand and customer requirements. Improvement is partly about strategic planning and follow-up, and partly about always striving to identify and harness

opportunities for improvement in all parts of the organisation.

### Profitable growth

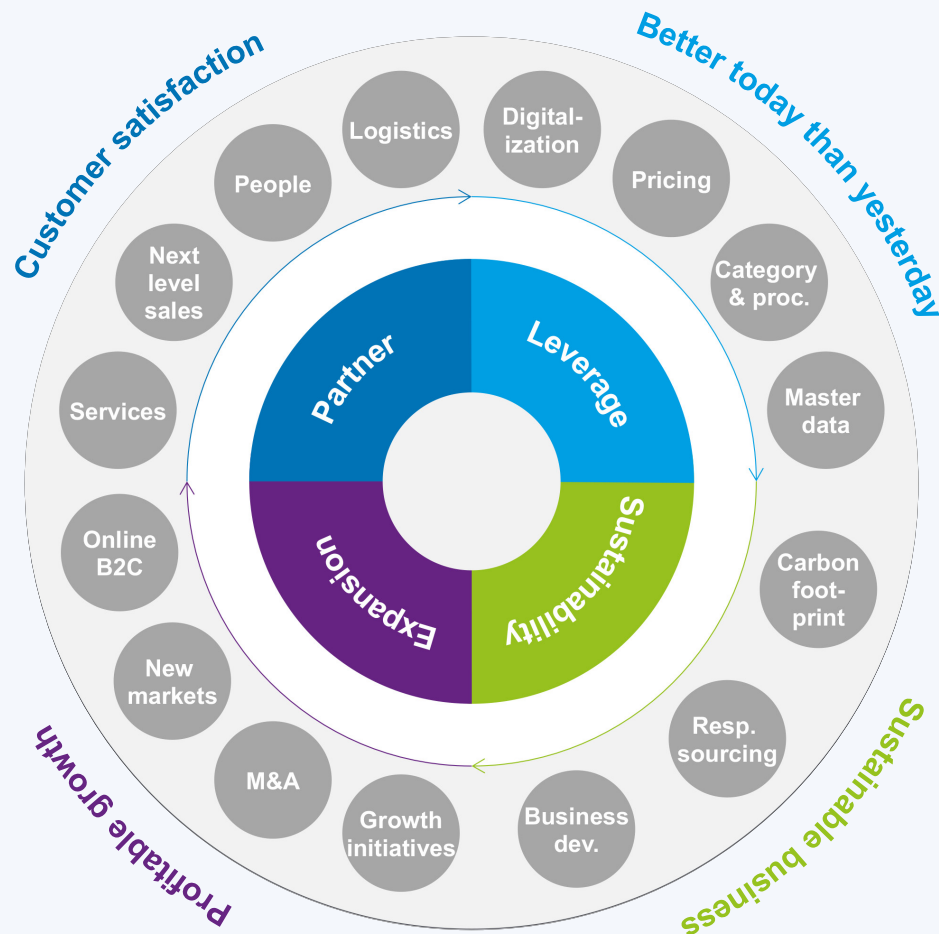
#### Organic growth

Growing faster than the market requires innovation, creativity and additional actions such as large- and small-scale strategic initiatives. Ahlsell works proactively to develop new business with new and existing customers and to expand our customer offer.

#### Acquisitions

Ahlsell is strengthening its market position through large and small acquisitions. Acquisitions can take place in existing markets within established product categories, and also within obvious niches in which clear synergies exist. Acquisitions contribute increased product breadth, new customer segments and markets, and new expertise and new employees. ►

# Strategy 2027



## Updating our strategy – more focus on sustainable development

In 2022, we worked to update, develop and nuance our overall company strategy. Considering how the world around us is changing, not least in terms of our major societal challenges and the need to make a rapid sustainable transition, there is a need to clarify Ahlsell's role, focus and ambition. Our new strategic plan describes prioritised target areas 2023–2027.

Christina Lindbäck,  
Director of Sustainability and Communications



## Sustainability Director's statement

Ahlsell shall contribute to building a more sustainable society. Regardless of what we sell, it should be a benefit to society. For instance, cables for safer and better electricity transmission, plastic pipes dimensioned for heavy rainfall and personal protective equipment such as helmets or shoes for those who risk stepping on sharp objects in their daily work.

To contribute to a sustainable society, our operations and products cannot have a negative impact on the climate or the environment and must have the right social requirements in the value chain. This means, for example, that the entire supply chain works with human rights and superior labour law conditions. The climate survey we have carried out shows that our products account for more than 90 percent of our total carbon dioxide emissions of around 5 million tonnes a year. In fact, most of our revenues today come from products that are carbon dependent from a life cycle perspective. Our goal is therefore to break the link between Ahlsell's continued growth journey and carbon dioxide emissions.

More products need to be manufactured without fossil materials or energy sources and they need to be recyclable. We also need to continue to develop services that save resources and contribute to a circular economy. For example by offering customers a hearing protection subscription rather than buying ear muffs, investing more in spare parts and repair services, and receiving the end-of-life recyclable materials our suppliers need in their manufacturing. Customers will gradually be able to make sustainable choices as we want to make it an option for them.

The way forward requires us to collaborate between different Ahlsell functions and departments, but also with our suppliers and customers. We need to help each other find new green business and choose the partners who, like us, strive towards a society with net-zero climate impact by 2045. In order to know that our actions are of benefit, we also need to improve our goal setting and results follow-up in the short term. With a more clearly integrated sustainability perspective in our business strategy, we are now well placed to take the next step!



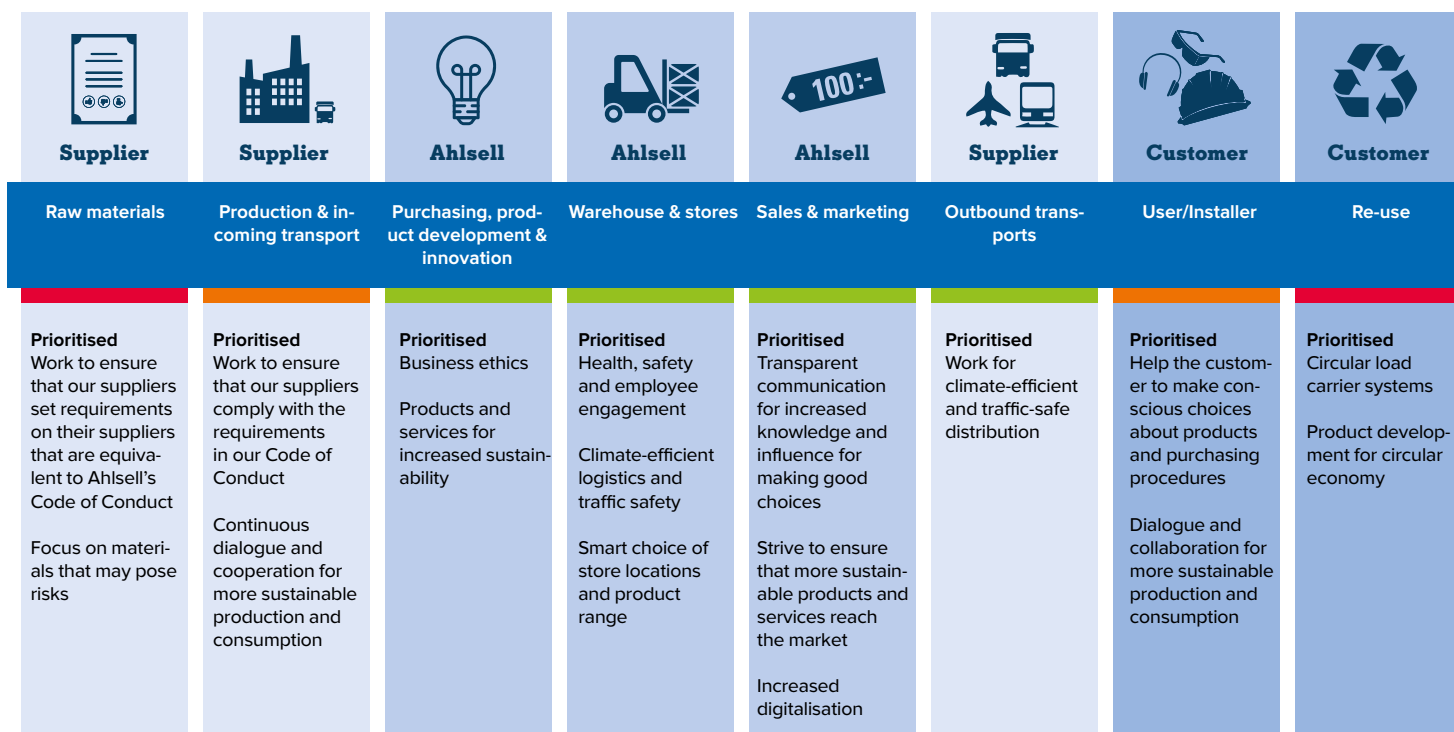
# Sustainability in everything we do

The expression “Sustainability in everything we do” means that sustainability is a natural part of our business and that we place great emphasis on exerting a positive influence.

## Ahlsell's value chain

Based on customer needs

■ Low influence ■ Medium influence ■ High influence



**Our value chain.** The illustration shows Ahlsell's and our products' value chain, with an overview of prioritised areas, activities and the degree of Ahlsell's influence on sustainable development.

For our customers, we make it easier to make sustainable product choices by having the right range and by pointing out the best products for a specific situation. Customers have made sustainability a purchasing criterion and many times we win contracts thanks to our systematic climate, environment and social responsibility efforts.

For our suppliers, we are a driving buyer who makes demands and gives feedback and suggestions for improvement. As purchasers of transport, we place high demands on environmental performance and safe driving. We are proud to be a player that leads the way in sustainability.

### Business management with support and certified management systems

In addition to the Code of Conduct, we manage our operations with the support of a number of Group-wide policies, including a quality and environment policy. Ahlsell's operations in Sweden, Norway and Finland are quality and environmentally certified in accordance with ISO 9001 and 14001. Our purchasing office in Guangzhou, China is also ISO 9001 certified. Ahlsell Norway also holds work environment certification in accordance with ISO 45001.

The external audit conducted in 2022 of the Swedish operations' management system produced good results. Following site visits around the country and interviews with a close to sixty employees, the auditor submitted only three deviations and a number of improvement proposals, with the overall assessment that Ahlsell has a well-developed and mature management system.

### Organisation for sustainability

Work on sustainable business and its development is integrated into regular operations and decision-making processes. Each manager and employee is obliged to contribute within the framework of his/her role and mandate. At Group level, there is a strategic function with the task of developing, managing, coordinating and supporting operations on sustainability issues. Since March 2022, Ahlsell AB has had a new Director of Sustainability, based in Group Management. The Group function has also been expanded to include a sustainability analyst and a sustainability strategist to speed up the work. From winter 2022, all national operations have a sustainability manager in their organisation. ►



### Code of Conduct for Ahlsell and all business partners

Ahlsell has signed the UN Global Compact, which entails a commitment to implementing principles for responsible business dealings with regards to human rights, labour rights, the environment and anti-corruption. Our Code of Conduct describes the expected behaviour of all parties concerned and is based on the UN Global Compact, the UN Universal Declaration of Human Rights and associated UN conventions, the ILO Core Conventions and the OECD Guidelines for International Enterprises.

The Code of Conduct applies to all employees within the Ahlsell Group, the Board of Directors and our business partners. Internal Code of Conduct training courses are held regularly with the aim of ensuring that all employees are aware of and are able to act in accordance with our common approach. By the end of 2022, 75 (84) percent had completed the “The Code” training course. Since a new digital course has been under development, no trainings have been conducted during the year.

We also conduct supplier audits and require the Code of Conduct to be part of our agreements with significant business partners. How we work with suppliers is explained in more detail under the Responsible Sourcing section on page 33.

The Code of Conduct is reviewed and approved annually by the Board of Directors together with other Group policies. Group Management is responsible for ensuring compliance with the

Code of Conduct and that this is followed up on an ongoing basis.

### Good business ethics

Ahlsell's actions must be characterised by respect for customers, suppliers, other business partners and the local communities in which we operate. The goal is to develop long-term, stable business relationships in which Ahlsell is considered a responsible and professional partner. We do not tolerate corruption and unethical business conduct. Neither Ahlsell nor anyone acting on behalf of Ahlsell may grant, offer or promote payments, gifts or other benefits that may affect or be perceived as influencing the objectivity of a business or government decision. Similarly, neither Ahlsell nor anyone acting on behalf of Ahlsell may accept, receive or request gifts or other benefits. Nor is it permitted to enter into agreements or share sensitive information with competitors. In this context, it can be mentioned that in 2022 the Finnish Competition and Consumer Agency (FCCA) concluded an ongoing investigation of several companies in the water and sanitation industry in Finland, including Ahlsell Oy. Based on its conclusion, the FCCA requested that the Market Court of Finland impose fines on these companies. This includes the FCCA request that Ahlsell Oy be fined EUR 4 million for alleged breach of competition law. Ahlsell Oy disputes violations in the ongoing case in the Market Court.

Ahlsell is continuously conducting training initiatives in these areas, and in 2022 Ahlsell trained around 2,400 employees (mainly in the purchasing and sales organisations in Sweden, Norway and

Finland) on issues relating to fair competition.

### Whistleblowing

Ahlsell always follows up on suspected unethical conduct. We also have a whistleblower function that is available to both employees and external parties to use as required. It can be accessed via our intranet, our website [www.ahlsell.com](http://www.ahlsell.com), and from the website of each country. Since the beginning of 2022, Ahlsell has engaged an independent supplier to receive whistleblower complaints, ensuring whistleblower anonymity.

Once a report has been registered, it is processed by the independent operator's case officer who contacts the appropriate Ahlsell contact person from a predetermined list of several names. Case investigations are conducted by a whistleblowing committee consisting of the Group HR Director, the General Counsel and the Head of Internal Control and Risk Management. The reported cases that are not considered to be in conflict with the code of conduct or applicable legislation (e.g. personnel cases or non-compliance with internal procedures) are referred back to line reporting by the independent operator.

In 2022, a total of two cases were received in the whistleblower scheme, of which none related to suspected unethical conduct. All cases were investigated and closed, none of which had legal or serious disciplinary consequences. Ahlsell was not made aware of any corruption in 2022. Nor have any disputes been brought against Ahlsell or its employees on that basis.

### WE SUPPORT



#### Ahlsell has signed the UN Global Compact.

This entails a commitment to support ten principles for human rights, working conditions, the environment and anti-corruption, and to actively implement them in our business.



### Top marks in EcoVadis' assessment

Ahlsell's sustainability work was evaluated in 2022 for the seventh consecutive year by assessment company EcoVadis. The assessment is based on 21 criteria in the areas of environment, health and safety and working conditions, including human rights, ethics and sustainable purchasing. Ahlsell's results increased from 68 to 76 out of 100 possible points, which was rewarded with the highest level “Platinum”.



# In dialogue with our stakeholders

Ahlsell's value creation and development takes place in collaboration with customers, suppliers, employees and other stakeholders. In order to stay up-to-date and take advantage of the potential in trends and changes, we have an ongoing dialogue with the stakeholders who influence and are affected by our business.

Having close contact with our stakeholders and hearing their requirements and expectations makes it easier to plan and prioritise for the future. In our efforts to be one of the industry's leading sustainable companies, we are also involved in driving important issues by being active in various organisations. Some examples of this year's focal issues include: common industry databases, stricter legal requirements, and environmental and sustainability product data.

## Increased interest in sustainable development

In recent years, our collective stakeholder dialogues (employee surveys, customer dialogues, supplier audits, etc.) have shown that sustainability issues have grown in scope and significance. Expectations on Ahlsell to be a committed actor in sustainable social development have also expanded, keeping pace with the growth in insights and knowledge on issues regarding climate change, the circular economy, human rights and anti-corruption.

The analysis of stakeholder dialogues highlighted areas where our sustainability strategy needs to be further developed in order to be aligned with expectations: more ambitious and clear goals for health, the environment, and circularity for our products; improved information about environmental and sustainability declarations; and increased focus on sustainable employeehip and inclusive culture.

## Overall prioritisation dialogue

In 2021, an overall stakeholder dialogue was conducted in which customers, owners, suppliers and employees were asked to prioritise which issues and areas they consider to be of the greatest importance for Ahlsell's operations and sustainable development. A total of 200 respondents responded to a digital survey and ranked pre-defined subject areas based on EcoVadis, GRI SRS and the Ten Principles of the UN Global Compact. Ahlsell's Group management and country management also evaluated the topics on a four-point scale.

## Our stakeholders and forms of dialogue

We have defined our key stakeholders as the groups most affected by and/or who impact our business. These include customers, suppliers, employees, industry organisations, the local community and our owners.

## Customers

Each customer is assigned a salesperson who is responsible for ensuring that their needs are met in the best possible way, and actively seeks out common and improved solutions. Our ongoing discussions regarding offers and agreements provide information on areas of improvement, as well as insight into the customer's future needs. Additionally, we also work actively with customer interviews, focus groups and different tests with the aim of continuous development based on customer needs.

## Interviews with business customers

In 2022, we conducted a special stakeholder dialogue in Sweden with a focus on sustainable development. It consisted of in-depth interviews with 22 business customers.

The results show that sustainability issues have become more important to customers and that their demands and expectations are increasing. Stricter impending legal requirements, their own company values and their customers' demands were listed as the most important drivers. Climate impact reduction, information about the products' climate footprint, more environmentally sound products and services for recycling were highlighted as important areas. Many customers are also asking for more and better advice from our salespeople on making sustainable choices, as well as the possibility of choosing more environmentally friendly transport.

## Suppliers

Having good, long-term relations with our suppliers is the foundation of everything we do. Continuous development meetings, follow-ups and audits are held in order to expand our product flows and range, as well as to improve our collaborations.

## Employees

Employee appraisal interviews are conducted annually between managers and employees. This is when goals are set and followed up on, which is a prerequisite for good performance. During the year, activities are followed up in brief follow-up dialogues where employees and managers give each other feedback.

## Industry organisations

To nudge the industry in a sustainable direction,

Ahlsell is taking an active role in various industry organisations. These organisations enable ongoing external analysis and monitoring of new laws and regulations. Our memberships also show our commitment to observing ethical rules which promote good business practice and sustainable development in the market. See more about our participation in organisations in Note 6 on page 54.

## Local community

Ahlsell's operations create clear values in the communities in which we operate. In addition to paying salaries, employer fees and tax, we attach great importance to smoothly cooperating with the local municipalities in which we operate.

## Owners

Our main owner, CVC Capital Partners, plays an important role in Ahlsell's direction and focus. They convey a clear focus on sustainability, not only within the framework of the Board's work, but also through the continuous exchange of knowledge and expertise concerning sustainability processes and initiatives.

## Materiality analysis

Ahlsell's work regarding sustainable development covers many different areas. We place the greatest focus on the areas where we may have significant actual or potential impact, that are most important to our stakeholders or that pose significant risks to or opportunities for our operations. Together with the annual analysis of risks and opportunities, as well as the evaluation of significant environmental considerations, the stakeholder dialogue constitutes the basis for Ahlsell's materiality analysis. The materiality analysis is evaluated annually and forms the basis of our sustainability strategy and its subsequent priorities, goals and activities. For more information on the implementation and results of the materiality analysis, see page 52 Note 1.

In this report, the areas identified as essential for us to work with have been collected under the following headings: *Reduced environmental impact, Responsible sourcing, Health and safety, and Employeehip.*

# Ahlsell and the Sustainable Development Goals

## Ahlsell's contribution



### Sustainable cities and communities

This is our main goal. Our job is to enable and simplify the creation of tomorrow's society, and we are well aware that it must be done sustainably. The aim is to contribute as much as possible with as little negative impact as possible.



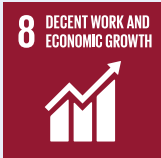
### Clean water and sanitation for all

In the Nordic region, clean water and sanitation are part of our business. We are enabling new water and sanitation solutions throughout the Nordic region. We supply houses and apartment buildings with sewage systems and wastewater treatment plants. We are also a major supplier of hygiene and sanitation products.



### Sustainable energy for all

Tomorrow's energy needs demand that we streamline the use of energy and substantially expand the existing grid. Ahlsell supplies cables, solar cells and charging points throughout the Nordic region. In addition, we are experts in everything from lighting to network hardware.



### Decent working conditions and economic growth

A safe and secure workplace is a right. We work continuously to improve the health and safety of our employees. Ahlsell has made an effort during the year to help our customers make their workplaces even safer.



### Sustainable industry, innovations and infrastructure

Industry and infrastructure are two of Ahlsell's most important customer segments. Through our logistics solutions and our focus on having a local presence, these projects can be run in both rural and urban areas.

## Ahlsell's challenges



### Gender equality

Ahlsell operates in an industry that has traditionally been – and still is – very male-dominated, which is a challenge. We therefore work actively to promote increased equality – both in the company and in the industry.



### Decent working conditions and economic growth

Although decent working conditions are a given in the Nordic region, we must be vigilant and set requirements for this in our supply chain. The industry's raw material extraction and production often takes place in countries with fewer controls in place, but there are also risks in the Nordic region. Often, but not exclusively, these are linked to foreign subcontractors and contract workers who do not enjoy the same job security.



### Sustainable consumption and production

Responsible extraction and recycling are major challenges in the industry. We need to increase our focus on circular processes and reward circularity. This presupposes a gradual phase-out of hazardous substances and substances that cannot be circulated.



### Climate action

The climate is the fateful issue of our time. Conducting business in the future will require that it is done with a minimal carbon footprint. Ahlsell will halve its CO<sub>2</sub> emissions from 2016 to 2030 and be fossil-free by 2045.



# Goals & outcomes

Ahlsell's sustainability strategy is based on our materiality analysis. Goals, metrics and governance for our various focus areas are continuously being developed. The following is an overview of measurable goals and outcomes for 2022.

|              | Reduced environmental impacts                                                                                                                                                                                                                                                                                      | Responsible sourcing                                                                                                                                                                                                                                               | Health and safety                                                                                                                                                       | Sustainable employeeship                                                                                                                                                                                                                                                                   |
|--------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|              |                                                                                                                                                  |                |   |                                                                                                                      |
| Key issues   | Climate impact, Circular economy                                                                                                                                                                                                                                                                                   | Sustainable supply chain, Human rights, Local presence                                                                                                                                                                                                             | Safe workplace, Injuries and sick leave, Safe products                                                                                                                  | Skills development<br>Employee well-being<br>Gender equality & diversity                                                                                                                                                                                                                   |
| Goal         | <ul style="list-style-type: none"> <li>Halve the carbon footprint by 2030 compared with 2016, measured as tonnes of CO<sub>2</sub>e/MSEK turnover<sup>1</sup></li> <li>Be fossil free <b>by 2045</b></li> <li><b>Waste sorting rate by 2025:</b><br/>Stores <b>80%</b><br/>Logistics centres <b>90%</b></li> </ul> | <ul style="list-style-type: none"> <li>Number of high risks in the supply chain 2025: <b>0</b></li> <li>Proportion of suppliers who have adopted Ahlsell's Code of Conduct: <b>100%</b></li> <li>Evaluated suppliers in % of purchase value: <b>50%</b></li> </ul> | <ul style="list-style-type: none"> <li>Work-related accidents: Zero accident vision</li> <li>Sick leave: max <b>4,5%</b></li> </ul>                                     | <ul style="list-style-type: none"> <li>Percentage of employees who have completed "The Code" training: <b>100%</b></li> <li>Proportion of women in managerial positions: <b>30%</b> 2030</li> <li>Percentage of employees who have had employee appraisals: <b>100%</b></li> </ul>         |
| Outcome 2022 | <ul style="list-style-type: none"> <li>0.55 (0.69) tonnes CO<sub>2</sub>e/MSEK sales, which is a <b>61%</b> decrease from 2016</li> <li><b>Waste sorting rate:</b><br/>Stores <b>57%</b> (52)<br/>Logistics centres <b>91%</b> (90)</li> </ul>                                                                     | <ul style="list-style-type: none"> <li>Proportion of suppliers who have adopted Ahlsell's Code of Conduct: <b>83%</b> (81)</li> <li>Evaluated suppliers in % of purchase value: <b>47%</b> (52)</li> </ul>                                                         | <ul style="list-style-type: none"> <li>Work-related accidents involving sick leave: <b>30</b> (30)</li> <li>Sick leave: <b>5.1%</b> (4.4)</li> </ul>                    | <ul style="list-style-type: none"> <li>Percentage of employees who have completed "The Code" training: <b>75%</b> (84)</li> <li>Proportion of women in managerial positions: <b>24%</b> (22)</li> <li>Percentage of employees who have had employee appraisals: <b>94%</b> (95)</li> </ul> |

<sup>1</sup> For definition and limitations, see Note 3 on page 53.

**FOCUS**

# Reduced environmental impacts





# Reduced climate impact and increased resource efficiency

The climate is the fateful issue of our time: Climate crisis, resource scarcity, pollution, and the depletion of the Earth's ecosystem. Ahlsell has set the relative goal of halving the company's carbon footprint by 2030 and having a fossil-free value chain by 2045. Together with customers and suppliers, we also work for more resource-efficient and circular products and business.

Operating within the boundaries of the planet and contributing to a sustainable societal transition requires both step-by-step concrete improvement measures and new innovative solutions. Ahlsell's long-term ambition is climate-neutral and circular business models and material flows, though the journey has only just begun.

## **The greatest environmental impact in the product chain**

In terms of the entire chain, most of the climate and environmental impact comes from the supply chain and from the manufacturing and use of the products we sell. Ahlsell's environmental work covers the entire value chain, with goals and measures in areas where we have the greatest authority and opportunity to influence, and through dialogue and collaboration where our impact and influence are more indirect.

## **Systematic environmental work supported by ISO 14001**

In our three main markets, we conduct systematic environmental work in accordance with an ISO 14001-certified process. Objectives and metrics have been established for identified significant environmental aspects and our improvement efforts are continuously followed up. Processes and procedures within the framework of the environmental management system are adapted and developed to optimally guide and support the business. Examples of the past years' enhancements are guidelines and procedures for basic analyses – significant environmental and sustainability risks and environmental aspects, as well as for recycling and waste management.



# Environmental work in our own operations

The focus of our environmental work is on three main target areas linked to our own core business: Efficient logistics, improved recycling, and energy efficiency improvements in our own premises.

## Efficient logistics

Logistics and transport are a big part of our business. Imports, warehousing and transport to customer sites are all considerable items in our total carbon footprint. Transport from our warehouses to customers is handled by professional logistics partners. Continuously reviewing and adjusting our regular logistics flow is by far the most important method of reducing our environmental impact. For example, by picking, packing and loading and planning routes more optimally. Through our main partner DB Schenker's collective transport, a large proportion of customers' goods are packed together with other goods that are going in the same direction. We also maintain an ongoing dialogue with both carriers and customers in order to optimise loading and delivery and strive for an increased load efficiency. We also discuss with our customers how better planning can reduce the need for last-minute transport. Our "Efficient Project Logistics" service improves our customers' opportunities to reduce their major construction project emissions. We work continuously to optimise transport to our stores in order to reduce our emissions.

We set clear environmental requirements for both transport companies and their vehicles. In 2022, the

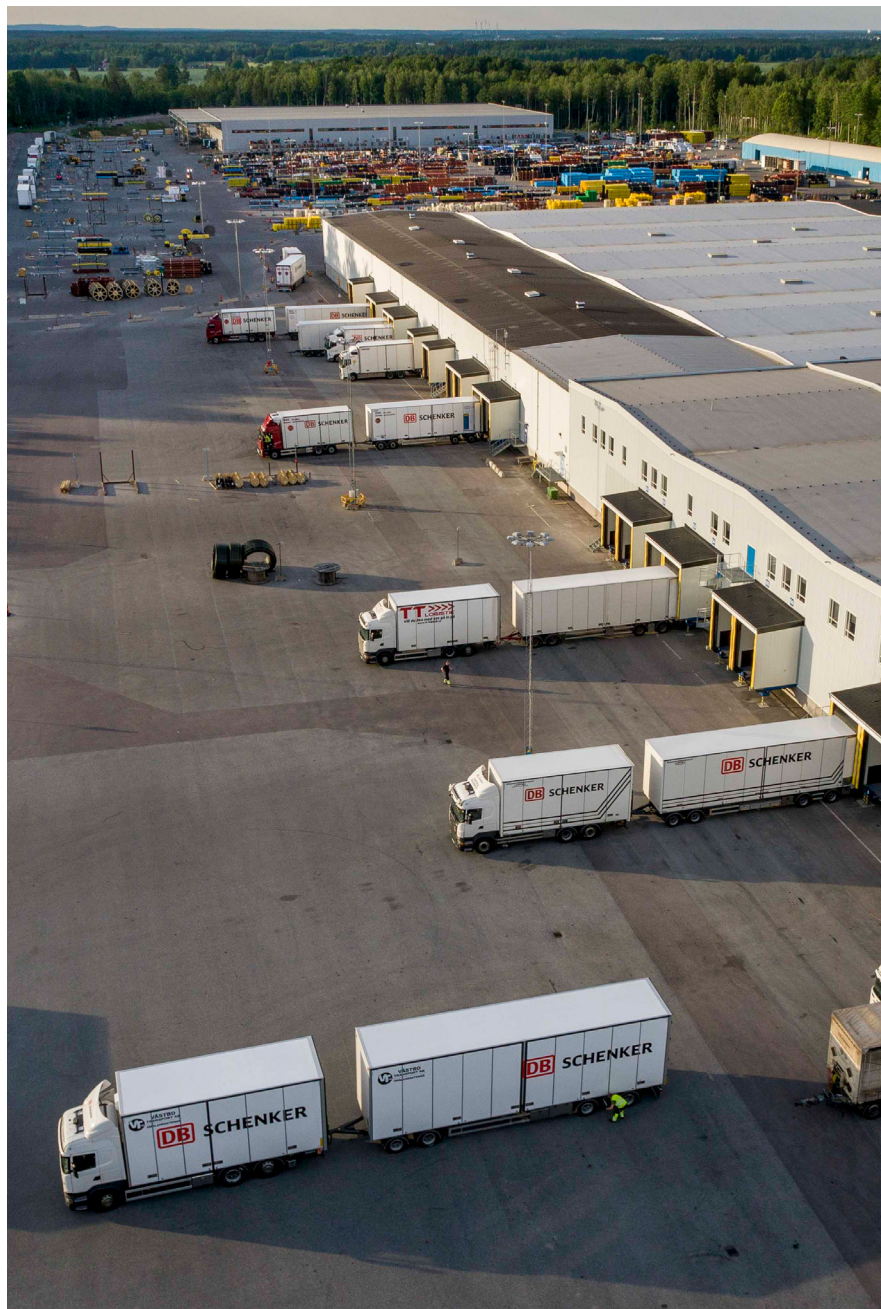
requirements were emphasised in order to speed up the transition to renewable fuels in our transports, through electrification and blending of biogas, ethanol or HVO. We also encourage our carriers to optimise processes, technology, efficiency and capacity utilisation.

## Investment in renewable and electric transport

We are continuing our work on renewable transport flows. In Sweden, all long-distance haulage now runs on HVO100.\* In Norway in 2022, 95 percent of long-distance transport was run on renewable energy (on HVO100, biogas, increase in electric vehicles and a greater proportion of rail deliveries).

In Sweden, since 2021 we have been collaborating with the Swedish tech company Einride, for continued development towards electrified, and in the future, automated freight. The agreement currently covers the regular routes between the central warehouse in Hallsberg and Mariestad.

At our logistics centres in Sweden and Norway, all machines and forklift trucks are powered by electricity or HVO100. However, the energy and fuel crisis in 2022 poses a challenge in accessing renewable fuels at a reasonable cost.



\* HVO100 is a renewable diesel fuel that is mainly produced from abattoir waste and forestry residues.





### Better planned deliveries reduce the climate impact for Elinorr

Elinorr is a network of 18 local electricity network companies in southern and central Norrland. Since 2013, the network has been collaborating with Ahlsell to supply materials to the companies' operations. In 2022, a new agreement characterised by a greater focus on sustainability was signed after a procurement process. Among other things, there was a request for a solution that would reduce the climate impact of transport operations.

"We saw paying for freight as a good means of control. By setting a price for the emissions generated by freight, we show companies in black and white that it pays to consolidate their deliveries to a fewer number of days," says Fredrik Andersson, business developer at Elinorr.

"Elinorr is the first company to want to pay for freight to reduce both environmental impact and delivery costs," says Eje Gunnarsson, Regional Sales Manager at Ahlsell.

The new structure has been well received by the companies. The opportunities to reduce the number of deliveries vary. At present, eleven of the companies have reduced their deliveries to one or two per week. As the companies' operations are critical to society and must always function, it is possible to get quick extra delivery if necessary.

"A valuable partner, Ahlsell is at the forefront and is genuinely interested in being involved in our journey towards a more sustainable society," says Fredrik Andersson.

### Supplier collaboration saved over 500 tonnes of packaging plastic

During the year, we worked together with selected suppliers to reduce the amount of packaging plastic in deliveries between the supplier and the logistics centre. In many deliveries, we see that a lot of goods have an unnecessary amount of packaging. The ambition is to reduce the amount of material while continuing to protect the product's function and appearance, and to maintain good logistics functioning.

In 2022, together with Nexans, one of our major suppliers with a focus on cables, we managed to reduce the amount of plastic film on selected articles by more than 500 tonnes.

Reduced packaging material saves the environment, costs and handling time – not only for the supplier and Ahlsell, but also for the customer.



### Smart logistics solution for the rollout of the 5G network

In collaboration with Ahlsell, technology consultant Vinnergi works for efficient logistics in rolling out the 5G network, an extensive project with construction sites all over Sweden.

At the beginning of 2022, Ahlsell became Vinnergi's logistics partner, with responsibility for collecting, packaging and calling off all the materials needed at the installation sites. By establishing hubs for multiple installations in a given geographical area, the number of deliveries and transport distances could be reduced while increasing the availability of Vinnergi's technicians. Material is sent in a consolidated delivery from Ahlsell's logistics centre in Hallsberg to the hub established close to the sites. All in all, there are five hubs that supply around ten work teams on sites all over Sweden with materials. In the hub, it is also possible for the technicians to pre-assemble certain parts, thereby saving time at the installation site.

"We don't have to set up our own, smaller warehouses, and our technicians don't have to go back and forth searching for and collecting things. Ultimately, this means that we use our time more efficiently and get our sites up on time," says Martin Palmér, operations manager at Vinnergi Civil Works.

As the new 5G equipment is installed, the existing technology needs to be dismantled. This generates material with a resale value that needs to be taken care of and reused. Ahlsell assists with the return logistics.



### Reduced carbon emissions give an interest discount

Ahlsell receives an interest rate discount on the company's bank loans, based on our climate work in Scopes 1 and 2. The condition for the interest rate discount is to meet the following two objectives:

- 10 per cent reduction in emissions (CO<sub>2</sub>e/MSEK) over the past two years, as well as an improvement compared with the previous year.
- Reporting of the sustainable investments made during the year. Definition of sustainable investments: Investments or increased costs resulting from initiatives aimed at reducing the environmental and/or climate impact of the business.

### Reduced waste and increased material recycling

The majority of the waste that arises in our warehouse and retail operations is various types of packaging and packaging materials, primarily corrugated cardboard, wood waste and plastic. Waste management systems in the Nordic region are well-developed and Ahlsell engages professional contractors to manage our sorted waste and ensure that it can be recycled. We also work purposefully to achieve the highest sorting rate possible. In 2022, the average value was 91 (90) percent in our central warehouses and 57 (52) percent in our stores. The small proportion of hazardous waste that arises from operations is handled in accordance with established procedures.

A new central procurement of waste contractors was conducted in 2022. The purpose of the new collaboration is to achieve better measurability and data on our waste to serve as a basis for following up on goals and improvement measures. Despite having a relatively high sorting rate, we are constantly striving to reduce our consumption of packaging material and to improve our recycling and reuse performance. A couple of examples are measures to reduce packaging sizes and switch to renewable plastic film. Together with our suppliers, we work to identify and phase out unnecessary packaging throughout the value chain. Using return crates and return pallets as load carriers instead of disposable material is an example of saving resources and reducing waste.



### Efficient and renewable energy use

By reducing energy use and increasing the proportion of renewable energy, we are reducing our carbon footprint. The energy supply in our logistics centres and most of our stores comes from renewable energy sources for which we have central agreements with energy suppliers and with property owners. Special environmental requirements have been introduced in new rental contracts, and in Sweden we have carried out energy surveys in accordance with the national law on energy surveys in large companies.

Efforts to improve energy efficiency are continuously being made based on action plans in each country. Examples of measures taken during the year include the continued transition to LED lighting in several stores and the installation of solar cells on store roofs. The possibilities for measures vary, as we do not usually own the properties. Due to high energy prices in 2022, property owner interest and incentives to save energy and reduce their dependence on electricity have also increased significantly.

### Examples of energy measures during the year:

- In Finland, we replaced the oil-fired boiler in the Hämeenlinna store with an air/water heat pump. We have one remaining property with an oil-fired boiler, which is scheduled to be replaced in 2023.
- In Norway, as of 2021, we have an agreement for 100 per cent certified renewable electricity for the logistics centre in Gardermoen. We have also installed LED lighting with improved time control.
- In Sweden, 15 stores have switched to LED lighting during the year. We have also conducted energy analyses and produced action plans for further energy optimisation of three properties.

### Climate goals in line with the Paris Agreement

Ahlsell's overall climate goal is to halve its carbon footprint by 2030 in relation to our net sales (relative target) compared with 2016 and to be fossil-free throughout the value chain by 2045. Our measurable climate target has so far been limited to the

GHG Protocol's Scopes 1 and 2 (direct emissions from our own operations and from purchased energy) as well as travel and transport in Scope 3. In terms of the entire value chain, our products and the supply chain account for the majority of the total carbon footprint. We have now started the process of formulating more comprehensive measurable climate goals in line with the Paris Agreement and the 1.5 degree target.

During the year, it was decided that Ahlsell will develop scientifically based climate targets in accordance with the Science Based Targets initiative (SBTi) model. A feasibility study has been conducted regarding the possibility of joining the SBTi, and based on a spend analysis, an assessment has been made of Ahlsell's emission levels for Scopes 1, 2 and 3. The next step is to join our holding company's "Acceleration programme" for in-depth analysis of emission records and possible measures. The goal in 2023 is to apply to the Science Based Target initiative and to have verified climate targets for all Scopes in place during 2024.

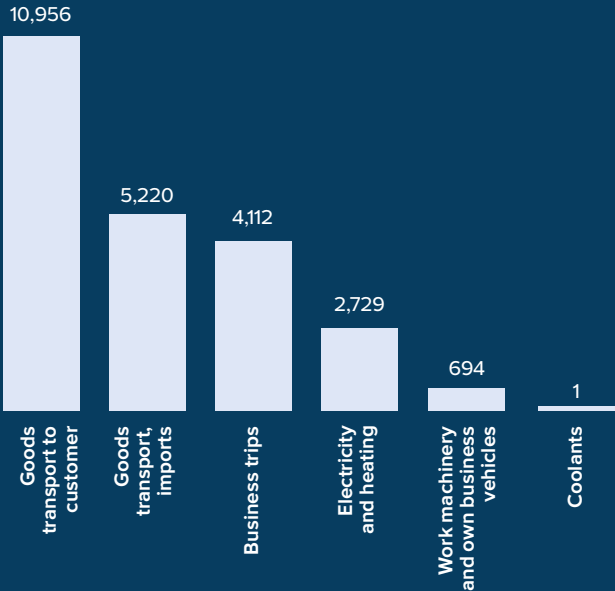


# Data and key performance indicators

## Ahlsell's climate impact, tonnes of CO<sub>2</sub>e

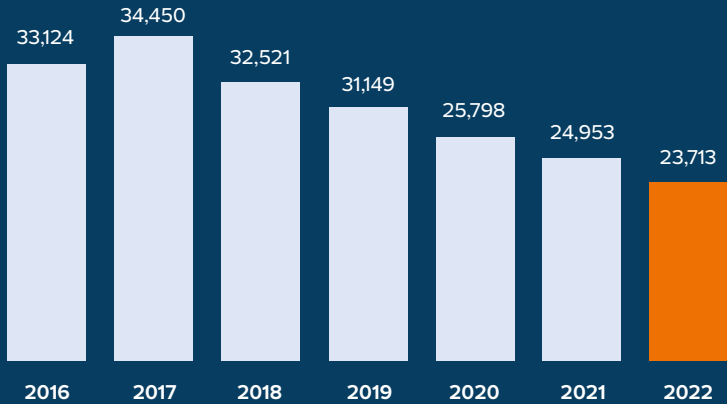
Ahlsell reports the total carbon footprint calculated for Scopes 1 and 2 of the GHG Protocol, as well as purchased transport and business travel in Scope 3, of which freight transport to customers constitutes the largest item.

In terms of the entire value chain, our products account for the vast majority of our total climate-impacting emissions, over 90% according to the climate survey we conducted. The ambition is to present measurable goals and data for all parts of Scope 3 in the future.



## Carbon footprint in absolute terms, tonnes CO<sub>2</sub>e

Our carbon dioxide emissions calculated for Scopes 1, 2 and 3 of the GHG Protocol (purchased freight transport and business travel) totalled 23,713 tonnes in 2022.



# Data and key performance indicators

## CO<sub>2</sub> emissions in relation to turnover, tonnes CO<sub>2</sub>e/MSEK

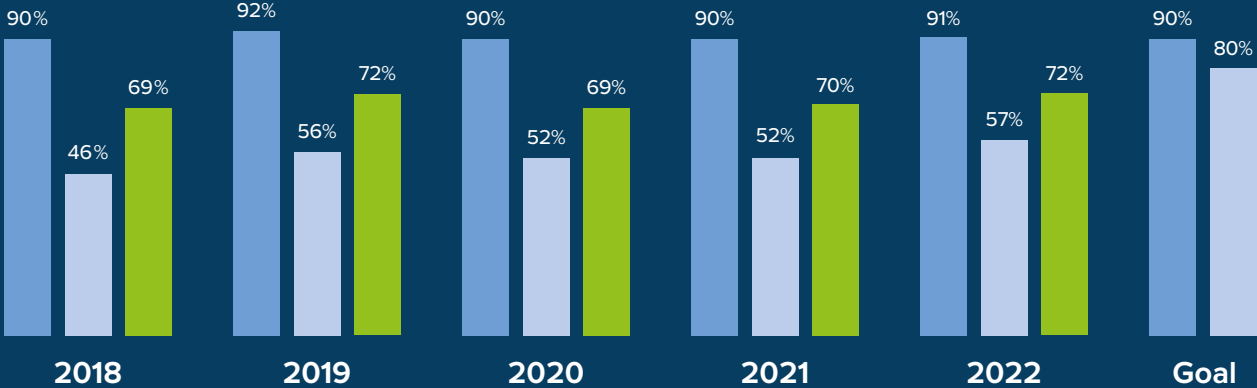
One of our climate goals is to halve our climate footprint by 2030 compared with 2016, in relation to our turnover. The outcome for 2022 is 0.55 tonnes CO<sub>2</sub>e/MSEK, for the calculated scope. This is an improvement of 20% compared to the previous year and a 60% reduction compared to the base year.



## Sorting degree, % sorted waste

We aim to sort as much of the waste that arises in our operations as possible to enable materials to be recycled. In 2022, the sorting rate was 57% in total measured by weight in our stores and 91% at our logistics centres. This corresponds on average to a total of 72% or 0.24 tonnes of waste per MSEK in sales. The total amount of waste in 2022 was 10,429 tonnes.

- Logistics Centre
- Stores
- Total





# Aiming for more resource-efficient and circular business

Together with customers and suppliers, we are working more proactively and strategically on environmental issues from a broader value chain perspective. Going forward, we see a need to more clearly formulate goals and strategies for sustainable products, material choices, product-specific climate and sustainability data, etc.



## **Development progressing rapidly**

At present, a complete transition to circular business models is many years away. Customers still choose to a large extent on the basis of traditional parameters. An understanding of circular economy needs to increase and there is often a lack of sufficient commercial arguments to prompt circulation of materials and products. However, developments and trends are moving quickly and we are seeing increased interest in trying and developing new solutions.

## **Innovation and collaboration for sustainable business development**

We see the need for and potential in collaborating with our customers for increased circularity and resource efficiency in offerings and product development. During the year, several successful projects and new offerings with a focus on climate and the environment were launched, leading the way towards the sustainable business models of the future.

## **Training in sustainable business creation**

An increasing number of customers are demanding more sustainability expertise from their Ahlsell salespeople to aid in their own sustainability work. We also see an increased need for our salespeople to understand what our customers' sustainability issues are and to be able to advise on more sustainable business.

During the year, we developed and launched a new course with a focus on sustainable business creation, primarily aimed at employees in strategic sales, such as key account and segment managers. The training starts with a short film on sustainable development from a customer and business perspective. The participants then discuss concrete case studies and best practice examples during a two-hour workshop based on four themes: Responsible sourcing, health & safety, circular economy and climate. The ambition is continuous training over time to enable more people to apply sustainability knowledge in customer meetings. The training will take place during 2022 and 2023 and will include around 300 participants. In autumn 2022, 150 people were trained in Sweden and ten or so in Norway.



## Skånebeslag – cutting-edge expertise in area of reuse and sustainable renovation

In Arlöv, just outside Malmö, lies Skånebeslag, a company that has been part of Ahlsell since March 2022. The business is based on a combination of classic craftsmanship and modern technology, with carpentry and a very wide range of fittings and hinges. The company has a clear focus on know-how, quality and sustainability, with reuse and renovation as a specialist area. "We repair building elements such as windows and doors and recreate furniture and interior design details so that they regain their original charm," explains Erik Lindahl, carpenter at Skånebeslag.

Thanks to their large international network of contacts, Skånebeslag is able to find special fittings outside the country's borders. They can also make new ones based on drawings of old and worn fittings.

One of Skånebeslag Snickeri's loyal customers is the Grand Hotel in Lund, with a history dating back to 1899. The owners are keen to preserve the soul of the hotel, which in many respects is present in its furniture and interior design details. This means that furniture and furnishings are restored, upholstered and rebuilt as far as possible.

"We work closely with Erik and his colleagues at Skånebeslag Snickeri. They produce unique furniture based on my drawings, but also renovate and refine existing furniture. In this way, we can conserve our planet's resources while creating a unique, high-quality hotel environment that ages beautifully," says Eva Nyström, the hotel's interior designer.

"It now feels as if more and more people are considering the possibility of repairing rather than throwing away what's broken or worn out," Erik Lindahl concludes.

Skånebeslag has a sustainability mindset at every stage. Since 2015, they have gradually expanded their photovoltaic system and are now completely self-sufficient in renewable energy.







Ecolumi is now available in several models, Ecolumi Circle was ready for sale in 2022 and Ecolumi Pendent will be delivered at the beginning of 2023.

## Lighting fixtures in circular design

Ecolumi lighting fixtures have been developed based on circular economy and sustainability. The products are made from 80 per cent recycled materials and designed to be upgraded over time and eventually recycled.

Stena Recycling has contributed knowledge in product development in order to achieve the best possible recycling value. The first products in the concept series can be recycled to 78 percent, which is comparable with the level for cardboard. Among other things, the fixtures have been designed with a smart socket to make it easy to replace the LED bulb and with shades made of recycled plastic.



No more plastic foil!

## Welding equipment rentals

At Ahlsell in Sundsvall, customers can rent welding equipment for several different welding techniques. The customer needs to have their own personal protective equipment, but can receive advice and assistance in buying additional products in the store if necessary. The main reasons why customers choose to rent welding equipment rather than buying it are that they need more equipment than they own, for large projects, that their own equipment is undergoing repair/service, or that they need to supplement with a technology they do not have. There are several advantages to the rental concept: Customers avoid major purchasing investments and can rent calibrated, validated equipment made for the job. The workshop in Sundsvall has competent personnel who can calibrate and validate equipment. The environment and resources are also saved by fewer pieces of equipment being manufactured.



## Reduced packaging for conduits from Hexatronic

The supplier Hexatronic works actively to reduce the amount of unnecessary packaging. One example is the plastic foil that encloses drums of bundled microducts used to protect against UV radiation when stored. Since Hexatronics' manufactured pipes have UV protection and can be stored outdoors, they made the decision to remove the plastic from bundled microducts. For the amount that Ahlsell purchases, it is a savings of about 6 tonnes of plastic, equivalent to more than 30 tonnes of carbon dioxide per year.



## Reusing workwear

An important part of Ahlsell's product portfolio are all the layers of workwear, from insulating base layers to protective outerwear. At Ahlsell, we are aware that clothing production accounts for a large part of the world's climate and environmental impact, and we have a long-term ambition to ensure that our products have the least possible impact.

In Sweden, Ahlsell has been offering laundry service since 2021, in collaboration with Samhall's nationwide network of laundries. Customer garments are picked up, washed, and if necessary, repaired or replaced and then delivered back to the customer.

In 2022, Ahlsell Norway figured that clothes that had not been sold could be donated to a good cause instead of going to energy extraction. Together with refugee aid and the Ukrainian association in Norway and through voluntary initiatives by several of Ahlsell's employees, more than 20 pallets of garments, gloves and shoes could be donated to those in need.



FOCUS

# Responsible sourcing





# Systematic follow-up of compliance with requirements

Our purchasing and supplier relationships must be characterised by responsibility and respect for people, the environment and society throughout the production chain. We require our suppliers and partners to comply with the same ethical and social standards as we require of ourselves.

Purchasing and supplier relationships are central to Ahlsell's operations. We have more than 3,500 contractual relationships, with the 100 largest accounting for about half of our sales. Ahlsell's work on responsible sourcing starts with our basic requirements. The requirements set out in Ahlsell's Code of Conduct follow the guidelines set out in the UN Global Compact, the ILO's core conventions on principles for international companies and social policies, and the OECD's guidelines for international companies. In 2020, we set an overall goal for responsible sourcing: To have no high risks in the supply chain by 2025. For us, a supplier in a geographically high-risk area or in a high-risk industry where the risks have not been managed by Ahlsell or our partners is considered a high risk.

## Code of Conduct part of the agreements

Ahlsell's Code of Conduct is part of our supplier agreements. In addition to the Code itself, there is a supplementary guide that specifies what we expect of the supplier's sustainability work and how they can integrate Ahlsell's Code of Conduct into their work. When signing an agreement, suppliers agree to comply with the Code.

New suppliers must also respond to a sustainability pre-qualification form, which is then assessed by the responsible product manager.

## Systematic follow-up of suppliers

In order to ensure a responsible supply chain, we work systematically to follow up on how suppliers comply with requirements we make on their sustainability work. The follow-up includes checking documentation and management systems, as well as site visits and interviews with some of the supplier's key personnel.

In 2020, we achieved our goal of having checked 50 percent of our purchase value from resale goods suppliers through follow-up audits. In 2020-2021 fewer on-site follow-ups were conducted due to the coronavirus pandemic and during the last year we have prioritised the development of our tools to assess sustainability risks remotely based on certifications, third-party audits, official data, self-assessments and increased dialogue. The ambition is to continuously improve at identifying possible risks and focusing in-depth follow-ups in the form of on-site audits where they are most useful. ►





### Better and more efficient follow-up with new supplier system

In order to streamline, coordinate and strengthen our supplier dialogue and follow-up, in 2021–2022 we procured and commenced implementation of a new digital Supplier Relationship Management system. An important aspect is the system's sustainability module and risk management functionality, making it possible to carry out and follow up on self-assessments, and where necessary, audits, and to share activity plans with suppliers in order to work together to eliminate risks and drive continuous improvements. The self-assessment form in which suppliers answer questions related to the Code of Conduct is completed and saved directly in the portal.

The target for 2023 is for suppliers corresponding to 50 per cent of the purchasing volume to be in place in the system, for 2024 the target is 100 percent.

### Three different purchasing flows

Ahlsell has three main purchasing flows: 1) Purchase of goods for resale to customers; 2) Private label products for resale to customers; 3) Indirect materials and services, i.e. what we need to keep our internal operations running.

The purchasing processes for these flows are different – and thereby also the processes for require-

ments and follow-up on sustainability – but the goal is the same: Zero high risks.

### Goods from suppliers for resale

Purchases of goods for resale to our customers are by far Ahlsell's largest purchasing category and accounted for SEK 31.5 billion corresponding to 88 percent of the total purchase value in 2022. Here, we monitor compliance with sustainability requirements through self-assessments, regular meetings with suppliers and on-site follow-up audits. The focus is on following up as much of our purchasing value and our largest strategic partners as possible, with priorities based on risk exposure. For 2022, we have carried out sustainability follow-ups corresponding to 47 (52) per cent of the purchase value. If high risks are discovered, our principle is to manage them proactively and ensure that they are removed.

### Private label products

About 12 per cent of the sales value in 2022 is made up of private label products. The products are developed and manufactured either by our existing brand suppliers or by dedicated manufacturers for Ahlsell's private labels. Regardless of supplier, Ahlsell's private label products must maintain at least the same quality and standard as similar products in the industry, have the necessary certificates, and comply

with applicable rules and standards in the country in which they are manufactured and sold.

Our private label suppliers are assessed according to our risk assessment model, which is built on an index model based on Transparency International's Corruption Perceptions Index, ITUC's Global Rights Index and Yale University's Environmental Performance Index. Suppliers assessed as high risk are reviewed by Ahlsell's own employees, quality engineers or by an established and independent, authorised agency. If the supplier satisfies all requirements and accepts Ahlsell's Code of Conduct, a collaboration is initiated.

A proportion of our private label products (about 30 percent of the purchase value) currently come from China, which is classified as a high-risk country. We have an ISO 9001 certified sourcing office in Guangzhou, China with trained and experienced quality engineers who visit all suppliers prior to contract signing and conduct regular follow-up visits. Suppliers are ranked after inspection on aspects such as quality, material inspection, work environment and management of environmental risks. If there are deviations from our requirements for sustainable production, an action plan is drawn up and corrective measures are identified. If we, together with the supplier, do not achieve the improvements we have agreed on or believe that we need to achieve, we will change suppliers.

Ahlsell's private label department also continuously monitors product complaints in order to rectify any faults and deficiencies. All customer feedback is evaluated on the basis of further improvements, stronger supplier partnerships and better products.

### Supplier follow-up 2022

In 2022, evaluations of 67 private label suppliers in China were conducted. A total of 556 non-compliances were identified. After corrective measures 170 remained of which 30 were deemed serious. 52 suppliers passed with fewer than eight non-compliances, which constitutes a grade of A- and approved. Sixteen suppliers improved their results, with fewer non-compliances compared to before. Three suppliers failed to meet the requirement level and are now awaiting follow-up after corrective measures have been implemented. The most common deviation is overtime work, often as a result of strained production capacity. Collaboration with two suppliers was discontinued in 2022. In one case, the supplier did not follow the local environmental policy, and the

other case had quality problems. In total, we have 147 active suppliers in China.

### Indirect materials and services

The largest categories within indirect materials and services are transport, rental agreements and IT. Other important procurements are within property management, such as cleaning or surveillance services, packaging and HR. Purchases are usually made on an ongoing basis by the regions or stores themselves, either with central support or with the help of centrally negotiated agreements. In 2021, a manual follow-up of compliance with central agreements (contractual loyalty) was conducted. At that time, Sweden was at 84 percent, Norway 87 percent and Finland 92 percent. There were no significant changes in the supplier base or spending in 2022, and as such, the contractual loyalty is determined to remain at the same level. The relatively high proportion is due to the fact that much of the purchases are in categories where joint purchases are made from centrally negotiated agreements.

In order to meet the sustainability challenges that exist in indirect materials and services, we have identified the greatest sustainability risks. These risks are now part of the decision-making documentation in central negotiations.

### Norwegian Transparency Act

The Norwegian act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (Transparency Act), came into force in Norway on 1 July 2022. The Act entails an obligation to disclose information to the general public and an obligation to conduct due diligence, which must be reported to Etisk Handel in Norway. A report on the risk assessment must be published no later than 30 June 2023. Ahlsell will gradually introduce procedures for risk assessments in accordance with the provisions of the Transparency Act throughout the Group. Ahlsell AS is subject to reporting and information obligations in accordance with this Norwegian legislation.

### Actions due to the war in Ukraine

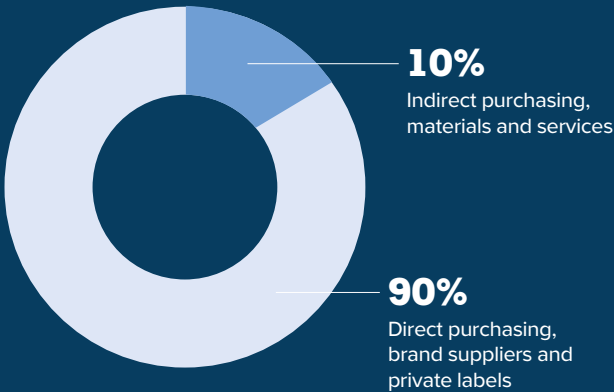
We continuously monitor developments and follow the international sanctions that are formalised. Ahlsell closed its operations in Russia in 2021. Exports to and imports from the affected areas have been put on hold. ■



# Data and key performance indicators

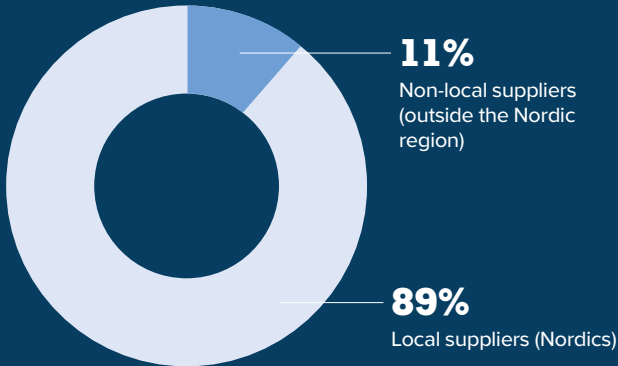
## Distribution of purchasing flows, % of purchase value

In 2022, Ahlsell's total purchases amounted to approximately SEK 38.4 billion. Of this, 90% consisted of direct purchases, i.e. the goods that are then passed on to our customers.



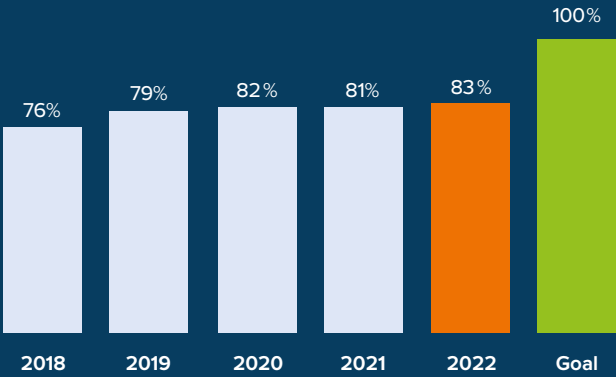
## Proportion of purchases from local suppliers, % of purchase value

We aim for as large a proportion of our direct purchases as possible to come from local suppliers, which we define as the Nordic and neighbouring countries in which we operate: Denmark, Estonia, Sweden, Norway or Finland. The outcome for 2022 is 89%, compared with 91% for 2021.



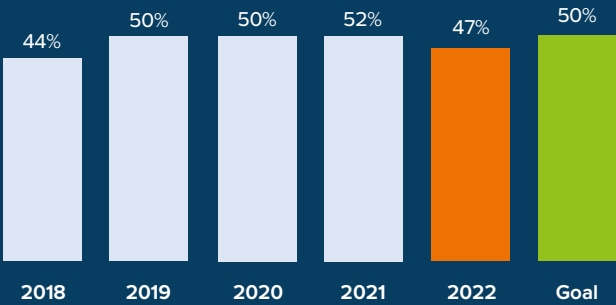
## Suppliers that have adopted Ahlsell's Code of Conduct, % of purchase value

The aim is for all of Ahlsell's suppliers to commit to complying with our Code of Conduct. Since 2015, this is included when signing new agreements. The key figure is calculated based on the purchase value of goods for resale. Private label products are excluded as they are checked in a separate process.



## Evaluated suppliers, % of purchase value

In 2020, we achieved our goal of having checked 50% of our purchase value from suppliers of goods for resale. Fewer on-site follow-ups due to the coronavirus pandemic and that we during the last year have prioritised the development of new tools for supplier assessment, are reasons that we did not quite reach our target for 2022. However, the proportion of evaluated suppliers in numbers, is slightly higher than in the previous year, 83% compared with 82% in 2021.



FOCUS

# Health and safety







# A safe workplace

Health and safety is a continuous focus area in our operations. It is about ensuring a safe, secure working environment for our employees, helping our customers to create safe workplaces and setting clear requirements for suppliers. Last but not least, our products must naturally be safe to handle and use.

## **A safe and secure working environment**

Our most important responsibility to our employees is to ensure a safe workplace. We have a zero vision for work-related accidents and work actively and systematically to prevent and reduce the risk of injuries. A safe work environment also includes organisational and social aspects. Ahlsell has zero tolerance for all types of bullying, discrimination and abuse.

Risk assessments, safety inspections and inspections of workplaces and machinery are carried out at specific intervals. Accidents and incidents that have occurred are documented and managed in a reporting system where preventive measures are decided in order to prevent recurrence and ensure that everyone possesses the right knowledge.

## **Systematic improvement work supported by ISO 45001**

Our work environment management is run systematically with the support of implemented processes

and procedures in all parts of the business. Since 2020, Ahlsell Norway has had a certified management system in accordance with ISO 45001. The standard provides support to focus on the most important risks, work preventively and improve continuously. Ahlsell Sweden, Ahlsell Finland and the Proffsmagasinet and Prevex operations also work in accordance with ISO 45001, although without external certification. Several important sub-processes in work environment management, such as safety rounds, risk assessments and employee appraisals, were integrated into our overall management system with specified process owners.

Regular internal audits of the work on quality, environment and health and safety are conducted in Sweden and Norway at all workplaces and in all our stores. According to plan, each location and each process must be revised at least every three years. Due to the coronavirus pandemic, these efforts were lagging, but were caught up with in 2022. In Sweden, six internal auditors have conducted close to 50 audits around the country. ►



### Focus on physical health and safety risks

Most of the work-related accidents that nonetheless occur happen in our logistics centres, for example in connection with operating forklifts, heavy lifting and transport work. We work continuously with preventive information and training. Examples include our induction programme for new employees, forklift training courses, and training in ergonomics, heavy lifting and first aid. We have procedures for e.g. rotation between different work processes and carefully follow safety rules for hot work, chemicals management, emergency preparedness and systematic fire safety work. We also have clear security procedures for our store staff for dealing with robbery and threats, but also for handling visitors who behave unpleasantly or aggressively. As a preventive health measure, some of the infection control measures introduced during the coronavirus pandemic have now become permanent, such as the plastic screens suspended in front of the cash registers.

There is a risk of traffic-related accidents for our travelling salespeople, who spend a lot of time on the road. Through clear safety requirements for our company cars and guidelines for choosing public transport, where possible, we reduce risks. There are also very few traffic-related incidents.

### Development of preventive work

There is a need to continue to develop and strengthen preventive health and safety work in order to achieve our zero vision. An important part is reporting risk observations and near-accidents, and how we can use better analyses of the data we have, make decisions and implement the right measures. A new health and safety developer role will be ap-

pointed at the beginning of 2023 with responsibility for continuing the work.

### Health and wellness

Ahlsell has a well-developed, continuous collaboration with occupational health services in each country. In our three main markets, there are external partners that employees can turn to for help and advice, in a way that ensures privacy.

### Health and safety for our customers

Our vision of zero work-related accidents goes beyond our own organisation. We also want our customers to benefit from the knowledge and experience we have built up in the field of health and safety.

We have therefore identified about twenty commonly occurring risk areas that are based on the Swedish Work Environment Authority's database of reported accidents. Based on this, we have developed a concept/offer that our customers can benefit from. The goal is to help our customers create a safer and more secure working environment and thereby contribute to a zero vision for occupational accidents – i.e. no one should fall ill, be injured or in the worst case not come home from work. In 2022, we launched offers in three new risk areas: "Communication in noisy environments", "Working in enclosed spaces" and "Skin injuries". In total, we are now offering our customers support in 14 risk areas.

### Wide range of products and services

With this concept, we offer everything from products, training courses, advice, and risk assessments to customised security solutions in this area. ►



## Health and safety training for managers

In 2022, we took an extra initiative to train our managers in the area of safe work environments. In Sweden, newly appointed managers have undergone teacher-led training that provides basic knowledge of work environment legislation and how it should be applied in their own area of activity, systematic work environment management, physical, organisational and social work environment, etc. The training was conducted three times during the year for a total of 60 managers.

Corresponding training courses have been carried out in Norway and Finland. In Finland and Norway, a digital health and safety training course has also been produced, which is available via our digital learning platform "My Toolbox".





Among other things, we have a wide range of protective clothing and equipment for people of different professions, genders and body sizes. We also offer digital chemical management services, help with job site risk assessments and equipment safety inspections. Our specialist sales representatives for security solutions also assist customers with risk analysis, preventive measures and choice of personal protection for specific risk projects and/or risk elements.

During the year, health and safety activities such as risk and needs analyses, customised safety solutions, safety days and fall protection training courses were carried out at some 130 companies all over Sweden. We have also expanded our marketing communication to reach more customers with our services. In Norway, through the Ahlsell Partner customer programme, we have completed training courses, digital and physical, for 1,000 participants.

**High demands on product quality and safety**

Our customers should feel confident that the products they buy from Ahlsell are of good quality and are safe to use. Particularly high demands are placed on several parts of our range, such as tools, lighting, sprinklers, fastening and safety equipment, as well as chemical products. We work systematically with quality requirements and certifications to ensure compliance with both statutory and our own requirements regarding function, chemical content and documentation.

The regulations concerning products and product content are constantly changing. We work continuously to ensure that all stocked products in our range comply with applicable laws and regulations, and we systematically monitor changes with the help of a law-monitoring service.

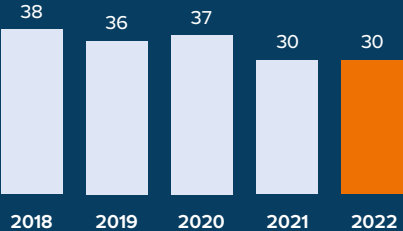
We choose our suppliers and our range with care, set requirements for both suppliers and products,

and follow up on these. Read more in the section on responsible sourcing.

**Complaints and deviation management**

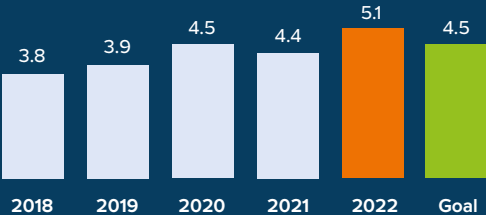
Considering the large volume of products sold and distributed to our customers on a daily basis, we have relatively few complaints. Customer complaints are made to each store or salesperson and are then handled according to a specific procedure: Internally if it concerns our own brands, or via our partners if it concerns other branded products. All complaints are documented in order to make use of experiences, rectify deficiencies and avoid similar mistakes in the future. Complaints regarding health and safety are handled with particular care. No safety-related complaints nor recalls were made for our private label products in 2022. In total, we had 1.0 complaints per MSEK in sales. ■

**Data and key performance indicators**



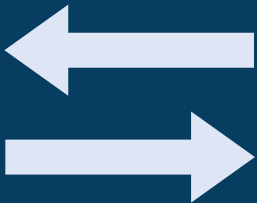
**Work-related accidents, at least one day of sick leave**

There were a total of 30 work-related accidents with sick leave in 2022. The most common accidents involve collisions and incidents with forklifts. There have not been any fatalities or serious accidents. Number of lost time injuries per 1 million hours worked, LTIFR, totalled 2.79 for the year.



**Sick leave, % of working hours**

Sick leave among our employees has been stable at just under 4% in the years prior to the pandemic, with a certain increase in recent years. The target of 4.5% corresponds to 11 days' absence during a year for a full-time employee.



**Product quality, number of customer complaints per MSEK sales value**

Customer complaints are made to each store or salesperson and are then handled internally if they concern our private labels, and via our partners if they concern other branded products. All complaints are documented and complaints regarding health and safety are handled with particular care.

No safety-related complaints nor recalls were made for our private label products in 2022. In Sweden, the total number of complaints for private label products in 2022 was approximately 1.0 per million of sales value, compared with 1.6 in 2021. There are no aggregate statistics for other markets.



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# Sustainable employeeship







# An attractive and stimulating workplace

It is our employees' knowledge, drive and commitment that enable successful and sustainable business operations. We place great emphasis on being a workplace where our employees develop and feel pride and commitment, and that attracts the skills and talents of tomorrow.

In combination with our attractive offering, it is the skills and service-mindedness of our employees that make Ahlsell a value-adding company in a changing world. Behind every satisfied customer there are the people who go the extra mile. A healthy and safe work environment, an inclusive culture and ongoing investments in leadership and skills development are important elements in ensuring that every employee can grow with us.

## People strategy

Since 2022, our work to be an attractive and stimulating workplace has been based on a Group-wide people strategy with four focus areas: *Attractive Employer, Development, Diversity and Inclusion, and Improvement and Innovation*, and the overarching goal "Best time in your working life".

## With our core values as a guiding star

Ahlsell's core values are a living tool in our day-to-day work. Our values, Responsibility, Openness and Simplicity, provide guidance in decision-making, as well as in shaping the attitudes we have towards each other and our customers. Our core values are included in the induction of new employees. We also follow up on the compliance-experience in employee appraisals and employee and customer surveys.

## Our employees 2022

**Number of employees:**  
6,380, 73% men and 27% women

**Distribution of occupational categories:**  
Sales 4,677, Warehousing/Logistics 1,904, Administration 684, Purchasing 318

**Proportion of women in managerial positions:** 24%

**Staff turnover:**  
11%

## Employee survey

In our annual employee survey [ahlsell@work](mailto:ahlsell@work), we measure engagement, leadership, organisational development and the experience of the corporate culture. In 2022, approximately 85 percent (90 percent in 2021) of Ahlsell's employees responded to the survey. The outcome shows continued high results and improvements in several areas compared with 2021.

Job satisfaction has increased from 74 to 75, and the Leadership Index has increased from 80 to 81, proof that our active work on leadership issues has produced effective results. Among other things, we can see the effect of the initiative of improved and more digital processes for onboarding of new employees. In this group, the index for job satisfaction has increased from 78 to 81. The important issue of work-life balance is also given a high rating and has a continued positive trend, with an outcome of 81 (compared with 80 the previous year).

Experience of inclusive culture and potential of bullying and discrimination have also seen improved results. However, we will not be satisfied with this until our zero vision for all types of abuse has been achieved. ►



For the first time, the question was asked whether our employees feel that Ahlsell is working actively on sustainability. Here, 78 percent responded positively.

We use eNPS (employee net promoter score) as an overall measure of satisfaction and loyalty, which indicates how likely it is for our employees to recommend Ahlsell as a good workplace. The outcome for 2022 increased to 45 (43), which is a good result.

The positive trend in the employee survey applies to all countries, even though the results vary somewhat between different working groups and parts of the business. Together with their team, each manager is responsible for developing action plans based on the results of the employee survey.

### Health and work-life balance

In addition to a strong focus on creating a safe and secure working environment (see the section on Health & Safety on pg. 37), we also care about the health and well-being of our employees from a holistic perspective. For us, sustainable employeeship is about working and developing in a way that creates job satisfaction and enables improved performance in the long-run, providing the conditions for work-life balance. We also see that work-life balance paired with opportunities for development are now among the most important parameters for attracting and retaining motivated employees. Within Ahlsell, managers with personnel responsibility are continuously trained in health issues, and we have a clearly

positive, supportive approach to parental leave and combining one's professional and private lives.

### Flexible working day

After the coronavirus pandemic, interest in flexible working hours and teleworking has increased compared to before, while at the same time we are experiencing positive effects from new, more digital working methods and meeting forms. Many of our employees have roles that enable a mix of office and remote working and can then agree on this together with their manager.

### Focus on health and exercise

We also invest in various health activities for both exercise and information on recovery, continuous follow-up, and self-leadership. In several countries, we also offer wellness allowances and regular health checks. To encourage a healthy lifestyle and promote positive encounters between employees, customers and suppliers, we organise various sports tournaments and sponsor participation in team challenges such as ski relay races. In 2022, around 1,050 of our employees in Sweden participated in one of our activities.

### A learning organisation

Continuous skills development and supply are crucial to Ahlsell's operation and success. We strive to be a learning organisation, one which makes the best use of the expertise and experience existing

in our operations. We strive to maintain a culture that encourages the testing of new ideas, mutual feedback, and where mistakes are seen as a learning opportunity. Our approach to being a workplace that fosters the conditions for growth, both in a professional and a personal sense, also aids in attracting new employees to Ahlsell. In autumn 2022, we held Learning Week, a theme week focusing on training and learning for the entire organisation. During the year, we also conducted targeted training in areas such as change management.

### Management and leadership development

Our managers and supervisors lead the way in both individual and organisational development and change, both strategically and operationally. How our leadership is working is one of the important target areas that we evaluate in our employee survey. When recruiting, we place high demands based on our leadership profile. In the past two years, Ahlsell Sweden has implemented the GROW leadership programme together with the Stockholm School of Economics. Focus is placed on innovation, leadership and business acumen. So far, 75 managers have completed the training. Over the past two years, Ahlsell Norway has focused on the development of efficient teams and the way the management group works. ▶



Ahlsell's Regional Sales Director for Southern Finland, Toni Huhta, applied for the bicycle benefit as soon as it was introduced. Now he rides his e-bike every day instead of taking the car between his home and the workplace, as well as to the many stores he is responsible for.

### Bikes a popular perk

At the beginning of 2022, Ahlsell Finland introduced company bicycles as a staff benefit. By the end of the year, more than a hundred employees had signed up for the offer.

"Few employee benefits have been received as well as this one. Cycling supports people's well-being at work and an active lifestyle, and promotes Ahlsell's sustainable development, especially environmental and social responsibility," says HR Director Anna Saksi.

The bike benefit applies to all permanent employees. Employees can select a bike make valued up to EUR 4,000. The bike is leased for four years and the employee is charged a monthly benefit tax. The employee is responsible for ensuring that the bike is insured and for personal protective equipment such as helmets.



### Out for a hike

A group of employees at the logistics centre in Norway participated in a summit tour project during the year. In total, they did 118 summit tours covering 19 different mountain peaks during the year.



We are now developing a Nordic framework for leadership that will answer future challenges. Within an even more digitalised working day, there is increased pressure to both lead oneself and the organisation through change.

### Internal recruitment of managers

Ahlsell is a large company with good opportunities for those who want to develop in their careers. We have a clear ambition to make use of our internal talents and have a goal to fill more than half of all managerial roles with internal candidates. In 2022, the proportion was 55 percent (97 of a total of 177 roles appointed).

### Future skills provision

We recruit on an ongoing basis in several areas, primarily in sales, purchasing, logistics and in digital development. In 2022, around 1,400 people joined Ahlsell. We strive to be an attractive employer and work actively to strengthen our brand in the eyes of both existing and potential employees. We cooperate with several colleges and receive student interns. In Norway, among others, from Kristiania University's technical programme.

### Improved onboarding for new employees

In order to welcome and shorten the induction period for new employees, we have implemented well-developed onboarding processes. During the year, a new joint onboarding programme was launched throughout the Group as a complement to local procedures. New employees have access to overall introductory material and internal information before they even start, via email and digital channels. The process also means that the prospective manager can focus on more local and specific induction.

## Inclusion, equal treatment and diversity

At Ahlsell, we believe that an inclusive corporate culture, with diversity amongst employees, provides ideal conditions for good business. This is achieved through an improved working climate, increased creativity and innovation, attractiveness throughout recruitment, and increased opportunity to reflect and understand our customer-base. We strive to increase diversity at all levels and within all areas of business. Ahlsell Sweden is an active member of Diversity Charter, a network for companies that work actively to increase inclusion and diversity. Ahlsell Finland is a member of a similar network, Inclusive. In Ahlsell Norway, three managers have been trained as diversity leaders, through Seema's company-specific programmes. The high results of the leadership index in the employee survey, 80, show that our managers have a good ability to harness the advantages of the diversity of skills and qualities in their teams.

### Ahlsell's definition of diversity

Ahlsell's definition of diversity covers everything that makes us unique as individuals. This refers to general differences between

people, and, more specifically, gender, ethnic background, religion or belief, disability, sexual orientation, gender identity or expression, age and educational background. Inclusion means that everyone must be given the opportunity to contribute fully to the business. We also strive to work towards a culture where it is easy to be yourself and reach your full potential—through openness, respect and consideration for each other.

### Equal treatment and non-discrimination

Our employees must be treated fairly, on equal terms and with respect. Among other things, this means that we respect the right to organise, or not to organise, in trade unions and to negotiate collectively or individually in accordance with local laws. None of our employees should risk harassment or retaliation in exercising these rights.

Through the employee survey, we are able to follow up on how the core values are complied with, as well as identify any perceived violations and other deviations. The result of the 2022 inclusion index, which describes the experience of inclusion and equal treatment of managers and between colleagues, was 80 (79).

### Salary survey

With the use of salary surveys, we can ensure there are no unreasonable pay differences. Annual surveys, in accordance with legal requirements and in collaboration with the trade union organisations, are carried out in Sweden. All positions have been reviewed to identify any pay gaps possibly related to gender. In 2022, three unjustified differences were identified and rectified. In our Norwegian operations, an initial salary survey was conducted in 2021 and will be carried out every other year moving forward. Ahlsell Finland participates in an annual industry-wide survey of salary levels.

### Goals for increased equality

Ahlsell is a company within a traditionally male-dominated industry, which necessitates particular focus on achieving more gender-equal working groups and role categories. The proportion of women within the entire Group is 29 percent (26), the proportion of female managers is 24 percent (22). Group Management consists of three women and six men, and the Board of Directors consists of three women and seven men. We have set a target of reaching 30 percent female managers by 2030.

### Skills-based recruitment

It is an important tool to have bias-free, skills-based recruitment, where fact-based assessments of qualifications and the applicant's skills are relied on rather than gut feelings and a person's name, age or gender. In Sweden, we have mandatory training for managers on the subject and have also launched a workshop that is conducted by all management teams at regional level.

### Maria Andersson

Chief Digital Officer



## Digital transformation journey

Ahlsell's business plan for 2025 has a clear digital focus. We are now on a journey of significant development to take advantage of the opportunities of digitisation, both internally and in relation to customers and suppliers. Maria Andersson has been Ahlsell's Chief Digital Officer, CDO, since the beginning of 2022, with responsibility for shaping and leading the company's digital organisation.

"Ahlsell attracted me with its warm corporate culture and the fact that it is a profitable and stable company, not to mention its great digital development potential."

A new digital organisation with approximately 60 employees in eight functional departments and eleven cross-functional teams has been formed. All digital development, operations and support are now gathered in a flat Nordic organisation with a common starting point in business development and agile working methods.

"Together with the business, we're now going to take bold, smart steps towards better digital tools that strengthen and develop our business and make the company more efficient. We want to give customers and suppliers a "smooth" experience in dealing with Ahlsell and our internal colleagues really good digital support."

An important part of the work going forward is to modernise Ahlsell's technology platform and clean up existing solutions.

"Digitalisation needs to be standardised, simple and user-friendly. Today we have both a technical debt and a complexity that limits us. Step by step, we are moving towards a more modern platform to quickly develop and seize all opportunities."

Digitalisation work is also an enabler in Ahlsell's efforts to make sustainable alternatives more selectable for our customers. This requires us to be able to collect structured sustainability data for our products and services, which in turn requires close cooperation with our suppliers.

## Successful recruitment of digital skills



In recent years, Ahlsell has developed a significantly larger digital business and organisation, with the recruitment of many new employees and new expertise. Martin Holmin is Head of Engineering:

"Building a development department from scratch in a company with a long history has its challenges. We have focused on individuals who have both a good understanding of modern technology and a respect for traditional aspects. Curiosity and a willingness to continuously learn have been important components in securing Ahlsell's technical future. So far, we have been very successful in finding people who possess these qualities, and now we have the opportunity to take the next step in recruiting more junior skills."

## "Talk to people, not about them"

With the initiative "Talk to people, not about them", management in Norway's western region wants to improve performance in terms of non-discrimination and inclusive culture. Activities with information, discussion exercises and workshops have been conducted with all 200 employees. The results of this year's employee survey also showed clearly improved figures. The number of employees who experienced any form of discrimination fell from 10 to 4, and the eNPS loyalty figure increased from 22 to 57, a very high result.



## Learning Week

At the end of August/beginning of September, Ahlsell held its first Learning Week, an event aimed at increasing the desire to learn and share knowledge with each other. The week had a major impact throughout the Group, with more than 1,600 employees participating in various activities via a digital learning platform on which the content was gathered: lectures, podcasts, films and articles. The focus was on four themes that have a major impact on our business: People & Learning, Customer Satisfaction, Sustainability and Digitalisation

"In addition to the importance of learning, we wanted people to understand why these particular areas are so important to Ahlsell by bringing exciting content to life," says Lina Thomassen, Head of Learning & Development at Ahlsell.

Country expectations on employee participation in Learning Week varied. Ahlsell Finland urged employees to participate as much as possible, Ahlsell Sweden urged them to find something interesting during the week, and in Norway everyone was asked to dedicate

their time in their calendars and take part in the parts they found most exciting and educational.

"What's been most important about Learning Week was highlighting the importance of learning, and point out that it's up to each and every one of us to take responsibility for our learning," says Lina Thomassen.

It's possible that the next edition of Learning Week will be designed in a completely different way. It may not be a week, but a number of themed days spread out during the year.

Ahlsell has 6,400 employees, each with extensive expertise. There is therefore much to gain from sharing knowledge between roles, functions and countries.

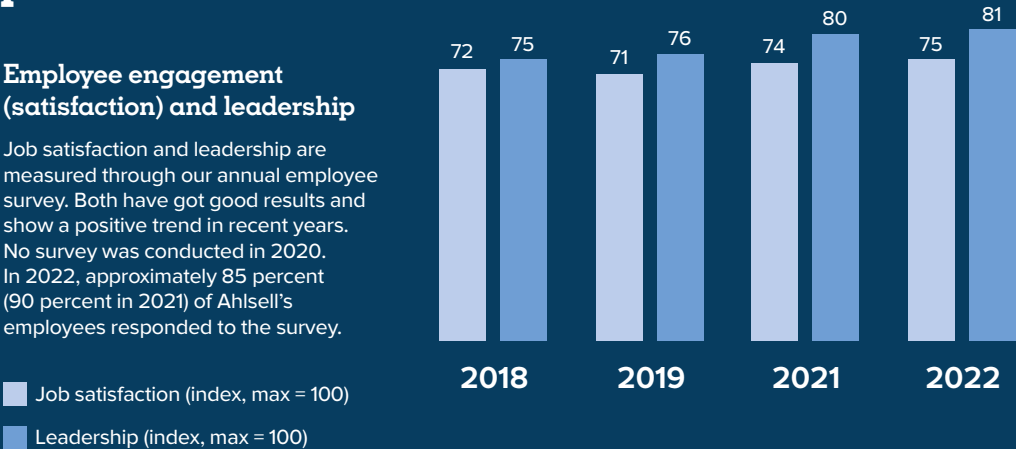
"Next time I want us to be a little braver and involve more people in the business. A learning culture is crucial in highlighting everyone's full potential and helping the organisation develop," concludes Lina Thomassen.



## Data and key performance indicators

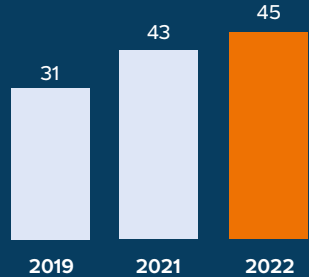
### Employee engagement (satisfaction) and leadership

Job satisfaction and leadership are measured through our annual employee survey. Both have got good results and show a positive trend in recent years. No survey was conducted in 2020. In 2022, approximately 85 percent (90 percent in 2021) of Ahlsell's employees responded to the survey.



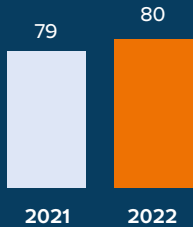
### Loyalty, eNPS

Since 2019, we have measured loyalty in the employee survey through the Employee Net Promoter Score (eNPS) metric, an established form of measurement with a scale ranging from -100 to 100. Values above 0 are considered good, values above 20 very good and values above 50 optimal.



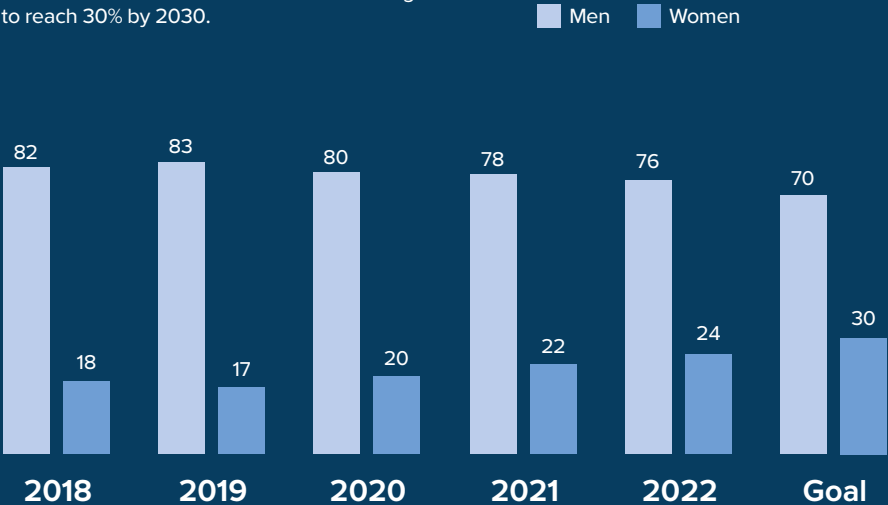
### Inclusive culture experience

Through use of the employee survey, we also measure the perception of Ahlsell as an inclusive company and workplace, starting in 2021. The outcome for 2022 was 81 compared with 78 for 2021 (index where max = 100).



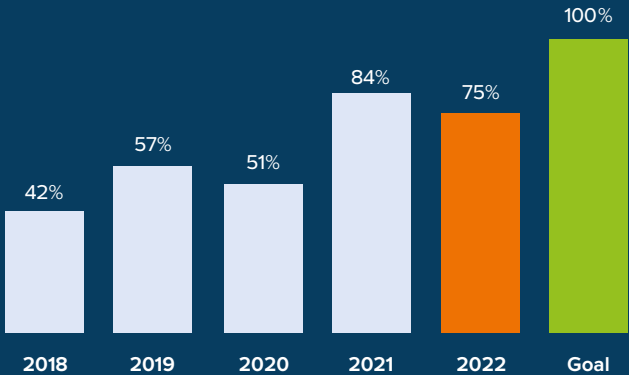
### Gender equality, % women in managerial positions

The portion of management positions held by women increased from 22% to 24%. Our target is to reach 30% by 2030.



### Code of Conduct training, proportion of employees

We train our employees in Ahlsell's Code of Conduct with a training course called 'The Code'. This is an interactive web-based training course containing exercises on the content of the Code. The goal is for all employees to have completed the training. In 2022, no trainings have been conducted, meaning the total proportion of employees that have completed the course has decreased compared to 2021. In 2022, a new version of the training was developed, which will be conducted for all employees in 2023. All new employees are now also made familiar with the Code of Conduct during their induction.

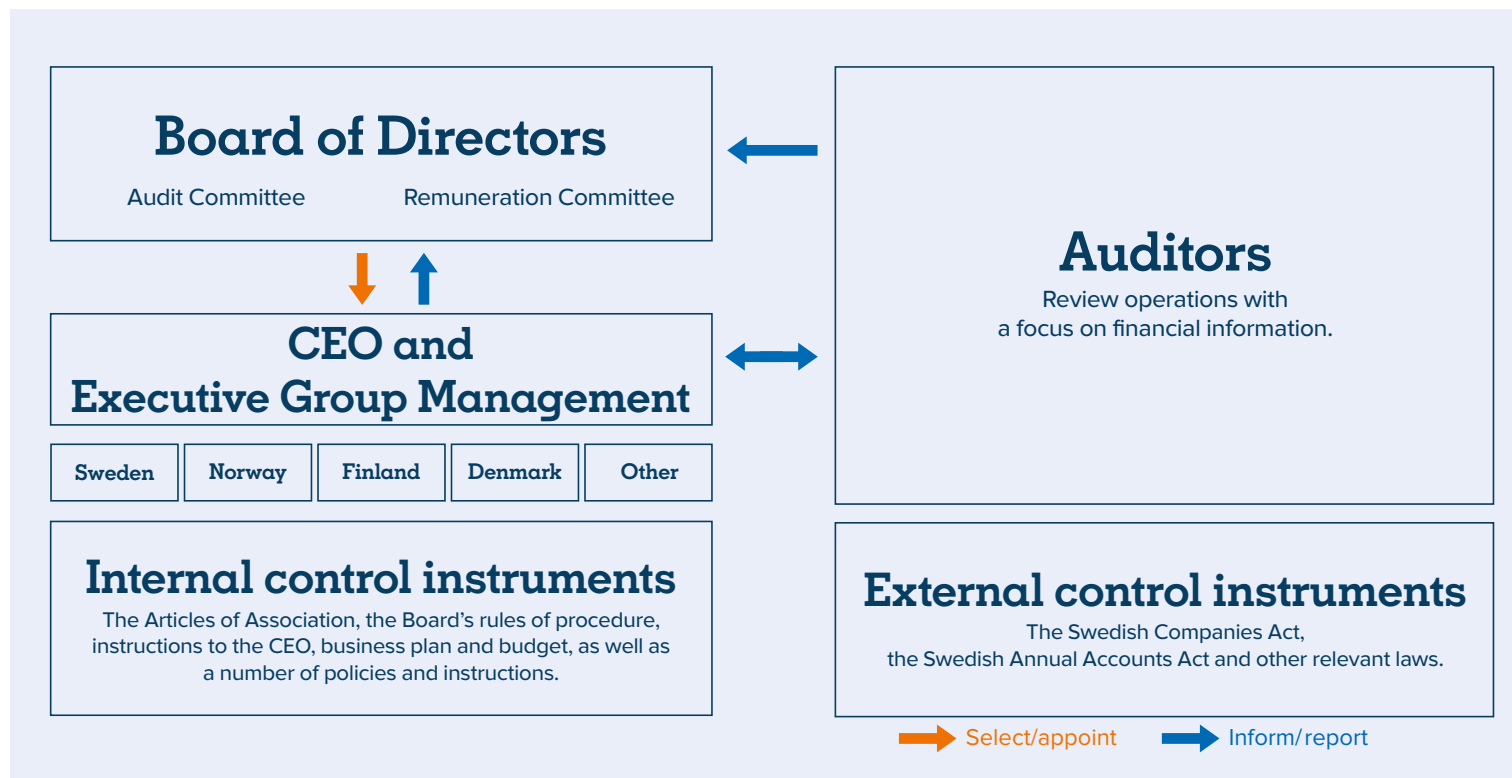


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# Corporate governance and risk management







The Audit Committee and a Remuneration Committee prepare issues within each area of responsibility and submit proposals to the Board's decision. The Audit Committee is responsible for exercising supervision of procedures for accounting, financial reporting and internal control. The Remuneration Committee prepares decisions on issues relating to salaries, terms of employment, pension benefits and bonus schemes for the CEO and Group President, as well as other members of Group Management. Ten per cent of the Group Management's bonus is based on the achievement of sustainability targets. For 2022, this included further improving Ahlsell's results in Ecovadis' assessment, which was also achieved.

The Board of Directors\* consists of seven ordinary members (one woman and six men) and three employee representatives (two women and one man). In addition, there are three (3) deputies to the employee representatives.

#### Executive Group Management

Group Management, led by the CEO and Group President, manages the day-to-day administration in accordance with the Board's guidelines and instructions. In addition to the CEO, Group management consists of the CFO, HR Director, Purchasing Director, Digitalisation Director, Head of Logistics, Sustainability and Communications Director (as of 1 March 2022) and the respective country managers for the largest geographical markets. As a general rule, representatives from Group Management must be represented on each subsidiary's board of directors.

#### Group Policies

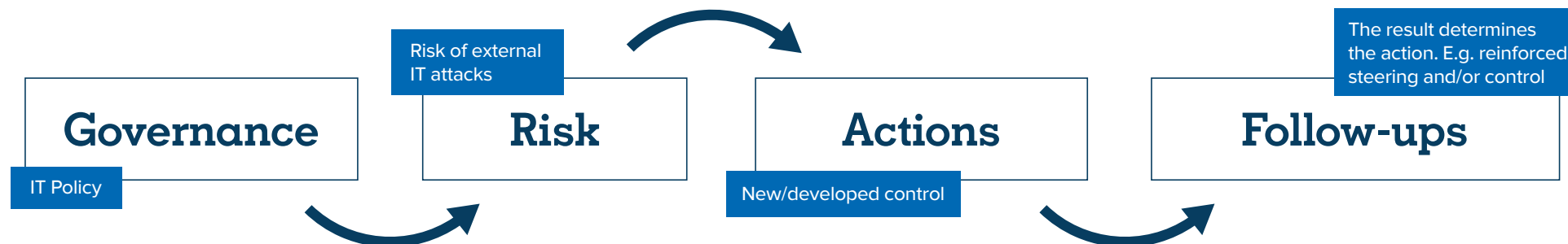
Group-wide policies and guidelines aim to guide the business and support an efficient way of working. Through established internal functions, there is ongoing training and follow-up of the company's application of the steering documents, as well as of managing identified risks in the business. The Board of Directors\* establishes the applicable policies on an annual basis. The President and CEO and Group Management are jointly responsible for implementation in the business. Some of the company's central governing documents are the Code of Conduct, Information Security Policy, IT Policy, Communication Policy, Employee Policy, Purchasing Policy and Quality and Environmental Policy. ►

# Operations guidance

Ahlsell's corporate governance aims to create sustainable value through good internal governance and control and a sound corporate culture. The framework for corporate governance consists of the Swedish Companies Act, the Swedish Annual Accounts Act and the Articles of Association. The illustration above provides a general description of Ahlsell's\* corporate governance with a division of work between the Board and management, as well as internal and external management instruments.

#### Board of Directors

The Board is Ahlsell's highest decision-making body, whose task is to be responsible for the company's organisation and managing the company's affairs. This includes setting and following up on overall goals and strategies, business plans, budgets, annual accounts and overall internal management documents. The Board monitors financial development, ensures the quality of financial reporting, and confirms the placement of appropriate systems for regulatory compliance and internal governance and control. Part of this involves establishing and following up on the company's work regarding sustainable development. The overall sustainability strategy is adopted annually by the Board of Directors\*, which regularly monitors specific sustainability issues. In particular, the Audit Committee also follows up on how the company satisfies sustainability-related conditions within loan financing.



### Risk process – from identification and analysis to management

All business activities are associated with uncertainty and risk. The Ahlsell Group manages and controls its exposure to risk through a common risk management process. Ahlsell's risk work is led by the Head of Internal Control & Risk Management, who reports to Group Management, the Audit Committee and the Board.\* Risk management is carried out using an established risk model and system support for reporting, documentation and case management.

The risk management process includes coordinated activities to identify, evaluate and manage risks that may not allow operations to achieve the set goals and strategies. Identified significant risks that are deemed necessary to manage are assigned to a risk owner with responsibility for implementing and following up on control activities. The management of the risks assessed as business-critical are followed up in a particular order by Group Management, the Audit Committee and the Board.

Ahlsell's risk universe is identified through analysis and dialogues concerning significant risks, both internally with management groups, functional managers and other key personnel, and externally with stakeholders. The materiality analysis and

analysis in relation to Agenda 2030 that aims to map Ahlsell's most important sustainability issues concerning the environment, social and ethical issues, also provides important input values for risk identification.

From our areas of operation, the risks are categorised into five main groups: market, finance, accounting and reporting, compliance and operational business risks.

### Risks related to sustainable development

Risks related to sustainable development and impacts on people and the environment are mainly found in the categories: market, compliance and operational business risks. Climate, human rights in the supply chain and IT security are examples of risk areas that have gained increased external focus in recent years, partly as a consequence of new and expanded regulatory requirements.

Climate-related risks have been specified on the basis of an analysis based on the TCFD (Task Force on Climate-related Financial Disclosures) framework, which includes both technological, regulatory and market-related transition risks, and acute and long-term physical risks. The assessment of consequences were grouped into different time horizons such as: ongoing, 1–3 years and 4–8 years.

### Internal control

At Ahlsell, the work of internal control aims to support the achievement of strategies and goals and the protection of the owner's investment. Furthermore, it is important that the business complies with laws and regulations and that financial reporting is reliable. During 2021–2022, a special financial reporting internal control framework was developed. The framework supports systematic testing of controls and reporting of its results to the Audit Committee and the Board of Directors\*.

Each process owner and operations manager is responsible for internal control within their respective areas of responsibility. The Head of Internal Control and Risk Management supports development and follow-up. The design of internal controls is adapted to the degree of risk and tolerance level for different issues. This means that for areas where we have zero tolerance, such as for violations of legislation, permits and official decisions, internal control is particularly important.

Apart from the operations managers' regular follow-up within the framework of operational activities, national internal audits are carried out that check on the various standardised certification requirements, as well as follow-ups at the overall level through joint Group functions. The Head of Internal Control and Risk Management conducts internal audits.

### Whistleblowing function

In accordance with new legislation, new whistleblowing channels were established in 2022. In collaboration with an independent external provider, a digital solution for reporting and case management has been implemented, which also reinforces the whistleblower's anonymity protection. The investigation of cases is conducted by a whistleblowing committee consisting of the HR Director, the General Counsel and the Head of Internal Control & Risk Management. In 2022, a total of two cases were registered, both of which were investigated and concluded without legal consequences. Ahlsell was not made aware of any corruption in 2022.



# Ahlsell Group's business-critical risks

The table describes the business-critical risk areas and risks for Ahlsell that were identified in the Group's overall risk analysis in 2021. The analysis was prepared in December 2021 and was formally adopted by the Board at the Board meeting on 17 March 2022. The risk analysis included the Parent Company, Ahlsell Sverige AB, Ahlsell Norge AS and Ahlsell Finland OY, equivalent to 91 percent of the total net sales of the business.

In order to coordinate the processes for risk management and business planning, the time for the annual Group-wide risk analysis in 2022 was moved from December to May 2023. This means that no new overall risk overview was produced in 2022.

| Area                 | Risk                       | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Addressed                                                                                                                                                                                                                                                                                                                                                                                 |
|----------------------|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Logistics operations | Interruptions/ disruptions | The Ahlsell Group conducts world-class logistics. This is made possible by a number of warehouse facilities and distribution centres, including the central warehouses in Hallsberg (Sweden), Gardermoen (Norway) and Hyvinge (Finland). Damage to facilities or disruptions to operations could adversely affect the ability to deliver.                                                                                                                                                                                                       | Ahlsell works continuously on emergency preparedness, maintenance and inspection of the central warehouses and the distribution chain to optimise efficiency and capacity utilisation. Risk management and continuity plans at the central warehouses minimise the risk of disruptions and ensure strategies for recovery in the event of disruptions.                                    |
| Sales                | Pricing                    | Correct pricing creates the conditions for profitability and growth, while at the same time ensuring satisfied customers and competitiveness. Unfavourable pricing can have a negative impact on profitability and customer relationships.                                                                                                                                                                                                                                                                                                      | Correct pricing is ensured in the internal control environment through specific internal controls, process control and special follow-up.                                                                                                                                                                                                                                                 |
| Sustainability       | Compliance                 | Ahlsell's objective is to be a leading player within the industry when it comes to environmental and social responsibility performance. Sustainability activities are a business opportunity and essential to the fulfilment of the promise to make it easier to be professional. Any shortcomings could have an adverse impact on reputation and turnover. New legislative regulations are extending companies' areas of responsibility for actual and potential negative impacts on e.g. climate and human rights throughout the value chain. | When identifying climate and sustainability-related risks, both current and additional regulations are covered. The sustainability area's risk universe covers the entire value chain. The impact of new regulatory changes on governance, control and follow-up is analysed. Internal and external business partner deviations from Ahlsell's Code of Conduct are reviewed continuously. |
| Purchasing           | Dependency on suppliers    | Ahlsell's ten largest suppliers account for 23 per cent of our purchases. If large suppliers were to choose to sell directly instead of through a distributor, this would be negative for Ahlsell. In addition, if the suppliers were to fail to deliver their products, either at all or on commercially acceptable terms, this could adversely impact Ahlsell.                                                                                                                                                                                | Ahlsell has an established position as a leading distributor in the Nordic region and strives to offer suppliers the most cost-effective way of reaching the Nordic market. With approximately 3,500 regular suppliers of goods, the supplier base is extremely diversified.                                                                                                              |
| IT                   | Operations                 | The Group's operations are dependent on its IT environment performing at optimal levels. Interruptions, errors or downtime in critical software and systems due to technical faults or unlawful intrusions may adversely affect the ability to deliver, which can have a negative impact on sales.                                                                                                                                                                                                                                              | The Group is continuously working to streamline and digitalise its operations. Structured maintenance, review and development efforts strengthen IT and information security. Protection is tested on an ongoing basis and risk management and continuity planning requirements are made on suppliers.                                                                                    |
| IT                   | Security                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                           |
| Fraud                | External fraud             | Operations may be subjected to external fraud attempts, e.g. CEO letters, false invoices, phishing emails or other means.                                                                                                                                                                                                                                                                                                                                                                                                                       | Skills development, controlled processes and specific internal controls minimise the risk of fraud.                                                                                                                                                                                                                                                                                       |
| Data management      | Compliance                 | Safe management of data and effective IT security processes are important for Ahlsell. Information that is processed may be affected by unauthorised access, be inappropriately distributed or used, either by employees or outsiders, or in some other way be lost, disclosed or processed in a way that violates laws or regulations addressing security of data and privacy.                                                                                                                                                                 | Ahlsell has a special function for information security and privacy protection with employees within the Group and subsidiaries. The purpose of the work is to protect, maintain and secure critical business data and to ensure compliance with laws and regulations (e.g. GDPR).                                                                                                        |

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# Notes





**NOTE 1**  
**About the Sustainability Report: Compliance with legislation, focus and scope**

The sustainability report also includes Quimper Group Holdings AB's statutory sustainability report in accordance with Chapter 6, Section 11 of the Swedish Annual Accounts Act, and has been reviewed and approved by the company's Board of Directors. Quimper Group Holdings AB is the parent company of the Ahlsell Group. The Sustainability Report has been prepared with reference to GRI Standards.

This sustainability report complies with the Swedish Annual Accounts Act and contains such information about sustainability aspects as are necessary to understand Ahlsell's development and results, material issues, risks, policies and guidelines, and the impact of operations. The aim is for this report to provide our stakeholders with a comprehensive and easily accessible overview of Ahlsell's sustainable development governance and results. The report covers the 2022 financial year unless otherwise stated.

Ahlsell strives to be a responsible and reliable member of society, which means that we comply with both industry guidelines and laws in countries where we operate. This also means that Ahlsell does not engage in aggressive tax planning, but is careful to pay tax in accordance with legislation in the countries in which it operates.

Reported sustainability data relates to Ahlsell's operations in 2022 in Sweden, Norway, Finland and Denmark, which together represent 97 percent of the company's sales.

Companies acquired during the year are also included in this sustainability report, which can lead to year-on-year changes in reported results. Activities sold during the year are not included. Ahlsell's largest acquisition of Danish Sanistål took place at the end of December 2022. Sustainability data for Sanistål is not included in this report, but the number of employees is reported as separate information.

Data was collected in Position Green and the finance system, as well as manually by each information owner. Quantified information and other information has been verified in accordance with Ahlsell's internal control procedures. The respective country manager and/or company manager is responsible for sustainability data. Previously reported values are not normally corrected retrospectively, but may be in cases where the calculation method has changed. The sustainability report has been reviewed by KPMG AB.

**NOTE 2**  
**Materiality analysis and stakeholder dialogue**

Ahlsell's sustainable development work and reporting is based on our materiality analysis. Our materiality analysis helps ensure that we manage, follow up and report on our most relevant sustainability areas in order to create long-term value for our stakeholders.

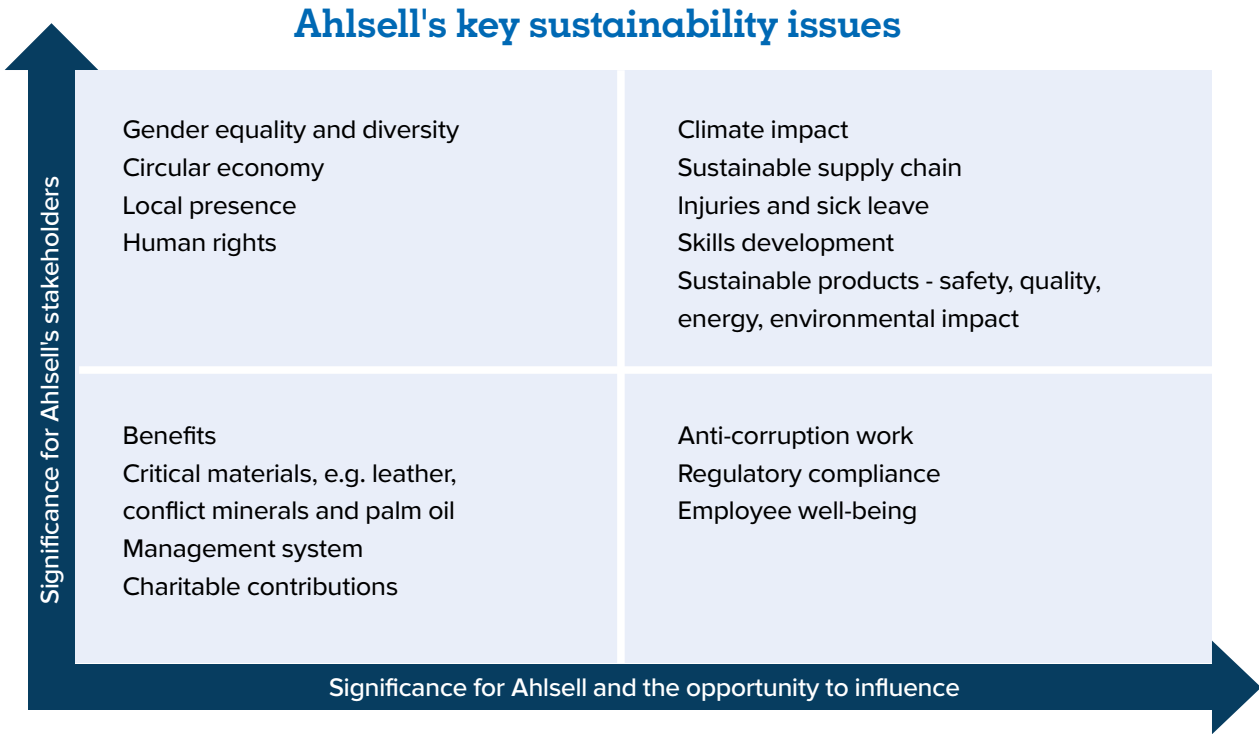
We have defined our key stakeholders as the groups most affected by and/or who impact our business. These include customers, suppliers, employees, organisations, the local community and our owners.

Since 2021, there has been an established methodology and procedure for our systematic work with stakeholder analysis, stakeholder dialogue and materiality analysis. This dictates that a new overall stakeholder dialogue and materiality analysis must be conducted every three years in between annual reviews and updates based on regular ongoing stakeholder dialogue and external analysis. The procedure is governed and managed by Environment and Sustainability

and covers all companies within the Group. The stakeholder analysis is carried out within the framework of ISO 14001.

An overall stakeholder dialogue was conducted in 2021, wherein customers, owners, suppliers and employees have been asked to prioritise the issues and areas they consider to be of most importance for Ahlsell's operations and sustainable development. The survey was conducted digitally through online questionnaires with a total of 200 respondents. To get a transparent depiction of stakeholder perception, predetermined topics based on EcoVadis, GRI SRS and Global Compact's ten principles have been utilised.

Ahlsell's Group and country management teams have also evaluated the topics on a four-point scale. The materiality analysis outcome is the basis of the targets and KPIs that help us monitor and manage the risks, opportunities and impacts of our operations on the parts of the value chain where they have been identified as most significant. The design of the KPIs is guided by the GRI Standards and the global goals in Agenda 2030.



NOTE 3  
Reduced environmental impact

Environmental reporting is based on documentation from operations in Sweden, Norway, and Finland and Denmark and subsidiaries with sales of more than MSEK 250 (Proffsmagasinet and Prevex).

Greenhouse gas emissions are reported in accordance with the GHG protocol (ghgprotocol.org).

- GHG Scope 1 includes goods transport by own vehicles, work machines, refrigerants and heating with oil, gas or pellets.
- GHG Scope 2 includes district heating, cooling and electricity.
- GHG Scope 3 includes the freight transport that Ahlsell pays for and business travel (by company cars, own car and air).

Conversion factors for carbon dioxide equivalents have been taken from Svenska MiljöEmissionsData, Energiföretagen, e-on, Defra, Energimyndigheten, Energia, Stockholm Exergi, Preem, Pelletsförbundet, Statistical sentralbyrå, Trafikverket and Liikennefakta. For conversion of electrical power, the 2021 Nordic residual mix was used and obtained from the Swedish Energy Markets Inspectorate.

The major freight transport carriers have used ISO 14064 or EN 16258 standard as the basis for their emission calculations and EcoTransIT as a data source. Smaller carriers in Sweden calculate the emissions of goods transport using the Swedish Association of Freight Forwarders' calculation tool Såcalc.

Data for importing goods to Norway has been updated as a result of previously missing data from a carrier and expanded operations in 2022. Norway's data for transports to customers has also been updated, as one of their carriers changed the calculation method to EcoTransIT.

Waste statistics on the degree of sorting for material recycling have been retrieved from engaged waste operators. Data is reported in the fractions mixed, combustible, hazardous waste, landfill and total waste. This information is used to calculate the degree of sorting. The different waste operators' statistics for fractions differ somewhat, which means that an exact comparison of data is not possible.

The degree of sorting does not include the fraction for incineration/energy recovery.

| Type of energy                   | Total energy consumption (MWh) | Renewable proportion (%) |
|----------------------------------|--------------------------------|--------------------------|
| Electricity                      | 41,565                         | 93                       |
| Self-generated solar electricity | 1,265                          | 100                      |
| Natural gas for heating          | 377                            | 0                        |
| Oil for heating                  | 501                            | 0                        |
| District heating                 | 23,478                         | 50                       |
| District cooling                 | 283                            | 100                      |
| Pellets for heating              | 0                              | 0                        |
| Diesel for work machinery        | 4,881                          | 75                       |
| Energy from own company cars     | 1,556                          | 17                       |
| Total                            | 73,906                         | 75                       |

The organisation's own energy consumption. Energy is reported in kWh or GJ. Conversion factor for GJ to kWh 277.778

NOTE 4  
Responsible sourcing

Ahlsell's work on responsible sourcing starts with our basic requirements. The requirements set out in Ahlsell's Code of Conduct follow the guidelines set out in the UN Global Compact, the ILO's core conventions on principles for international companies and social policies, and the OECD's guidelines for international companies.

Our goal is to have zero high risks in the supply chain by 2025. For us, a supplier in a geographically high-risk area or in a high-risk industry where the risks have not been managed by Ahlsell or our partners is considered a high risk. To achieve this a new supplier must attest to understanding the requirements made in Ahlsell's Code of Conduct and we must have assessed that they meet Ahlsell's environmental, quality and sustainability requirements with regard to both products and processes.

The definition of local supplier is based primarily on where Ahlsell operates, i.e., the Nordic countries: Sweden, Norway, Finland, Estonia and Denmark. Non-local suppliers are those in the rest of the EU and outside the EU. Data is retrieved from Vivaldi and is defined based on where the supplier is based.

NOTE 5  
Health and safety

Information about sick leave is retrieved from each respective country's payroll system. Information about work-related accidents is retrieved from the C2 Management System. The C2 system is also used for managing private label product claims.

The respective country manager and/or company manager is responsible for sustainability data.

Compliance with legislation on products includes REACH, legislation that includes both substitution and precautionary principles, CLP, RoHS, CPR, WEEE and other relevant CE directives, regulations and standards. The Notisum law monitoring tool is used to identify laws and regulations that are relevant to the companies.

**Occupational health services**

We work with systematic health efforts: risk analyses and safety inspections, ergonomics, as well as psychosocial and organisational work. Action plans are developed locally, as well as an overall plan for each country, based on results from a central and/or local risk analysis.

The use of the occupational health service must be work-related and must always go through the employee's manager. Occupational health services are bound by confidentiality, which means that they may not disclose information about the individual employee without their consent. Occupational health services shall act proactively, consultatively and as a supplement to HR in areas such as work environment, health and rehabilitation. We continuously conduct courses for managers in the area of occupational health and safety, such as on the topics of legislation, new regulations, employer responsibility and specific rules, e.g., concerning follow-up on sick leave in Norway.





## NOTE 6

### Innovation and cooperation

Collaboration with customers, suppliers, industry players and other stakeholders is crucial for developing operations and business in a sustainable direction. Ahlsell participates and contributes actively in networks and organisations, both at Group level and in each market.

#### Ahlsell's association memberships

|         |                                                                                                   |
|---------|---------------------------------------------------------------------------------------------------|
| Sweden  | SEG (Swedish electricity wholesalers)                                                             |
|         | RGF (pipe wholesaler association)                                                                 |
|         | Svensk Ventilation                                                                                |
|         | Sprinklerfrämjandet (sprinkler association)                                                       |
|         | Byggbranschens Elektroniska Affärsstandard (Construction Industry's Electronic Business Standard) |
|         | Svensk Handel (Swedish Trade Federation)                                                          |
|         | Bygghandlarna (The Association of Swedish Building Materials Merchants)                           |
|         | VVS Info                                                                                          |
| Norway  | EFO (the Norwegian Electrical Trade Association)                                                  |
|         | Virke (main organisation for trade and service)                                                   |
|         | Virke Teknisk Handel                                                                              |
|         | Edison Data AS (electro wholesalers)                                                              |
| Finland | STK (Finnish Electrotechnical Trade Association)                                                  |
|         | Taltek ry (Finnish building services industries and trade)                                        |
|         | Teknisen Kaupan liitto (The Association of Finnish Technical Traders)                             |

## NOTE 7

### Sustainable employeeship

My Toolbox and each country's payroll system are used for data collection. Data is transferred to Position Green. In our employee calculations below, we have chosen not to include our purchasing function in China to enable regional collection of data, i.e. that our data covers the European region. The purchasing function in China had an average of 13 employees during the year. Sanistål is reported in the number of employees at year end but not in the average number of employees in 2022 as the acquisition took place in December 2022.

#### Number of employees by category, excluding China, at year-end

|                | Number | %    |
|----------------|--------|------|
| Administration | 684    | 9%   |
| Selling        | 4,677  | 62%  |
| Logistics      | 1,904  | 25%  |
| Purchases      | 318    | 4%   |
| Total          | 7,583  | 100% |

#### Distribution of average number of employees, excluding China and Sanistål, by gender and age group

|                     | Number of women | Number of men | Total | Proportion of women by age category | Proportion of men by age category | Proportion of women | Proportion of men |
|---------------------|-----------------|---------------|-------|-------------------------------------|-----------------------------------|---------------------|-------------------|
| Under 30 years      | 371             | 586           | 957   | 39%                                 | 61%                               | 22%                 | 13%               |
| Between 30-39 years | 466             | 971           | 1,437 | 32%                                 | 68%                               | 27%                 | 21%               |
| Between 40-49 years | 381             | 1,164         | 1,545 | 25%                                 | 75%                               | 22%                 | 25%               |
| Between 50-59 years | 430             | 1,488         | 1,918 | 22%                                 | 78%                               | 25%                 | 32%               |
| Over 60 years       | 76              | 447           | 523   | 15%                                 | 85%                               | 4%                  | 10%               |
| Total               | 1,724           | 4,656         | 6,380 | 27%                                 | 73%                               | 100%                | 100%              |

Of the total number of managers, the proportion of women was 22% (20) at the end of the year. The calculation encompasses our main markets.

#### Average number of employees, excluding China, men and women, in total in the group and by segment

|                           | Sweden | Norway | Finland | Denmark | Other (Estonia, Poland) | Total |
|---------------------------|--------|--------|---------|---------|-------------------------|-------|
| Total number of employees | 4,064  | 1,366  | 689     | 87      | 174                     | 6,380 |
| Of which men              | 2,873  | 1,041  | 550     | 63      | 129                     | 4,656 |
| Of which women            | 1,191  | 325    | 139     | 24      | 45                      | 1,724 |
| Women, %                  | 29%    | 24%    | 20%     | 28%     | 26%                     | 27%   |

#### Distribution of average number of employees, excluding China, by gender and length of service

|                  | Women | Men   | Total | Proportion of women by length of service | Proportion of men by length of service | Proportion of women | Proportion of men |
|------------------|-------|-------|-------|------------------------------------------|----------------------------------------|---------------------|-------------------|
| 0-5 years        | 910   | 1,879 | 2,789 | 33%                                      | 67%                                    | 53%                 | 40%               |
| 6-10 years       | 336   | 1,027 | 1,363 | 25%                                      | 75%                                    | 19%                 | 22%               |
| 11-15 years      | 140   | 522   | 662   | 21%                                      | 79%                                    | 8%                  | 11%               |
| 16-25 years      | 247   | 800   | 1,047 | 24%                                      | 76%                                    | 14%                 | 17%               |
| 26 years or more | 91    | 428   | 519   | 18%                                      | 82%                                    | 5%                  | 9%                |
| Total            | 1,724 | 4,656 | 6,380 | 27%                                      | 73%                                    | 100%                | 100%              |

## Distribution of average number of employees, excluding China, by permanent and temporary, and by gender

|           | Number of women | Number of men | Total | Proportion of women by employment type | Proportion of men by employment type | Proportion of women | Proportion of men |
|-----------|-----------------|---------------|-------|----------------------------------------|--------------------------------------|---------------------|-------------------|
| Permanent | 1,592           | 4,470         | 6,062 | 26%                                    | 74%                                  | 92%                 | 96%               |
| Temporary | 132             | 186           | 318   | 42%                                    | 58%                                  | 8%                  | 4%                |
| Total     | 1,724           | 4,656         | 6,380 | 27%                                    | 73%                                  | 100%                | 100%              |

## Distribution of average number of employees, excluding China, by full-time and part-time and by gender

|           | Number of women | Number of men | Total | Proportion of women by employment type | Proportion of men by employment type | Proportion of women | Percentage of men |
|-----------|-----------------|---------------|-------|----------------------------------------|--------------------------------------|---------------------|-------------------|
| Full-time | 1,578           | 4,473         | 6,051 | 26%                                    | 74%                                  | 92%                 | 96%               |
| Part-time | 146             | 183           | 329   | 44%                                    | 56%                                  | 8%                  | 4%                |
| Total     | 1,724           | 4,656         | 6,380 | 27%                                    | 73%                                  | 100%                | 100%              |

## NOTE 8

## Sustainability and financing

Ahlsell's financing agreement with lenders contains a clause on interest rate regulation linked to greenhouse gas emissions in Scopes 1 and 2 (GHG Scopes 1 and 2, see note 3). Provided that emissions in relation to sales decrease by at least 10 percent in relation to the measured value two years before the current year and are lower than the previous year, Ahlsell is entitled to a reduction of 0.075 percent in the interest margin during the following 12-month period on the current financing. If the measurement is unchanged or higher than the previous year or the decrease is less than 10 percent compared with the measurement two years before the current year, the interest margin is raised by 0.075 percent for the following 12-month period.

During the 12-month period after the measurement period, Ahlsell is expected to use the amount corresponding to the entire reduced interest expense resulting from the reduction of the interest margin to make investments or take initiatives to promote reduced greenhouse gas emissions.

Definition of sustainable investments: Investments or increased costs resulting from initiatives aimed at reducing the environmental and/or climate impact of the business.

As can be seen in the table Key Sustainability Figures on page 56, the current measurement value for 2022 (carbon footprint in tonnes of carbon dioxide equivalents per MSEK sales - Scopes 1 and 2) has decreased by more than 10 percent relative to 2020 and is lower than the value for 2021.





# Sustainability KPIs

The table provides an overview of Ahlsell's reported sustainability key figures with development over time, as well as targets where established.

Figures and measurements in this report refer to the Ahlsell AB (Publ.) Group.

\*The 2019 assessment refers to Ahlsell AB. In previous years, only Ahlsell Sverige AB.

\*\*We report all accidents involving personal injury, resulting in at least one day of sick leave. The values differ from those reported in Ahlsell's Sustainability Report 2019. This is due to one of the countries having reported all accidents involving personal injury in previous years – including those that did not result in sick leave.

\*\*\*Previously reported figures for 2018–2020 have been recalculated retroactively according to a common updated calculation basis. See also Note 3 Reduced environmental impact, page 53.

\*\*\*\* Reported figures 2018–2019 only include electricity and heat.

N/A= Measurement data missing.

| General                                                                                             | 2018       | 2019        | 2020       | 2021     | 2022         | Goal                                                         |
|-----------------------------------------------------------------------------------------------------|------------|-------------|------------|----------|--------------|--------------------------------------------------------------|
| Total net sales, MSEK                                                                               | 31,291     | 32,672      | 32,849     | 36,850   | 43,971       |                                                              |
| EcoVadis ratings and points                                                                         | Silver, 58 | Silver, 56* | Silver, 56 | Gold, 68 | Platinum, 76 | Improvement compared to last year's score                    |
| Reduced environmental impacts                                                                       | 2018       | 2019        | 2020       | 2021     | 2022         | Goal                                                         |
| Carbon footprint in tonnes of carbon dioxide equivalents per MSEK net sales (Scopes 1, 2 and 3) *** | 1.07       | 0.98        | 0.81       | 0.69     | 0.55         | Halve the carbon footprint by 2030 compared with 2016 (1.39) |
| Carbon footprint in tonnes of carbon dioxide equivalents per MSEK net sales (Scopes 1 and 2)        | 0.33       | 0.26        | 0.14       | 0.13     | 0.08         |                                                              |
| Footprint in tonnes of carbon dioxide equivalents, absolute figures ***                             | 32,521     | 31,149      | 25,798     | 24,953   | 23,714       |                                                              |
| Direct energy consumption, MWh (electricity, heating, work machines and own electric vehicles) **** | 66,977     | 70,462      | 69,211     | 77,065   | 73,906       |                                                              |
| Total carbon dioxide equivalents GRI Scope 1, tonnes                                                | 1,829      | 1,715       | 1,353      | 1,249    | 892          |                                                              |
| Total carbon dioxide equivalents GRI Scope 2, tonnes                                                | 8,327      | 6,502       | 3,209      | 3,345    | 2,533        |                                                              |
| Total carbon dioxide equivalents GRI Scope 3, tonnes ***                                            | 22,365     | 22,932      | 21,236     | 20,359   | 20,289       |                                                              |
| Total amount of waste, tonnes                                                                       | 10, 143    | 10, 769     | 10, 820    | 10, 982  | 10, 429      |                                                              |
| Hazardous waste, tonnes                                                                             | 387        | 432         | 542        | 499      | 134          |                                                              |
| Waste sorting rate in stores, %                                                                     | 46         | 56          | 52         | 52       | 57           | 80                                                           |
| Waste sorting rate in central warehouse, %                                                          | 90         | 92          | 90         | 90       | 91           | 90                                                           |
| Waste sorting rate, total, %                                                                        | 69         | 72          | 69         | 70       | 72           |                                                              |
| Number of own addresses with charging points                                                        | 40         | 50          | 56         | 62       | 90           |                                                              |
| Number of own addresses with solar panels                                                           | 2          | 3           | 4          | 4        | 5            |                                                              |
| Number of environmentally approved products                                                         | 3,500      | 4,000       | 4,000      | 7,700    | 8,700        |                                                              |
| Responsible sourcing                                                                                | 2018       | 2019        | 2020       | 2021     | 2022         | Goal                                                         |
| Proportion of suppliers who has signed with Ahlsell's Code of Conduct, %                            | 76         | 79          | 82         | 81       | 83           | 100%                                                         |
| Evaluated suppliers, % of purchased value                                                           | 44         | 50          | 50         | 52       | 47           | 100%                                                         |
| Proportion of purchased value from Nordic suppliers                                                 | N/A        | N/A         | 91         | 91       | 89           |                                                              |
| Health and safety                                                                                   | 2018       | 2019        | 2020       | 2021     | 2022         | Goal                                                         |
| Work-related accidents, number                                                                      | 38         | 36          | 37         | 30       | 30           | Zero vision**                                                |
| Absence due to illness among employees, %                                                           | 4          | 4           | 5          | 4        | 5            | 4.5                                                          |
| Sustainable employeeship                                                                            | 2018       | 2019        | 2020       | 2021     | 2022         | Goal                                                         |
| Percentage of employees who underwent The Code, %                                                   | 37         | 50          | 51         | 84       | 75           | 100%                                                         |
| Total staff turnover, %                                                                             | 10         | 10          | 9          | 10       | 11           |                                                              |
| Proportion of employees with collective agreements, %                                               | 99         | 99          | 100        | 100      | 100          | 100%                                                         |
| Percentage of employees who have had employee appraisals, %                                         | 79         | 83          | 85         | 95       | 94           | 100%                                                         |
| Proportion of women among employees at year-end, %                                                  | 23         | 24          | 25         | 26       | 29           |                                                              |
| Proportion of women in managerial positions, %                                                      | 18         | 17          | 20         | 22       | 24           | 30%                                                          |
| Employee survey, job satisfaction                                                                   | 72         | 71          | N/A        | 74       | 75           |                                                              |
| Employee survey, leadership index                                                                   | 75         | 76          | N/A        | 80       | 81           |                                                              |

# GRI content index Ahlsell 2022

Ahlsell has reported the information cited in this GRI content index for the period January 1 - December 31, 2022 with reference to the GRI Standards.

This GRI content index presents the general and topic-specific GRI disclosures that Ahlsell has chosen to report.

Regarding GRI 2: General disclosures 2021, the following are not reported: 2-8, 2-10, 2-11, 2-15 - 2-21, 2-27.

GRI 1 used: GRI 1 Foundation 2021

| GRI Standard and disclosures           |                                                                             | Location/comment                                | UN Global Compact principle |
|----------------------------------------|-----------------------------------------------------------------------------|-------------------------------------------------|-----------------------------|
| <b>GRI 2: General Disclosures 2021</b> |                                                                             |                                                 |                             |
| <b>2-1</b>                             | Organizational details                                                      | 6-9, 52                                         |                             |
| <b>2-2</b>                             | Entities included in the organization's sustainability reporting            | 52                                              |                             |
| <b>2-3</b>                             | Reporting period, frequency and contact point                               | 52, contact point: gunilla.sandstrom@ahlsell.se |                             |
| <b>2-4</b>                             | Restatements of information                                                 | No material changes                             |                             |
| <b>2-5</b>                             | External assurance                                                          | 59                                              |                             |
| <b>2-6</b>                             | Activities, value chain and other business relationships                    | 6-10, 18                                        |                             |
| <b>2-7</b>                             | Employees                                                                   | 54-55                                           | 3                           |
| <b>2-9</b>                             | Governance structure and composition                                        | 48-49                                           |                             |
| <b>2-12</b>                            | Role of the highest governance body in overseeing the management of impacts | 48-49, 52                                       |                             |
| <b>2-13</b>                            | Delegation of responsibility for managing impacts                           | 18, 48-49                                       |                             |
| <b>2-14</b>                            | Role of the highest governance body in sustainability reporting             | 48, 52                                          |                             |
| <b>2-22</b>                            | Statement on sustainable development strategy                               | 3-4                                             |                             |
| <b>2-23</b>                            | Policy commitments                                                          | 16, 18-19, 48                                   | 1-10                        |
| <b>2-24</b>                            | Embedding policy commitments                                                | 18-19, 24-46                                    | 1-10                        |
| <b>2-26</b>                            | Mechanisms for seeking advice and raising concerns                          | 19, 49                                          | 1-10                        |
| <b>2-28</b>                            | Membership associations                                                     | 54                                              | 3, 6                        |
| <b>2-29</b>                            | Approach to stakeholder engagement                                          | 20, 52                                          |                             |
| <b>2-30</b>                            | Collective bargaining agreements                                            | 56                                              | 3, 6                        |



| GRI Standard and disclosures       |                                                                                         | Location/comment                                                                                                                                | UN Global Compact principle |
|------------------------------------|-----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| <b>GRI 3: Material Topics 2021</b> |                                                                                         |                                                                                                                                                 |                             |
| <b>3-1</b>                         | Process to determine material topics                                                    | 22,52                                                                                                                                           |                             |
| <b>3-2</b>                         | List of material topics                                                                 | 52                                                                                                                                              |                             |
| <b>3-3</b>                         | Management of material topics                                                           | See side references for respective disclosure                                                                                                   |                             |
| <b>GRI 200: Economy</b>            |                                                                                         |                                                                                                                                                 |                             |
| <b>GRI 205</b>                     | Anti-corruption 2016                                                                    | 19, 48-49                                                                                                                                       | 10                          |
| <b>205-1</b>                       | Operations assessed for risks related to corruption                                     | 49                                                                                                                                              |                             |
| <b>205-2</b>                       | Communication and training about anti-corruption policies and procedures                | 34-36, 19, 46. Refers to the implementation of the code of conduct and and supplier code of conduct, which includes board and business partners |                             |
| <b>205-3</b>                       | Confirmed incidents of corruption and actions taken                                     | 19                                                                                                                                              |                             |
| <b>GRI 200: Environment</b>        |                                                                                         |                                                                                                                                                 |                             |
| <b>GRI 302</b>                     | Energy 2026                                                                             | 26                                                                                                                                              | 8-9                         |
| <b>302-1</b>                       | Energy consumption within the organization                                              | 53                                                                                                                                              |                             |
| <b>GRI 305</b>                     | Emissions 2016                                                                          | 25-32, 53                                                                                                                                       | 8-9                         |
| <b>305-1</b>                       | Direct GHG emissions (Scope 1)                                                          | 28, 53, 56                                                                                                                                      |                             |
| <b>305-2</b>                       | Indirect energy GHG emissions (Scope 2)                                                 | 28, 53, 56                                                                                                                                      |                             |
| <b>305-3</b>                       | Other indirect GHG emissions (Scope 3)                                                  | 28, 53, 56                                                                                                                                      |                             |
| <b>305-4</b>                       | 305-4 GHG emissions intensity                                                           | 29, 56                                                                                                                                          |                             |
| <b>GRI 306</b>                     | Waste 2020                                                                              | 24, 26, 29, 53                                                                                                                                  | 8-9                         |
| <b>Own information</b>             | Sorting rate waste                                                                      | 29-56                                                                                                                                           |                             |
| <b>GRI 308</b>                     | Supplier Environmental Assessment 2016                                                  | 34-36, 53                                                                                                                                       | 7                           |
| <b>308-1</b>                       | New suppliers that were screened using environmental criteria                           | 34-36, 53                                                                                                                                       |                             |
| <b>Own information</b>             | Proportion of evaluated suppliers                                                       | 34-36, 56                                                                                                                                       |                             |
| <b>GRI 400: Social</b>             |                                                                                         |                                                                                                                                                 |                             |
| <b>GRI 403</b>                     | Occupational Health and Safety 2018                                                     | 38-40, 53                                                                                                                                       | 2                           |
| <b>403-1</b>                       | Occupational health and safety management system                                        | 38-39, 53                                                                                                                                       |                             |
| <b>403-2</b>                       | Hazard identification, risk assessment, and incident investigation                      | 38-39, 53                                                                                                                                       |                             |
| <b>403-3</b>                       | Occupational health services                                                            | 39, 53                                                                                                                                          |                             |
| <b>403-4</b>                       | Worker participation, consultation, and communication on occupational health and safety | 38-39                                                                                                                                           |                             |
| <b>403-5</b>                       | Worker training on occupational health and safety                                       | 38-39                                                                                                                                           |                             |
| <b>403-6</b>                       | Promotion of worker health                                                              | 39, 42-46                                                                                                                                       |                             |

## GRI Standard and disclosures

## Location/comment

## UN Global Compact principle

| GRI 400: Social |                                                                                                               |                                                |      |
|-----------------|---------------------------------------------------------------------------------------------------------------|------------------------------------------------|------|
| 403-7           | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 38-40, 42-46                                   |      |
| 403-8           | Workers covered by an occupational health and safety management system                                        | 30. All workers                                |      |
| 403-9           | Work-related injuries                                                                                         | 40, 56                                         |      |
| 403-10          | Work-related ill health                                                                                       | 40, 56                                         |      |
| GRI 404         | Training and Education 2016                                                                                   | 42-46                                          |      |
| 404-3           | Percentage of employees receiving regular performance and career development reviews                          | 56                                             |      |
| GRI 405         | Diversity and Equal Opportunity 2016                                                                          | 44                                             | 2, 6 |
| 405-1           | Diversity of governance bodies and employees                                                                  | 44, 54-55                                      |      |
| 405-2           | Ratio of basic salary and remuneration of women to men                                                        | 44. Disclosure limited to equal pay assessment |      |
| GRI 414         | Supplier Social Assessment 2016                                                                               | 34-36, 53                                      | 1, 6 |
| 414-1           | New suppliers that were screened using social criteria                                                        | 34-36, 53                                      |      |
| Own information | Proportion of evaluated suppliers                                                                             | 34-36, 56                                      |      |



# Auditor's report

## Auditor's Limited Assurance Report on Quimper Group Holdings ABs Sustainability Report and statement regarding the Statutory Sustainability Report.

To Quimper Group Holdings AB, Corp. id. 559155-5577

### Introduction

We have been engaged by the Board of Directors and the Chief Executive Officer of Quimper Group Holdings AB to undertake a limited assurance engagement of Quimper Group Holdings AB Sustainability Report for the year 2022. Quimper Group Holdings AB has defined the scope of the Sustainability Report and the Statutory Sustainability Report on page 52 in this document.

### Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors and the Chief Executive Officer are responsible for the preparation of the Sustainability Report including the Statutory Sustainability Report in accordance with applicable criteria and the Annual Accounts Act respectively. The criteria are defined on pages 52 in the Sustainability Report and are part of the Sustainability Reporting Guidelines published by GRI (The Global Reporting Initiative), that are applicable to the Sustainability Report for reporting with reference, as well as the accounting and calculation principles that Quimper Group Holdings ABs has developed. This responsibility also includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed and to express an opinion regarding the Statutory Sustainability Re-

port. Our responsibility is limited to the historical information reported and thus does not include future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 (Revised) Assurance engagements other than audits or reviews of financial information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report and applying analytical and other limited assurance procedures. Our examination regarding the Statutory Sustainability Report has been conducted in accordance with FAR:s accounting standard RevR12. The auditor's opinion regarding the Statutory Sustainability Report. A limited assurance engagement and an examination according to RevR 12 is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The firm applies ISQC 1 (International Standard on Quality Control) and thus has a comprehensive system for quality control which includes procedures and routines addressing compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Quimper Group Holdings AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The limited assurance procedures performed and the examination according to RevR 12 do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The conclusion based on a limited assurance engagement and an examination according to RevR 12 does not provide the same

level of assurance as a conclusion based on an audit. Our procedures are based on the criteria defined by the Board of Directors and the Chief Executive Officer as described above. We consider these criteria suitable for the preparation of the Sustainability Report. We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusions below.

### Conclusions

Based on the limited assurance procedures performed, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and the Chief Executive Officer.

A Statutory Sustainability Report has been prepared.

*Stockholm March 24th 2023*

KPMG AB

**Joakim Thilstedt**  
Authorized Public Accountant

**Torbjörn Westman**  
Expert Member of FAR