

Sustainability Report Elektroskandia Sverige



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Being a role model on the market where we are active – "La référence"!

We finished 2015 strongly, meeting the high expectations of our shareholders.

As usual, we had high ambitions for the year, and never before have we found ourselves in such a strong position.

During the year, we implemented a broad programme of strategy work among our managers, involving ambitious goals and formulation of a revised strategy for the period 2016–20.

In Örebro, we commenced work on our new logistics centre, and everyone interested can keep track of the construction work online via our web feed on www. elektroskandia.se. Work is progressing on schedule, and we expect great things given that the project is of a scope we have never previously attempted – and that it is quite simply crucial to our competitiveness going forward. We are proud that our new logistics centre is being constructed to environmental classification 'Silver' (Miljöbyggnad environmental building standard, version 2.2, 141001, version 141104).

In 2015 we joined Power Circle, the stakeholder organisation for the electrical power sector, and an association for future issues regarding new technology. The number of electric vehicles doubled in 2015 from 8,000 to around 16,000, and establishment of a charging infrastructure is expected to pick up pace appreciably in the immediate future. Elektroskandia is naturally focusing intently on this area, and in 2015 we built up a range of vehicle chargers so as to become a leading player in this regard. In March 2015 I had the opportunity to spend time with all new employees at our recurring information meeting in Örebro. More than 80 employees attended the event for an introduction to – and information about – Elektroskandia and our business.

Elfack, the biggest trade fair for the sector, was held in May, and Elektroskandia was represented at the event in the shape of our lighting division along with conventional activities for customers in Region West.

Our divisions continued to work on defining our strategy for the period 2016–20. With a high level of ambition and creativity, we are progressing in our work to chart the course for the coming years, which is naturally an extremely stimulating project.

During the autumn, we merged the former Centre regions of Sundsvall, Östersund and Bollnäs with Region Gävle/Dala to create a 'New Centre', which becomes the third-largest region in the Elektroskandia organisation measured on both turnover and markup.

There is much to suggest that 2016 will be an exciting year. The technology switch, changes in channel strategy and new ways of working are sure to affect us all. Our capacity to predict structural changes and use these to our advantage will prove crucial in securing our position.

Anders Nordlöw, VD

The year in brief

January

Supplier meeting, selection of '2014 Supplier of the Year'

February

Industrial kick-off with ten suppliers

March

Introduction days for new employees in Örebro

Elnät entrepreneurs' forum

Renewal audit 2015 for ISO 9001 and ISO 14001

New store in Gothenburg City

May

Elfack 2015

Telecoms day

June

Opening of Sonepar Telecom Innovation Center, STIC, in Kista

August

Launch of our sustainability work

September

Green light and decision to build a new central warehouse

October

New payroll system implemented

December

New payment services launched for debit card payment and direct debit from bank accounts – also for our e-commerce customers for purchases via elektroskandia.se.

In 2015, Elektroskandia appointed three new members of the management team: Rickard Dittlau, Marketing Director, Krister Svantesson, HR Director, and Monika Frosteman, CFO.



Company Presentation

Elektroskandia - The leading electrical technology wholesaler in Sweden.

We market and sell electrical equipment and systems in the fields of power/automation, tele/data/security, lighting, domestic appliances and industrial necessities. We employ 770 people at 48 locations all over Sweden.

Elektroskandia Sverige AB is a part of the Sonepar Group – one of the biggest electrical wholesalers in the world. The Group currently numbers more than 245 companies in 44 countries on five continents. Elektroskandia has been operating as an electrical wholesaler in Sweden since 1904. The company head office is located in Rotebro, Municipality of Sollentuna, Sweden.

In our position between manufacturer and end user, we aim to be much more than a passive link in a chain. We strive to use our systems and our experience to contribute to increasing efficiency and profitability in our customers' purchasing and sales organisations.

The Elektroskandia customer base is remarkably broad. We work with everyone from owner-operated companies to huge multinational groups, and believe the service level should exceed expectations at both ends of the spectrum. Our aim is to work with the leading suppliers in the world, and we stock more than 40,000 items that we guarantee to deliver the day after the order was received. In addition to working with the widest range of items in the sector, we apply logistics solutions that set the standard for the industry. Logistics is the engine that drives everything we do. We make sure that the right product reaches the right customer in the right place and at the right time. Our employees work to connect 2,500 suppliers to 13,000 customers. Every day, we handle 600 tonnes of electrical equipment at our logistics centre in Örebro – which means we dispatch an order line every three seconds!

On request from our customers, we are happy to enter into in-depth working relationships, where our organisation acts as an integrated part of the customer's business. Our ultimate aim is always to boost efficiency and, as a result, profitability for our customers.

Our departments are staffed by people with authentic technical skills and in-depth knowledge of the products we sell. Our staff can quickly answer your questions and place products in the relevant context.

Elektroskandia owns the Cylinda brand, which supplies the Swedish market with a complete range of domestic appliances, where Cylinda Service is Cylinda's service organisation with its own service technicians who are all specially trained in Cylinda products.

Milestones in our history

- 1904 Asea IM founded
- 1917 Elektroskandia established
- 1962 Merger between Asea IM and Elektroskandia
- 1967 Central warehouse in Örebro constructed
- 1991 Integration Servicebolaget
- 1992 Integration Scan Electric
- 1992 Acquisition KraftGross
- 1994 Integration Fläkt Belano
- 1997 Hagemeyer acquires Asea Skandia

- 1999 Logo switch Asea Skandia becomes Elektroskandia
- 1999 Lager 2000 inaugurated & Establishment in China
- 2000 Internet commerce
- 2001 Sale of ventilation and discontinuation of sheet metal activities
- 2006 Acquisition Cardi Belysningsspecialisten AB
- 2008 Sonepar acquires Elektroskandia AB and its operations in China



Materiality and materiality analysis

For us at Elektroskandia, the concept of 'sustainability' entails continuous quality work in the areas of finance, social issues and environmental matters. Good profitability is, of course, a precondition for powering our business forward in the long term. We will also achieve a better working relationship with our employees and stakeholders if we show consideration for social issues and environmental aspects.

'Sustainability' means different things depending on whom you ask at Elektroskandia:

- HR Businesspartner (specialists in HR issues) works to ensure low staff turnover and minimal sick leave.
- Our logistics specialists focus on ensuring the accessibility of items, so as to keep transport emissions down.
- Our sales department is most interested in setting up long-term contracts, where customers can see the benefits of consolidated deliveries – which translates into reduced environmental impact.
- Our purchasers strive to work with suppliers who live up to the ten principles of the UN Global Compact, and who abide by American requirements not to use conflict minerals.



Key sustainability issues for Elektroskandia

In order to identify Elektroskandia's key sustainability issues, we completed our first materiality analysis in the form of a workshop in May 2015. Employees from marketing, logistics, finance, IT, quality, environment and the Cylinda department participated in the event, along with work environment officers.

On the basis of a gross list of sustainability aspects, and taking as our starting point GRI G4, we evaluated how important each aspect is to Elektroskandia, with regard to impact/risk/opportunity. We then performed an evaluation from a stakeholder perspective for each and every one of our key stakeholders. The overall assessment of the stakeholders was then calculated to produce an averagevalue.

Figure 3 illustrates how the group evaluated the various aspects. We will continue to discuss these aspects in 2016, when we will be inviting stakeholders to read our first GRI report..

The group considered compliance with laws and regulations to be most important of all. By making sure to comply with all relevant laws and regulations, we can be sure of acting in an ethically responsible manner, and maintaining a high environmental standard. We consider Swedish legislation to be strong, and we are convinced that this is important to our stakeholders. Financial results were also viewed as being extremely important to all – the capacity to take the long-term view demands stable profitability.



The Elektroskandia value chain

Purchasing, sales, logistics and support functions such as HR, finance, market communication, aftermarket and IT make up the value chain at Elektroskandia. We have identified great opportunities to influence all links of the chain.

We work with around 10 transporting companies, with whom we carry out annual contract negotiations. Transport emissions constitute a key impact area, which is why these values are reported to us.

We supply customers in the construction sector – in the form of large and small electrical companies – as well as national and local government organisations and players in the fields of industry, construction and property; and, of course, resellers and their customers. We take responsibility through good customer communication; we suggest options in the form of actively sustainable products, but we always respect our customers' decisions and make sure to stock our customers' preferences.

The group determined that we can apply the greatest influence to our own processes, and to our suppliers.

For details of how we influence our suppliers, see Section 10: Sustainable products and services.



Evaluation of aspects updated 2.9.2015

Importance for Elektroskandia

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Strategy, management and follow-up

For us at Elektroskandia, 'sustainability' encompasses financial, social and environmental dimensions. Profitability is, of course, essential to running our business in the long term, and we can be sure of a better working relationship with our stakeholders if we show consideration for social and environmental issues.

Sustainability work at Elektroskandia is built on the following cornerstones

- Our vision, which lays out the company's long-term strategic direction.
- Our business concept, which explains what we do.
- Our environmental and quality work, which has been under way since 1995.
- Our environmental and quality goals are adjusted after assessment at least once a year. In addition, we follow up on them every month through the corporate management results meetings, and in the company that set the target.
- Environmental goals are defined on the basis of an environmental survey. The most recent survey was completed in 2010–11, and a new one will be prepared in spring 2016. Our environmental and quality policy will also be reformulated in 2016 to take the form of an actual sustainability policy.
- The values we identified, discussed and wrote down in 2011–13, and which we all return to in our everyday work. These values are: Customer focus, the will to lead and to win, entrepreneurship, team spirit and taking the long-term view.
- We determined a code of conduct for employees in 2013. We review and discuss this code every year.



- Policy for sustainability, the environment, quality and safety.
- Ongoing dialogue with our owners, customers, suppliers and employees with a view to continuing to develop in the field of sustainability.
- Long-term goals for 2016–20, along with the associated strategy and the budgeted targets for the year.

The executive management of Elektroskandia has set out the company's business policy. Measurable goals for the business have been specified and are described in other sections.

Organisation



Caption: The diagram illustrates the overarching organisation of the company, as well as the units represented in the corporate management.

Every autumn, the management team draws up a business plan for the coming year. The plan forms part of the company strategy and covers a period of five years. This work includes discussing the most significant sustainability issues and setting up relevant goals. The management team meets regularly to follow up on goals and to agree on corrective measures. Each department follows up on the goals and strategies that have been agreed within their respective areas.

The executive management meets twice a year; this group is made up of all business managers (approx. 50 managers). These meetings are important in deploying the long-term goals.

All work processes, routines, checklists and instructions necessary to drive Elektroskandia operations towards the fulfilment of business plans and company policy are documented or referred to in our business system.

The principal aim of the Elektroskandia quality and environmental management (Q&E)system is to meet requirements from customers, authorities, owners, suppliers and employees with regard to the production and delivery of our products and services, and for the management of the business.

A secondary aim of the business system is to facilitate management of the business such that all processes run more flexibly, and that they develop on an ongoing basis.

On creating the Elektroskandia Q and E- system, we also chose to focus on aspects of the external environ-

ment, and to ensure that internal OHAS risks are dealt with systematically.

The Elektroskandia Q and E system is certified in accordance with the ISO 9001:2008 and ISO 14001:2004 standards.

The Q and E system is examined annually through internal audits. In 2015, one of the focus areas for the company's internal organisation for the quality and environmental audit was to check awareness of our internal code of conduct.

Changes to legislation and other decisions from authorities are monitored centrally by our quality and environment organisation. The respective departments are informed as and when necessary. Follow-up on compliance with legislation is performed in connection with the internal audits.

The management team assesses and evaluates the efficiency and applicability of the business system on an annual basis. In all change work, we show consideration for the precautionary principle, as stated in Article 15 of the Rio Declaration (http://www.gdrc.org/u-gov/precaution-7.html). Our ambition is to avoid negative environmental impact by forecasting our actions and making adjustments wherever possible.

Elektroskandia participates actively in sustainability work through our membership of the following sector organisations: SEG, EHL, LJUSA and Power Circle. We are also affiliated with FTI and El-Kretsen.



Stakeholders and stakeholder dialogue

Attentiveness to the needs and opinions of our stakeholders is crucial to Elektroskandia's business. That is why it is only natural for us to maintain an ongoing dialogue with our most important stakeholder groups. At a workshop in May 2015, we identified four key stakeholders and two groups which, while not being key stakeholders per se, are nevertheless considered more interesting than others. Our key stakeholdersare the stakeholderson which we are considered to have the greatest influence, and/or those who are most strongly affected by Elektroskandia's business.

Our four key stakeholdersare:

- Owners
- Customers
- Suppliers
- Employees
- Two other stakeholders we consider to constitute an intermediate layer (i.e. not key stakeholders per se, but more important than others) are:

>>Distributors

>>Elektroskandia

>>You. our customer

• Trade union organisations - in our case, primarily the Swedish unions Unionen and HAF

>>Suppliers

• Sector organisations (SEG and EHL, El-Kretsen)

Stakeholder	Dialogue opportunity	Stakeholders' expectations on us
Customers	Our sales staff in customer meeting	Right sustainable product
	Annual customer satisfaction survey	Sustainable deliveries
	Dialogue in shops	Right price at the right place and at the right time
	Breakfast meetings	
Suppliers	Market department meets suppliers in negotiations	Clear picture of requirements before contract nego- tiations
	Supplier follow-up meeting	Good dialogue and follow-up on requirements
	Annual supplier satisfaction survey	Information about market conditions
	Annual supplier get-together	
	As from 2016, we will:	
	Inform suppliers of our new Code of Conduct	
	Ask suppliers to carry out a GAP anal- ysis	
	Perform risk analyses	
	Select a number of suppliers to audit	
Owners	Elektroskandia is a wholly owned sub- sidiary of the French Sonepar Group	Long-term, stable returns through careful use of resources (Society, environment and staff)
	We keep our owners continuously in- formed of the company's intentions	
	We maintain an ongoing dialogue with our sister companies – in Germany, for example – that are working with sustain- ability issues.	
	Four board meetings per year	
	Dialogue in working groups	
	Executive meetings	
	MS Yammer	
Employees	One business follow-up meeting per year in the working group	Responsible behaviour by the employer:
	Separate follow-up meetings with man- agers	Good terms of employment and working environ- ment
	Annual staff satisfaction survey	Stable, long-term employer
Trades union organisations	Collaboration meetings in the form of a central committee, where union representatives meet the company management	Good dialogue (otherwise the same as for employ- ees)
Sector organ- isations	Four meetings per year at CEO level	Good dialogue, and being a role model in the field of sustainability issues
	Other meetings at other levels within the company	

We continue our dialogue with our most important stakeholders during 2016. A first step is to give them access to this report and continue to discuss our commitment in these subject.



Finance and business ethics

Financial aspects

Why are they so significant to us?

In order to maintain competitiveness over time, and in order to ensure our survival, we need to build up reliable profitability. We need to continue instilling confidence so that our customers and suppliers view us as their preferred choice.

We strive to use our systems and our authentic experience to contribute to increasing efficiency and profitability in both our own and our customers' purchasing and sales organisations. We thus function as an important link between manufacturer and end user, and our ambition is to be much more than a passive link in a chain.

How do we handle them?

In 2015 we focused on improving customer value and increasing efficiency. These are both important to our capacity to accommodate our customers' altered behaviour while maintaining stability and profitability. We have also been working towards assuring our position, reinforcing the integration of sustainability, and increasing skills transfer through greater internal mobility. We have continued to invest in accessibility, transparency and quality. It is important to us that we give customers the opportunity to make informed decisions, and to understand our products. These are factors that inevitably boost customer value.

Financial targets	2013 Actual	2014 Actual	2015 Budget	2015 Actual	Comment actual against budget
Profit:	199 607	218 314	-	195 066	
Operating profit	307 383	312 854	285 976	278 766	Higher external costs than bud- geted
Directly generated financial value					
Earnings (net sales and sales of assets)	5 839 227	5 833 971	5 827 383	5 954 223	Closed more deals compared to budget
Distributed financial value					
Operating expenses (payments to suppliers of products and services)	-5 153 028	-5 526 373	-	-5 526 373	
Salaries and remuneration (as well as pensions, insurance policies, compa- ny vehicles, corporate healthcare, etc. HR-related costs)	-492 821	-525 336	-556 098	-555 544	Fewer employees than budgeted
Payments to financiers (all financial pay- ments, interest payments to lenders)	-9 925	-7 709	-	-16 299	
Payments to the public sector (tax)	-70 490	-83 542	-	-61 704	
Investments in society (gifts)	-159	-181	-	-211	
Retained financial value					
Investments, repayment of capital (in- vestments and repayments of capital)	11	20	-	34	

All figures in the table are in kSEK; empty fields mean no budget figures at that level

Profits, operating capital and investments are followed up monthly by the management



Financial impact		
Healthy culture for salaries and remuneration	Remuneration, Elektroskandia	AN Note 3
Social commitment		
Financial stability	Profit Operating capital Key figures	AN page 12 AN page 12 AN page 3
Indirect financial impact		
Sustainability integrated into internal processes	ISO certification	

Note 3 indicates that this information is available in our annual report as submitted to the Swedish Companies Registration Office.



Business ethics

Ethical business is a precondition for good relations between Elektroskandia and our partners. Our ambition is to be a role model in these areas as well on our market.

Swedish legislation lays the foundations for Elektroskandia's work in the field of business ethics and anti-corruption, and the company's values and code of conduct are important pillars in this work.

For example, the code of conduct for employees states that any conflicts of interest must be reported without delay so that the employee(s) in question can find help in dealing with them. All managers and staff in the sales and marketing organisation received training in the code of conduct in 2013. All new employees are familiarised with the code of conduct when they join the company. Sponsorship and charity work are only run from central office to prevent the risk of bribery.

In 2015, the finance department launched an analysis of the business with regard to the risk of corruption. All operations were analysed at general level, and a plan will be prepared for a more detailed review in 2016. We believe that the biggest risk is lack of knowledge among our employees and partners. Sales staff, employees of the marketing organisation and managers have been identified as being more exposed to the risk of corruption than others. Education about the code of conduct has therefore been directed in particular at these groups. Additional training for all staff is being planned for the period 2016–17.

The management team received training from the Group's anti-corruption expert during the spring of 2015. Both the Board of Directors and the management team have also been trained in the parent company's – Sonepar – policy and routines with regard to combating corruption. Only partners who have actively asked for data about Elektroskandia's policies and routines for combating corruption have been given this information. We currently have no structured information about who has requested these data, but structured input will commence in 2016.

The table below shows who has been informed about our code of conduct.

Staff category	Approx. number	2015 % Informed about policy
Sales	430	100%
HR managing func- tion, other	30	100%
Other	320	10%
Total	780	60%

Checks on compliance

Elektroskandia's internal auditors completed 65 audits in 2015 and also checked compliance with the code of conduct. No incidences of non-compliance with regard to business ethics or anti-corruption were noted.

SO5 – No confirmed incidents of corruption and measures adopted

No confirmed incidents of corruption were recorded in 2015. Undesirable behaviour that limits competition is described in the code of conduct.

General information about irregularities (complaints)

The code of conduct informs employees of how they can call attention to suspicion of irregularities, and makes it clear that they will not be subject to reprisals for doing so. Other stakeholders can report irregularities directly to their contact, to the company management, or by email to the company's general email address: info@ elektroskandia.se

No complaints concerning societal impact (local community), the environment, human rights, or employment conditions were received by Elektroskandia in 2015.

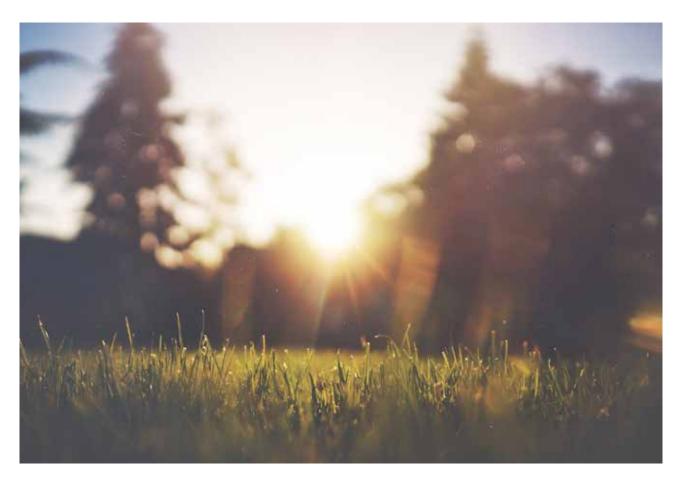
Integrity of customers and suppliers

No confirmed complaints concerning breaches of customer integrity were registered. One confirmed leak resulting in the loss of supplier data was reported. Measures have been taken to prevent this happening again

In order to ensure that customer and supplier data are handled with integrity, these data are processed by a centralised group. Customer data are dealt with by the sales support organisation, whose members are specially trained in how to register and remove this information. The same routines are followed with regard to supplier information for the purchasing organisation.

Compliance with laws and regulations

Elektroskandia has identified a single breach of a law or regulation. This involved failure to renew a permit from the environmental unit in Örebro within the stipulated deadline. The root cause has been analysed and measures have been taken to prevent this happening again.





Sustainable products and services

Annual customer satisfaction survey

Form of survey

We carry out an annual customer survey through telephone interviews. We have been carrying out this survey for more than 10 years, and have therefore built up a level of continuity and history for the questions, where we ask customers to rate Elektroskandia on a scale of 1–5, comparing us with our competitors on the market.

Selection

We at Elektroskandia have supplied our partner IFE Market & Management AB with customer data containing details such as company name, name of person and turnover figures. The selection was then made on a random basis among customers.

Number interviewed

IFE has interviewed a total of 700 customers divided by:

Installation	450 (50 x 9 Regions)
Industry 100	
Utility	100
Telecoms contractors	50

SCI

Some questions are too general for Elektroskandia, and difficult for the Regions to influence. Other questions are more-or-less directly linked to the respective Regions. These latter questions form the basis for the SCI for the respective Regions.

	2015	2014	2013	2012
1. Region Stockholm	4,01	4,06	3,82	3,80
2. Region Småland	3,99	4,16	3,68	3,84
3. Region Mid	3,97	3,97	3,98	3,98
4. Region Centre	3,92	3,90	3,91	3,79
5. Region East	3,91	3,89	3,78	3,84
6. Region North	3,91	3,64	3,80	3,67
7. Region West	3,79	3,91	3,83	3,96
8. Region Gävle/Dala	3,70	3,64	3,92	3,79
9. Region South	3,66	3,86	3,82	3,81
SCI, total	3,87	3,89	3,84	3,83

Rating scale

Excellent	> 4,05
Very good	3,85 - 4,04
Good	3,65 - 3,84
Satisfactory	3,45 - 3,64
Unsatisfactory	< 3,44

Goal

To exceed the SCI for the sector as a whole.

Improvement measures

As an improvement measure, it was decided that this will be discussed at a future corporate management meeting.

The work to select and deselect products and services is one of the primary processes at Elektroskandia.

We sell around 200,000 different items. These include a great many energy-efficient products, as well as a handful of items that are hazardous to health and/or the environment. Our marketing department is aware that certain products contain hazardous substances - and possesses up-to-date knowledge about same - and strives actively to suggest products with a lower negative impact where possible. Our Marketing Director, who is also a member of the corporate management team, follows up on the business continuously, backed by the various market and product managers. A number of key figures per product area have been tracked to measure development in supplier performance. Examples of these key figures are market share, sales compared to budget and previous year, stock value, turnover speed and level of availability. All key figures developed positively in 2015 compared to the previous year.

Over the course of 2015, Elektroskandia has also worked to prepare a code of conduct for our suppliers.

Environmental impact from products and services

Products that contain substances hazardous to health and/or the environment are identified by the product manager as soon as they are included in our range. Examples of such products are adhesives and sprays. When it comes to products of this kind, we stock the ones our customers request, and maintain product safety data sheets, which the sales representative prints out and attaches to the product in question. All sales staff are trained in handling, and their knowledge is checked regularly by the company's internal quality and environment auditors.

We have not been informed of any accidents caused by products that we delivered in 2015.

We also do the following to contribute to a sustainable environment

- Offer customers mats to help prevent creosote leakage from stocks of posts
- Offer unpacking and pre-installation, thus promoting sorting at source and reducing waste in the field.
- We have reduced the use of resin splices that contain isocyanates.
- We have reduced the use of PVC cables, replacing them with halogen-free cables.

Offer customers mats to help prevent creosote leakage from stocks of posts

Offer unpacking and pre-installation, thus promoting sorting at source and reducing waste in the field.

We have reduced the use of resin splices that contain isocyanates.

We have reduced the use of PVC cables, replacing them with halogen-free cables.

Our active work to promote the sale of halogen-free cables is a key initiative from multiple perspectives. In particular, it contributes to improving safety in the event of fire. Halogen-free cables are less prone to spread fire and emit barely any smoke, which facilitates evacuation and reduces the risk of poisoning. Moreover, halogen-free cables do not trigger any chemical reaction in the event of fire and the associated extinguishing operations. In contrast, cables that contain PVC generate hydrochloric acid, which can cause severe material damage, as it generally attacks sensitive equipment such as electronics. It also demands major cleaning operations. Our environmental work generates added value, but also serves as early adaptation to accommodate newly approaching regulations.

Posts and sleepers have long been impregnated with creosote to ensure a long service life. In 2015, Elektroskandia removed creosote-impregnated sleepers from our stocks and we now offer our customers other options in concrete, sheet metal or recycled plastic.

Working closely with Vattenfall, Elektroskandia has supplemented its range with alternatives to creosote-impregnated posts, and now stocks posts impregnated with an agent containing copper, salt and boron. The partnership with Vattenfall also includes maintaining a certain level of stock for improved accessibility. (These posts have an expected service life of around 30 years, compared to around 50 years for posts impregnated with creosote. We also stock other options, such as composite posts). However, these are 4–6 times more expensive, depending on their dimensions.

For customers who still use creosote posts for their aerial wires, we offer a service that involves our laying out textile matting under the pile of posts on delivery. This matting prevents any surplus oil running off into the surrounding soil, but allows water to pass through.



Energy-efficient lighting solutions

Elektroskandia is a member company of the Swedish Belysningsbranchen (Illumination Industry) association, and we work actively as a sector and a company to come up with smart lighting solutions.

The correct lighting minimises environmental impact through efficient energy utilisation. The cleanest power does not come from natural gas or biofuel – and not even from wind power or solar cells. The cleanest kilowatt hour is the one that does not need to be generated. The explanation is simple: a lighting installation that is 10–15 years old often uses five times as much energy as a new installation. Technological development is progressing extremely rapidly in the field of lighting, especially in the form of LED technology that allows major environmental savings. However, there are still a lot of old systems in operation, which generate major and unnecessary impact on the environment.

Elektroskandia currently distributes more than 60% LED lighting, and our light designers recommend optimal lighting with appropriate control defined by presence and level of daylight.



Energy-smart

As the leading electrical technology wholesaler in Sweden, we work consciously and constantly to do our utmost to create conditions that allow our customers to make the best deal possible. We do so by continuously improving our range and simplifying the handling of all items, etc. – at the same time as working to minimise impact on the environment. The concept of 'energy-smart' links better business practice with unswerving focus on the environment.

Energy-smart has to do with providing products, package solutions and smart logistics solutions. An approach to business that means a win for everyone involved. It makes things easier for you, as a customer, if you can always find a more eco-friendly alternative – especially if the solution translates into reduced electricity costs and contains a range of other benefits for the environment.

Energy-smart is a large stride in Elektroskandia's comprehensive and active programme to improve efficiency. It naturally has to do with supplying products and services that are more efficient and kinder on the environment, which have been made by the leading players on the market, and which are simple to order and work with. However, it also covers our manner of approaching and talking about these important issues. Within our own company, with our suppliers and – in particular – with you, our customers. Only then can we be sure that we are all on the way to doing better business and creating a better environment.

Energy-smart is our company's way of focusing on the environment in a broader perspective. Something we believe everyone should do. In this way, energy-smart is more than 'just' extraordinarily smart, energy-efficient and eco-friendly products that help create more sustainable development. It is a complete concept intended to ensure that in our sector, we keep talking about the importance of energy-efficiency and sustainable development in every link of the chain. Within our own company, with our suppliers, with you and our other customers – and our customers' customers.



A chain is only as strong as its weakest link

This tired old cliché is actually remarkably applicable in this context. Because we will not succeed in changing much unless every link of what we commonly call 'the value chain' is committed to joining in and adopting our ideas. Such as about how we can better create energy-efficient products of the highest quality, that are simple to order and help you, our customers, do better business. At the same time as they are gentler on the environment. Quite simply, being a little more 'energy-smart'. Because it is not enough for us to say that we supply the market with more energy-efficient products and services. We must also actually do so, and that demands a great deal of work on our part. Work that we are more than happy to take on.

» Suppliers

Those manufacturers and suppliers we work with must also think this is an important initiative that they are keen to support through delivering products of the right type. Products that the market is currently demanding, and which simultaneously live up to the stringent requirements we have laid down for our energy-smart concept. Not only that, but the companies themselves must fulfil a range of quality criteria if they are to be a part of our concept. We place the same high requirements on our suppliers as we do on ourselves, and on all energy-smart content we release onto the market.

» Distributors

Those distributors we choose to work with must naturally also work actively with efficiency and environmental issues so that transport out to our customers generates the least possible environmental impact, while assuring the high level of service our customers demand with regard to delivery times and precision.

» Elektroskandia

We at Elektroskandia must, of course, shoulder the largest section of the work itself – and we are more than happy to do so. Working closely with our customers and suppliers, we have to prepare the products and services that the market is demanding. There are already a great many items to order in the energy-smart range, and more are being added all the time. In this context, we must be particularly attentive so that we constantly replenish stocks with items in high demand on the market.

» You, our customer

The next stage is to market energy-smart so that you, our customer, are aware that the option exists and know how simple it is to order and use the associated products and services. At the same time, we can show you the benefits – financial and environmental – you stand to gain by committing to the energy-smart concept.

» Your customers

Finally, your customers – i.e. contractors and building owners – must know that this option exists, and what benefits it offers. Both as an element in their own businesses, and with regard to how they can help end users save money.

If we manage to do all this and supply the energy-efficient products that people really want, at the same time as saving them money and helping them protect the environment, then we have succeeded. And then the circle – or the value chain – is closed.



Our environmental work is ongoing

Becoming involved and taking responsibility for the environment demands smart solutions, particularly in the fields of energy-efficiency and taking the long-term view. In this context, 'energy-smart' is our most recent and biggest single initiative. But it is far from our first, and will definitely not be our last. We will continue working with these important issues, both on our own and in association with others – as we have already done for a long time. Here are some of the other partnerships in which we are involved:

Product liability, environment

Elektroskandia is responsible for ensuring that all catalogued products comply with the applicable EC Directive (Machinery Directive, Low Voltage Directive, EMC Directive, RoHS Directive, WEEE Directive) and, where necessary, the applicable environmental legislation and CE labelling regulations.

Elektroskandia applies a quality management system in accordance with ISO 9001: 2008 and has been certified since 11 December 1996. Certificate no. 2006-SKM-AQ-2335 DNV 2009-06-24

Elektroskandia applies an environmental management system in accordance with ISO 14001:2004 and has been certified since 15 June 1998. Certificate no. 2006-SKM-AE-1118 DNV 2009-06-24.

As regards environmental declarations, our suppliers are responsible for ensuring that these are available in the SEG (Swedish Electrical Wholesalers' Federation) environmental data bank. The environmental declarations are available for download via our website at www. elektroskandia.se; click the tab marked Kvalitet & Miljö (Quality & Environment) – and then SEG miljöbanken (SEG Environmental data bank). RoHs: As from 1 July 2016, Directive 2002/95/EC banned the use of mercury, cadmium, lead, hexavalent chromium, polybrominated biphenyls (PBB) and polybrominated diphenyl ethers (PBDE) in newly manufactured electrical and electronic products.

Energy declarations

The Cylinda range abides by the EU energy labelling regulations, which state that labels must be displayed on the following items in stores: refrigerators, freezers, freezer boxes, washing machines, dryers, dishwashers and ovens. The declaration states the product's energy class and helps customers to compare products from the perspective of energy consumption. A is the best rating, and G the worst.

REPA register and El-Kretsen

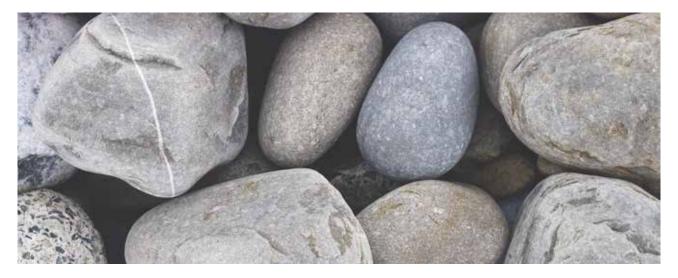
REPA: The business community's solution for manufacturer's liability concerning packaging made of plastic, metal, paper/card and corrugated card. For details, see www.repa.se

El-Kretsen: The business community's service company, which is tasked with ensuring compliance with manufacturer's liability in the field of electrical and electronic products, and batteries. They are intended for companies that manufacture or sell products covered by the legislation that regulate them. For details, see www.elkretsen.se

Svanenklubben and Nätverket: Buy Environmentally Labelled

Elektroskandia is also a member of the Svanenklubben (Swan Label Club) and Nätverket (The Network) associations: Buy Environmentally Labelled. For details, see www.svanen.nu





Specific handling of products hazardous to health and the environment

Products hazardous to health and the environment must naturally be handled in such a way as to minimise the associated risk of negative impact, injury and damage. This is important to us, to our customers and to the environment.

We at Elektroskandia take responsibility for staying up-to-date with regard to the requirements pertaining to handling different types of material, so that our customers can feel confident that products which constitute a hazard to health and the environment are handled correctly.

The chemical products we sell are stored in containers outside the central warehouse building.

Updated safety data sheets detailing the hazardous properties of the products, as well as the associated risks and applicable safety measures, are available to users via our website. When transporting products hazardous to health and the environment, we always follow all applicable regulations and provisions.

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Requirements on suppliers

We at Elektroskandia strive to establish strong, longterm business relations and a healthy working relationship with our suppliers. The majority of our suppliers are Swedish companies that are subject to Swedish legislation and have long since achieved quality and environmental management certification. While they have made different amounts of progress in their sustainability work, most of them have succeeded in using their input in the field of quality and environmental management to establish a firm base from which to continue improving in the area of long-term sustainability. For their part, our suppliers have production facilities and subcontractors all over the world.

Over the course of 2015, Elektroskandia has worked to prepare a code of conduct for our suppliers. This code of conduct describes the expectations we have on our suppliers with regard to human rights, labour conditions, the environment and anti-corruption.

In 2016, Elektroskandia will be presenting its new code of conduct to its suppliers, who will be required to perform a self-assessment to determine where they consider themselves to be in relation to our stated criteria and requirements. The internal implementation work will kick off with a workshop where our market managers with responsibility for suppliers will be called upon to perform a risk assessment on our strategic suppliers. Purchases from strategic suppliers account for approximately 80 per cent of our total volume of purchases. The objective here is to identify any weaknesses and to ensure that we initially focus on the correct areas, so as to allow us to implement measures to minimise the risks.

Elektroskandia's recently prepared code of conduct is to apply from 2017 at the latest, when it will be implemented in all contracts between the company and suppliers. Elektroskandia will reserve the right to carry out unscheduled inspections at the premises of any supplier that has entered into an agreement with Elektroskandia, with a view to ensuring full compliance with the code of conduct.

An evaluation template has been prepared for all suppliers, which we use to check that they have a quality management system and an environmental management system in place. However, we have not yet established follow-up reports summarising how many do/do not have such systems. This will be done as from the 2016 GRI report.

Correct market communication

In no cases has Elektroskandia breached legislation pertaining to market communication, advertising or sponsorship.

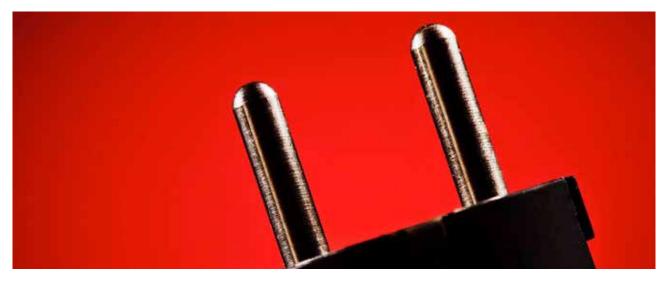


Cylinda

Cylinda, Elektroskandia's own brand, is a range of domestic appliances and involves our working with a number of what are known as 'OEM manufacturers'. Cylinda's five main suppliers today are all leading suppliers and manufacturers of domestic appliances under their own brand and as OEM manufacturers throughout Europe.

Production is primarily based in a number of European countries and in Turkey. All Cylinda suppliers are obliged to comply with EU legislation and regulations with regard to the development, production and sale of domestic appliances. All Cylinda products are CE labelled, proving that the product in question complies with the RoHS II Directive. Through its affiliation with the El-Kretsen association, Elektroskandia is required to live up to its manufacturer's liability obligations with regard to the collection and processing of domestic appliances sold on the Swedish market by the company. Elektroskandia similarly demands that suppliers to Cylinda abide by the terms and conditions defined and agreed in the Elektroskandia code of conduct for suppliers. Elektroskandia's code of conduct comprises all relevant UN and ILO conventions. All our major suppliers are members of The European Committee of Domestic Equipment Manufacturers: CECED, which has laid down guidelines concerning the environment, trade in and safety of domestic appliances in Europe.

For many years, the European domestic appliance industry has been focusing on developing energy-efficient products, and the regulation of the classification of products has, in most areas, taken place through the Ecodesign Directive pertaining to domestic appliances.



Environmental impact of our business

Climate impact, Elektroskandia

Smart energy saving – taken as read for us

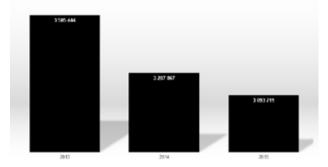
We at Elektroskandia take responsibility for minimising our electricity consumption, and ensuring that we use green electricity exclusively so as to keep our environmental impact to a minimum. The electricity we receive comes from hydropower (74%), biomass (14%) and wind power (12%).

The Elektroskandia organisation includes the giant (46,000 m2) logistics centre in Örebro, Sweden, which is an energy class B facility and accounts for the majority of the company's electricity consumption. One example of a measure we have introduced is the decision to replace all light fittings in the warehouse section with the energy-efficient T5 model. On its own, this measure helps us reduce energy consumption by 800 kWh per year.

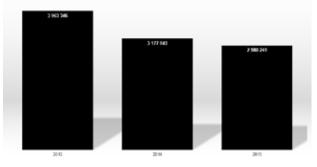
We fit our newly established stores with eco-friendly ventilation systems, and we use only LED light fittings. This provides us with an energy saving of 65 per cent compared to conventional light fittings.

We are more than happy to share some other excellent figures:

Electricity consumption at our Logistics Centre in Örebro has dropped from 3,505,444 kWh in 2013 to 3,093,711 kWh in 2015. The measures used to achieve this – over and above replacing the light fittings – included replacing electric heaters and optimising the pneumatic system. Previously, it was switched on throughout the working day, but now it is only on when in use. Consumption, electricity, Logistics centre, kWh



Consumption, district heating, Logistics centre, kWh



Our existing logistics centre from 1967 has become obsolete. We are therefore delighted with our new warehouse and office building that is set to open in 2017. This will raise energy efficiency to a whole new level, and see the company achieving environmental class 'silver'. The building is fitted with solar panels on its roof – just one of our initiatives to become even more eco-friendly.

District heating consumption at the Logistics Centre in Örebro fell from 7,102,428 kWh in 2011 to 3,266,648 kWh in 2015. Measures used to achieve this included replacing heat exchangers and thermostats, and optimising flows to make them slower so that we can operate with a lower temperature on the inflow.



Eco-smart outdoor lighting that boosts well-being

As the leading electrical technology wholesaler in Sweden, we are naturally keen to lead by example. Our head office in Rotebro has been fitted with a new, eco-smart outdoor lighting solution: The lamp posts feature what are known as 'active night devices' which automatically lower the lighting level by 50 per cent at night. The nightly dimming saves around 32 per cent of energy in relation to having the lights operating at full strength all day long. The car park has been given an authentic face lift largely thanks to the increase in well-being that the new LED lighting system inevitably entails.

All in all, we have succeeded in cutting energy consumption by around 70 per cent in comparison with our old facility in Rotebro.

In short, it feels pretty good to know that it pays to be smart!



Chemicals in our business

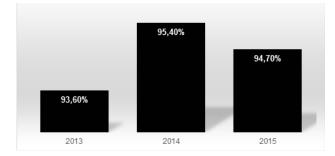
The chemicals used in our business are primarily to be found in lubricants, cleaning agents and spray paints. They are used to only a limited extent and in small amounts.

Requirements on own fleet of vehicles

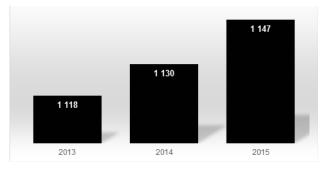
Elektroskandia has 204 service vehicles and company cars of the following makes: Volvo (172), Renault (30) and Audi (2). In all, these vehicles have covered 2,987,420 km, generating total carbon emissions of 410,831 kg.

Our policy states that:

- Service vehicles and company cars purchased must have diesel engines.
- We lease our fork-lifts. This allows us to replace forklifts more frequently and thus to maintain a more energy-efficient fleet.
- Our fork-lift fleet currently comprises 179 electric models, seven diesel models and four wheel-loaders. The diesel-powered fork-lifts and wheel-loaders consumed 48,610 litres of diesel in 2015, generating carbon emissions of 110,830 kg.



Waste (tonnes), Logistics centre

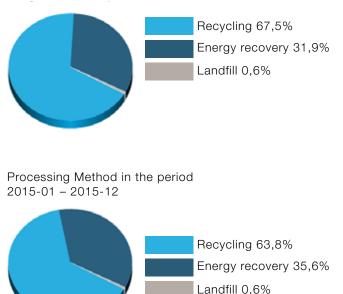


We dare to set the bar high for sorting at source

We have set the bar extremely high when it comes to our own sorting at source. At our Logistics Centre in Örebro, which generates the largest volume of waste, we aim to sort fully 95 per cent of waste at source. The level achieved in 2015 was 94.7 per cent.

So we feel confident in saying that we are well on our way. Over the course of 2015, the Logistics Centre cut its carbon emissions by 300 tonnes purely from sorting at source.

From Elektroskandia's 48 stores in Sweden, we dealt with 512 tonnes of waste distributed as explained below. During the period covered by the report, recycling waste helped us cut emissions by 148.5 tonnes of carbon dioxide, which is the equivalent of 495 trips in a petrol-powered car between Haparanda and Ystad in Sweden (1,682 km). Processing method in the period 2014-01 - 2014-12



Environmentally responsible goods transport

Naturally, we also make demands on our goods carriers. For example we check the utilisation of capacity by measuring and following up on the volume of goods in the vehicle. We also require our carriers to operate an environmental management system, which we review and follow up at annual meetings. During 2015, Elektroskandia completed 557,000 shipments with a total weight of 5.1 million tonnes, which were transported by around 300 vehicles per day. The environmental impact from this source primarily comprises carbon emissions. We will start requiring our carriers to report emission calculations as from 2016. These calculations are to include carbon emissions per order, delivery and stop.



Attractive workplace/employees



Managing HR work

The starting point for our HR work is the Elektroskandia HR policy, which comprises the value base, the strategies and targets, and the guidelines that define how Elektroskandia operates with regard to relations between employer and employees.

Other steering documents regarding employees are the HR manual and OHAS database, where all steering and reporting documents are stored by company location. (For example: safety rounds, accidents, near misses and so on).

The company's internal auditors review and follow up on all locations within a 2-year period. The OHAS supervisor reports on the situation once a year to the company management, where the Director of the HR Department is also involved.

Attractive workplace

Today, employees are increasingly demanding a workplace that allows plenty of space for expression and offers skills development, as well as an employer that works innovatively, with sights fixed firmly on the future. Demands to work for a company that performs sustainability work have also increased, and this is an area we are working on developing annually. We have employees who have been with the company for 40 years, and we see this as a sign that our employees thrive at Elektroskandia.

Given that a proportion of our skilled employees are approaching retirement age, and as we are continuing to expand, our need to attract new staff is rising.

Staff category	2014	2015
Salaried employees	545	555
Of whom, covered by collective bar- gaining agreement	N/A	N/A
Salaried employees, of whom, on open-ended contracts	99%	98%
Salaried employees, of whom, on fixed-term contracts	1%	2%
Employees under collective agree- ment (warehouse and service)	266	253
Of whom, covered by collective bar- gaining agreement	66%	71%
Employees under collective agree- ment, of whom, on open-ended con- tracts	92%	93%
Employees under collective agree- ment, of whom, on fixed-length con- tracts	8%	7%
Total employees (Salaried and under collective agreement)	811	808

Figures from 31 December 2015 and 31 December 2014

Employment conditions

The terms and conditions of employment for all Elektroskandia employees are regulated in part by contracts of employment, and in part by collective bargaining agreements with the relevant union organisations – as well as by the company's own internal job regulations. These are laid down, for example, in HR information, travel regulations, Elektroskandia's ground rules and company car policy.

In 2015, our staff turnover rate was 11.4 per cent (of which 7.5% were voluntary severances), which represents a fall compared to 2014, when the figure was 11.8 per cent (of which, 7.7% were voluntary severances), and on the year before – 2013 – when the figure was 13.3 per cent (of which 7.7% were voluntary severances).

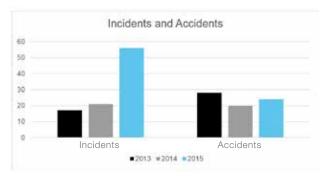
Our ambition is to record a turnover figure of 3 per cent in total in 2020. We recognise that the relatively high turnover figure is due to Elektroskandia having lost a customer, resulting in non-extension of our fixed-term contracts in Örebro, and on the turbulent period that the sales department in Rotebro has recently experienced. During 2015, we therefore introduced a routine for holding exit interviews with all employees.

Benefits

All Elektroskandia employees are offered a wide range of benefits, including flexible working hours, staff discounts on our range, fuel discounts and paid parental leave.

All employees are also free to utilise our corporate healthcare scheme. We also offer employees health checks when they reach 45, 50, 55 and 60 years of age.

We provide support in the event of corporate changes – social security agreements, group life insurance and pensions, as well as salary top-up in the event of sick leave.



Occupational health and safety

The overarching goal for occupational health and safety work at Elektroskandia is first and foremost to eliminate risks of injuries and illnesses. In addition, the working environment is to be developed in a direction that promotes improved productivity and quality. Through management, planning and checks, industrial injuries are to be elucidated, risks investigated and appropriate measures adopted. The employer has ultimate responsibility for occupational health and safety, and must make sure that an organisation exists to take care of OHAS issues.

Corporate healthcare

According to the Elektroskandia occupational health and safety policy, the purpose of our working relationship with corporate health centres in all locations is to access help and support in issues that have to do with occupational health and safety.

The corporate healthcare system is to assist with expertise in the role of OHAS engineer, physiotherapist or occupational therapist, with the goal of preventing industrial injuries and illnesses as far as possible, and actively creating a good working environment. The corporate healthcare system can assist with:

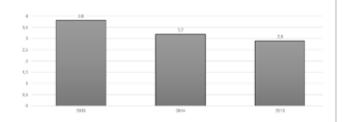
Rehabilitation

- Health check/health profile
- Support in OHAS issues
- Ergonomics (workplace measures)

All employees are offered the chance to have a health check at the age of 45, 50, 55 and 60, where they can choose a health profile or function profile at the corporate health centre.

Elektroskandia strives to be a company that takes the lead in the fields of health, safety and well-being. Our ambition is for our employees to enjoy good health, and for us as an employer to prevent workplace-related sick leave as far as we can. Our strategy is to work with healthcare benefits and activities, and to introduce a new health plan designed to promote health in the choice of diet and various forms of exercise. Sick leave over the course of 2015 totalled 3.8 per cent (based on planned working hours). We have noted that sick leave is increasing, and we are determined to work hard to reduce the level of sick leave. In 2016, we will be working with partners and public sector authorities to create a health-promoting concept where the emphasis will be on stress management and how to pick up on signs that employees are at risk of having to take sick leave at an early stage. By training and coaching our managers in how to work systematically with OHAS issues and in health-promoting leadership, our ambition is to reduce sick leave and minimise the number of accidents.

In the period 2013–2015, the share of people experiencing a high level of negative stress has increased from 4.7% in 2013 to 8.2% in 2014 and 9.0% in 2015. This is a priority area, and in 2016 we are planning to hold a training course for our managers to present the new legislation concerning the Organisational and social work environment (AFS 2015:4). We are also planning additional training initiatives in this area through Nordic



Academy, our Leadership Training programme.

Elektroskandia regularly performs safety rounds at all branches and warehouses. We work with risk assessments and action plans in accordance with guidelines laid down in occupational health and safety legislation. We follow up on accidents and near-misses on an ongoing basis. Most accidents reported are linked to our warehouse facility in Örebro. Inattention has been a contributing factor to a number of accidents and injuries, which were all minor. As regards near misses, one of the most common causes has been the discovery of items on pallet shelving that were in danger of falling. During the course of 2015, we have reported 56 near-misses and 24 accidents, which is up slightly on the previous year. Accidents are reported and dealt with on an ongoing basis, but are measured annually. The reason for the increase is that we have efficiently communicated the importance of reporting both accidents and near-misses.

Corporate healthcare

We currently operate a corporate healthcare scheme that employees can use for various types of healthcare initiatives, but we are also working to launch alternative healthcare benefits, as well as lectures on health and diet, and shared activities in the form of fun runs, for example. We currently run an ergonomically responsible workplace that takes into account the needs of the individual with regard to adapting office space.

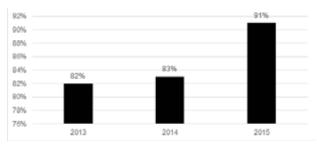
Skills development and supply

Performance-based leadership

Elektroskandia is a target-focused company committed to working with performance and skills development. In this context, we hold three fixed employee appraisals every year, which are also paid. Through this method, we aim not only to match salary to performance, but also to set goals that are to lay the foundations for development and to determine which skills our employees possess – and what kind of development they are seeking.

The performance expected – i.e. the target – is agreed at the employee appraisal at the start of each year. We then follow up on the employee's actual performance via two shorter interviews during the year. In 2015, fully 91 per cent of employees attended an employee appraisal, which represents an increase on the previous year.

Employee appraisals completed



Diversity and equal opportunities

Through conscious work with diversity, Elektroskandia is committed to contributing to a society in which each societal group and individual is viewed as an asset. Our ambition is to reflect society, our suppliers and our customers. Our diversity work is to be a natural part of the work to reinforce Elektroskandia's competitiveness. When recruiting, we must always strive to create working groups composed of employees of different genders, ages, group affiliations and backgrounds. We follow up on the action plan for our diversity work annually through our employee satisfaction survey.

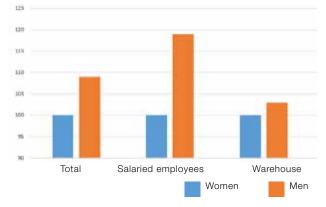


Elektroskandia will work to

- Increase awareness of and insight into equal opportunities.
- Promote a more even distribution between women and men at all levels and within all professional disciplines at the company.
- Expand the company's total competence by increasing the number of female managers.
- Increase understanding and knowledge regarding the benefits of mixed working groups.
- Support men and women in combining parenthood and gainful employment.
- Actively combat and prevent all forms of discrimination, harassment and other forms of victimisation at the workplace.
- Ensure that employees' skills are assessed when setting remuneration, so as to ensure the equal pay for equal work – irrespective of gender.

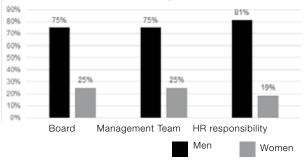
Elektroskandia is an electrical technology company, and our employees work in various services: sales, warehouse and white-collar positions. Our sector is heavily male-dominated, and around 81.5 per cent of the company's employees in 2015 (80.6% in 2014) are men. We want to attract more women to our workplace. We are striving for balance between women and men in senior executive positions which, as the table below demonstrates, hittar ingen tabell? are unevenly distributed today. Our Nordic Academy programme will also help to create women's networks in the long term.

Average salary by gender, 2015



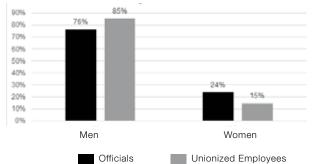
We measure the average pay for the different professional categories. The total pay gap between men and women is currently at 10 per cent; at salaried employee level, it is at 19 per cent, and for warehouse staff it is 3 per cent.

Gender distribution, 2015



We will be working to identify any unfounded differences in pay between men and women through internal and external payroll mapping, which will be taken into account in future salary reviews. There should not be differences of pay that can be objectively viewed as discriminatory.

Gender distribution, all employees, 2015



Employee satisfaction survey

We carry out an employee satisfaction survey once a year. The objective of this survey is to build up an image of how employees view their work situation and management within the company. The findings are then used to help define the future development of the business.

In 2015, Elektroskandia continued its positive development, with the survey findings showing an improvement on the previous year. In fact, we achieved 17 statistically confirmed improvements. Comparing results for 2015 to those for 2014, the company made five statistical improvements and experienced one decline.

The share of motivated employees who thrive at work and feel strong commitment to their work totalled 75% in 2015, which is at the same level as in both 2013 and 2014.

Issues that have a major impact on employees' motivation and perception of the leadership of their immediate superior (but which still score below the average) include skills utilisation, development and career options, the physical working environment, the RAQ interview, the salary interview, the capacity of the manager to encourage employees to improve their performance and feel more motivated, as well as to make more use of the results from the survey in the ongoing improvement work.

Ideas and suggestions

Given the increasing pace of development in society, Elektroskandia is well aware of the importance of maintaining an atmosphere of free, creative thinking among all employees. There must be room for discussions and flows of ideas that benefit the development of company and employees alike. Our business system contains a function that allows employees to submit suggestions for improvements.



Corporate Social Responsibility/ Commitment

Corporate Social Responsibility

We at Elektroskandia take responsibility for sustainability in several ways: For example, we are keen to give our employees the opportunity to contribute to making the world a little better. We do so, for example, through the following activities and initiatives:

We save lives. Elektroskandia has chosen to partner with the 'Blood Bus' to help keep the Swedish healthcare system supplied with blood. We launched this initiative in 2000, since when the bus has visited our facilities in Örebro and Rotebro every three months. We encourage our employees to donate blood by giving them a small gift and something to eat and drink after they have given blood, so that the donation does not affect their own health. Men det är väl Blodbussen som delar ut gåvan o maten inte ES? In addition, blood donors receive an SMS when their blood has been used to benefit a patient. We want our employees to feel proud that they are actively participating in saving lives, supporting the Swedish healthcare system and taking responsibility for other people.

Defibrillators for emergency aid. Every year, around 10,000 people in Sweden suffer heart attacks. Only 500 of them survive. In December, we installed 55 defibrillators in our stores and offices to ensure that help can be provided without delay in the event that someone suffers an acute heart attack.

The machines are Powerheart G5 models, supplied by Dafo Brand – which also supplies our firefighting equipment. All defibrillators are registered in the Swedish Defibrillator Register. (A national register established on the initiative of the Swedish Resuscitation Council and the Swedish Civil Defence Association, in partnership with the Swedish Heart-Lung Foundation). The register shows the location of the nearest defibrillator. The intention is to make defibrillators more accessible to the general public, and thus to improve survival rates in the event of a heart attack.

"If we can save just one life through this investment, these machines will have paid for themselves several times over. I would like to encourage all employees to download the 'Rädda hjärtat' (save the heart) app, which is directly linked to the Swedish Defibrillator Register," says Stefan A Andersson, OHAS Supervisor.

Over the course of 2016, Elektroskandia will be carrying out a nationwide programme to provide training in resuscitation techniques. The training will initially be provided to store managers and sales staff, as they are the people who work in premises where the majority of our defibrillators are installed.

Social responsibility

We consider it important to teach young people about working life, which is why we are happy to receive PRAO pupils, interns and students working on exam projects. It is valuable for them to have the opportunity to gain insight into our sector, and we also believe that this type of exchange of information enriches our business.

We enjoy opening our doors to people interested in gaining work experience with us; for example, we offer after school work, summer jobs and piecework. This may take the form of simple assignments such as clearing up and cleaning shelving units. Naturally, all young employees are issued with the appropriate safety equipment.

As a part of our social responsibility input, we also work closely with the Samhall, Lindöpartner and Kriminalverket organisations. Working for us should also be a way for people to boost their personal development.

Sponsorship

KORPEN VÄSTERBOTTEN	1 000
VATTHAMMARS	5 500
WECALL AB	3 968
STENSÄTRA IDROTTSFÖ	5 400
FOTBOLLSHALLEN I KV	1 635
I-SPORT RETAIL 62 A	2 399
LSK HANDBOLL	10 000

We sponsor various types of events and activities. One shining example is our collections for the Swedish Childhood Cancer Foundation.

Committed employees

In Sweden, approximately one child a day is diagnosed with some form of cancer. Our employees in Oskarshamn and Kalmar have been involved in projects intended to eradicate cancer in children for many years.

Five years ago, 9-year-old Tilda was diagnosed with Wilms' Tumour, a malignant type of kidney tumour. When she realised that she had no chance of surviving the illness herself, she set up the "Tildas hjälpande gåva" (Tilda's helping gift) foundation to help other children with cancer. Tilda drew her final breath on 31 October 2011.

Cristoffer Lundberg, an employee at the Elektroskandia store in Oskarshamn, was deeply touched by Tilda's story. Four years ago, he therefore took the initiative to organise a recurring collection at various events held by Elektroskandia in Oskarshamn and Kalmar.



For example, lotteries and auctions are organised at October trade fairs, Christmas trade fairs and trotting events, with all proceeds being donated to the Swedish Childhood Cancer Foundation and the Lekterapi (Play Therapy) organisation in Kalmar.

"This is an illness that affects everyone. I am passionate about combating cancer, and delight in every krona we succeed in collecting. To date, we have collected almost SEK 210,000. I would like to see other initiatives, too. For example, instead of giving all employees a Christmas gift, the company could donate the money to the Swedish Childhood Cancer Foundation," says Cristoffer Lundberg.

About the report

This report is Elektroskandia's first report in line with GRI G4, and refers to the calendar year 2015. It has been prepared in close consultation with RSM&CO and covers all activities in Elektroskandia Sverige AB, including the new store that was opened in Gothenburg City in 2015. Other financial data are published in the annual report and the auditor's report, which is registered with the Swedish Companies Registration Office.

For a complete list of all stores, see: <u>http://extranet.elektroskandia.se/web/es2012.nsf</u>.

The present report was published on 31 August 2016.

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