



Elektroskandia Sweden's **Sustainability** Report 2022



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Elektroskandia Sweden, Sustainability Report 2022

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The Board of Directors of Elektroskandia Sverige AB, company reg. no. 556014-8412, hereby submits the sustainability report for Elektroskandia Sverige AB for the period 1 January through 31 December 2022.

The sustainability report describes operations on the basis of the issues considered to be most significant to the company and its stakeholders.

Stockholm, 30 June 2023

The Board of Directors

We continue to develop our range

The major investments we have completed in recent years have helped us boost the efficiency of our logistics processes and make great progress in our digitalisation programme. Our customer-perceived quality has improved at the same time as our employee surveys reveal that our working environment improved even further and that commitment continues to grow. We can also see that our profits are increasing, even though competition is tougher than ever. We can therefore state that we have achieved improvements in the majority of the KPIs we track. The same is true of our work with sustainability.

In 2022, the independent rating agency EcoVadis awarded us the highest possible rating – platinum – for our sustainability work. A platinum rating is only awarded to the leading 1 per cent in each industry globally.



We have launched Green Offer, which is a global initiative from our parent company Sonepar and comprises a concept centred on highlighting the sustainability performance of the products we sell from a holistic perspective. By applying this concept, our customers can easily compare products and choose the ones that generate the lowest carbon footprint.

The work to audit our suppliers to ensure compliance with requirements regarding environmental issues and human rights in the supply chain continued in 2022, via measures including CMRT declarations and supplier audits.

We have been playing an active role in the electrification of Sweden for more than a century. We have always taken Corporate Social Responsibility extremely seriously and, above all, have worked from a long-term perspective. Through close relationships with leading suppliers and our customers, we have progressively produced innovative solutions, adapted to the prevailing conditions and driven change forward. Our ambition is to continue to do so. Via long-term sustainable work with ongoing investments targeted at streamlining, developing and refining our portfolio, our ambitions remain high. We aim to be the leading electrical technology wholesaler, while providing the best option on the market in the field of domestic appliances: Cylinda!

Thank you for choosing Elektroskandia, we appreciate your confidence!

Anders Nordlöw, VD

*“Through long-term work with sustainability involving ongoing investments ...
... our ambitions are high.”*





Elektroskandia

– Sweden's leading el-tech wholesaler

Elektroskandia sells electrical materials and systems to customers who operate in the following areas: electrical installation, industry, infrastructure, security, lighting and domestic appliances. The company is part of the Sonepar Group. We provide a wide range of products from the leading suppliers in the world, and stock more than 40,000 items. Logistics is the engine that drives everything we do, and our logistics services make everyday life easier for our customers. By applying our expertise, we strive to help make our customers' purchasing and sales organisations more efficient and profitable.

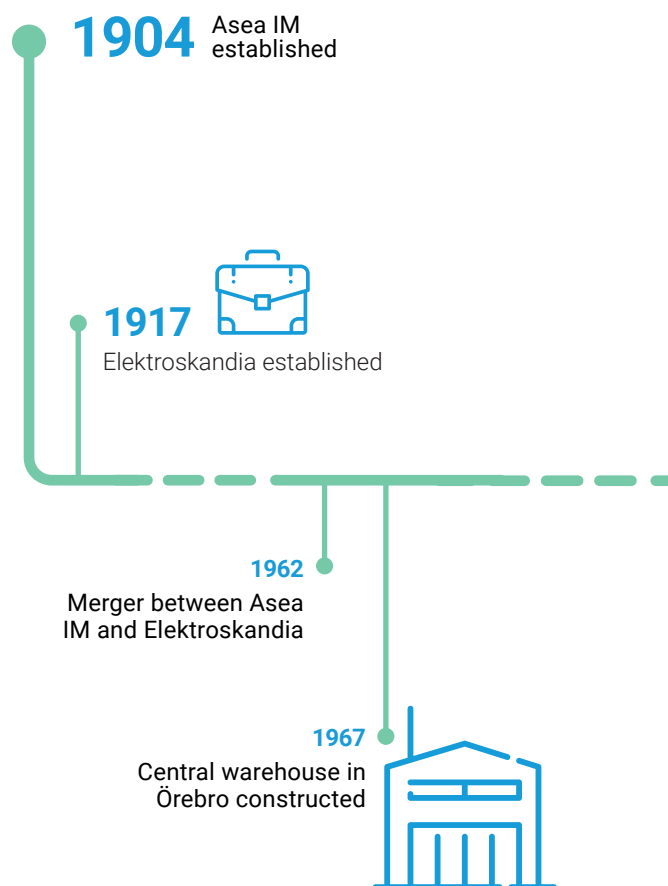
Elektroskandia owns the Cylinda brand, which offers the Swedish market a complete range of domestic goods backed by a dedicated sales organisation. Cardi is our own brand of lighting products, which is unrivalled on the Swedish market.

Elektroskandia has been operating as an electrical wholesaler in Sweden since 1904. The company head office is located in Sollentuna.

Elektroskandia Sweden is a member of the Sonepar Group

Sonepar is an independent, family-owned company that is a global market leader in B2B distribution of electrical products, solutions and related services. Through presence in more than forty countries, the Group has an ambitious transformation agenda to become the first global B2B distributor to provide a completely digitalised and coherent omnichannel experience for all customers. Drawing on the skill and commitment of 44,000 employees, Sonepar generated a turnover of EUR 32.4 billion in 2022. Sonepar

makes everyday life easier for its customers on the basis of their needs, irrespective of whether the solution is provided across the counter, via customer visits, by phone or online: www.sonepar.com



The year in brief

February

EcoVadis awards Elektroskandia the highest rating in sustainability work.

REKA Kabel is crowned the winner of Elektroskandia's "Supplier of the Year 2021" award

April

Via its parent company Sonepar, Elektroskandia becomes a member of the UN Global Compact Network.

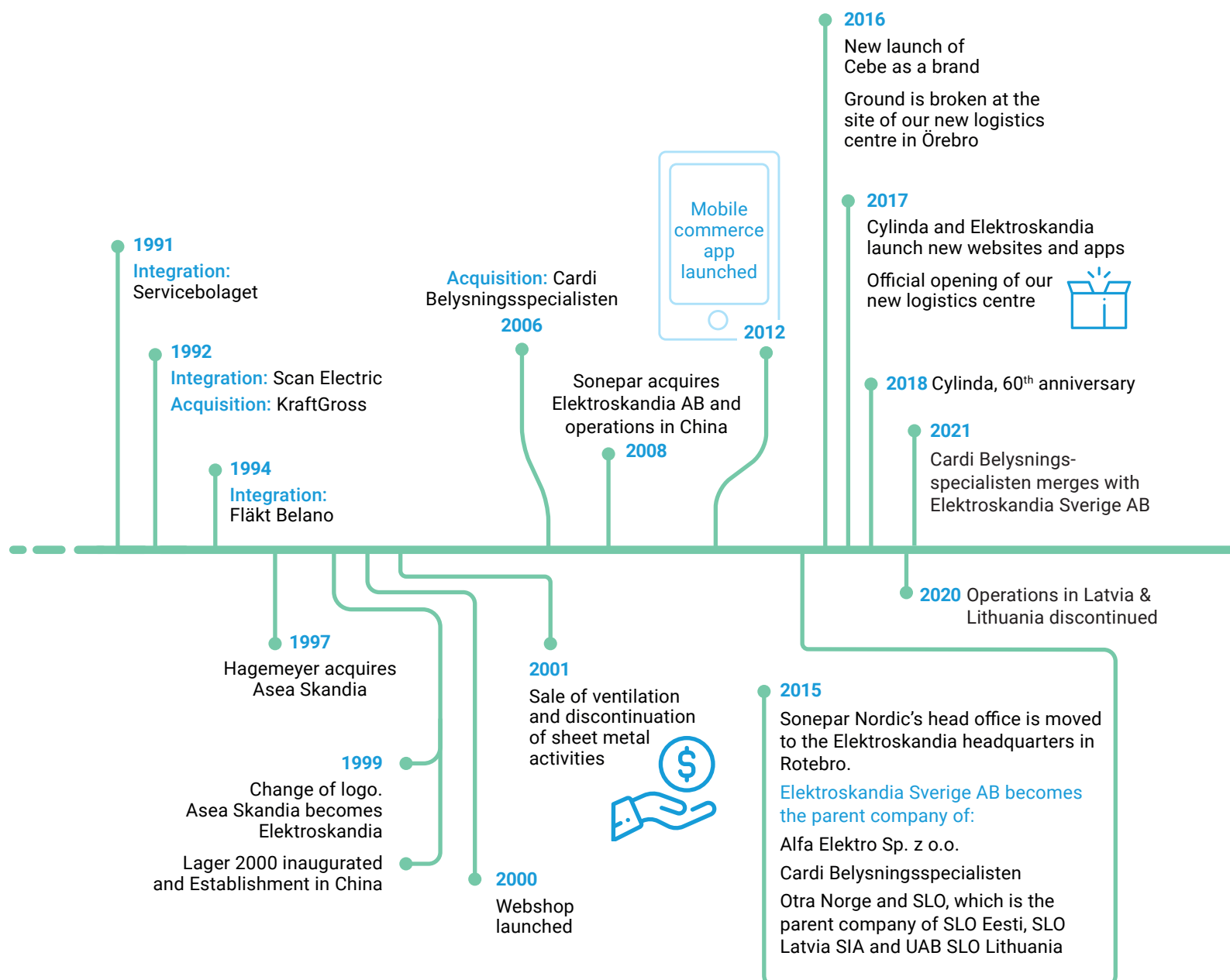
August

Elektroskandia introduces Green Offer – a concept for measuring the climate footprint of different products. Schneider Electric was the first supplier on the Swedish market to use it.

Elektroskandia's contracted carriers certified according to Fair Transport. This certification vouches that transport operations are carried out responsibly, safely and sustainably.

October

Elektroskandia praised internationally within the Sonepar Group for its work on health. The prestigious Colam Sustainability Award is presented once a year. This year's award in the category "Health and well-being" was won by Elektroskandia Sweden for its "Health Challenge" initiative. We were one of three Group companies to achieve recognition.



“Sustainability” means different things depending on who you ask at Elektroskandia:



HR Businesspartner

(specialists in HR issues) works to ensure gender equality, low staff turnover and minimal sick leave.



Our logistics specialists focus on item accessibility that results in lower emissions from transport operations.



Our sales department sets 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



Materiality and materiality analysis

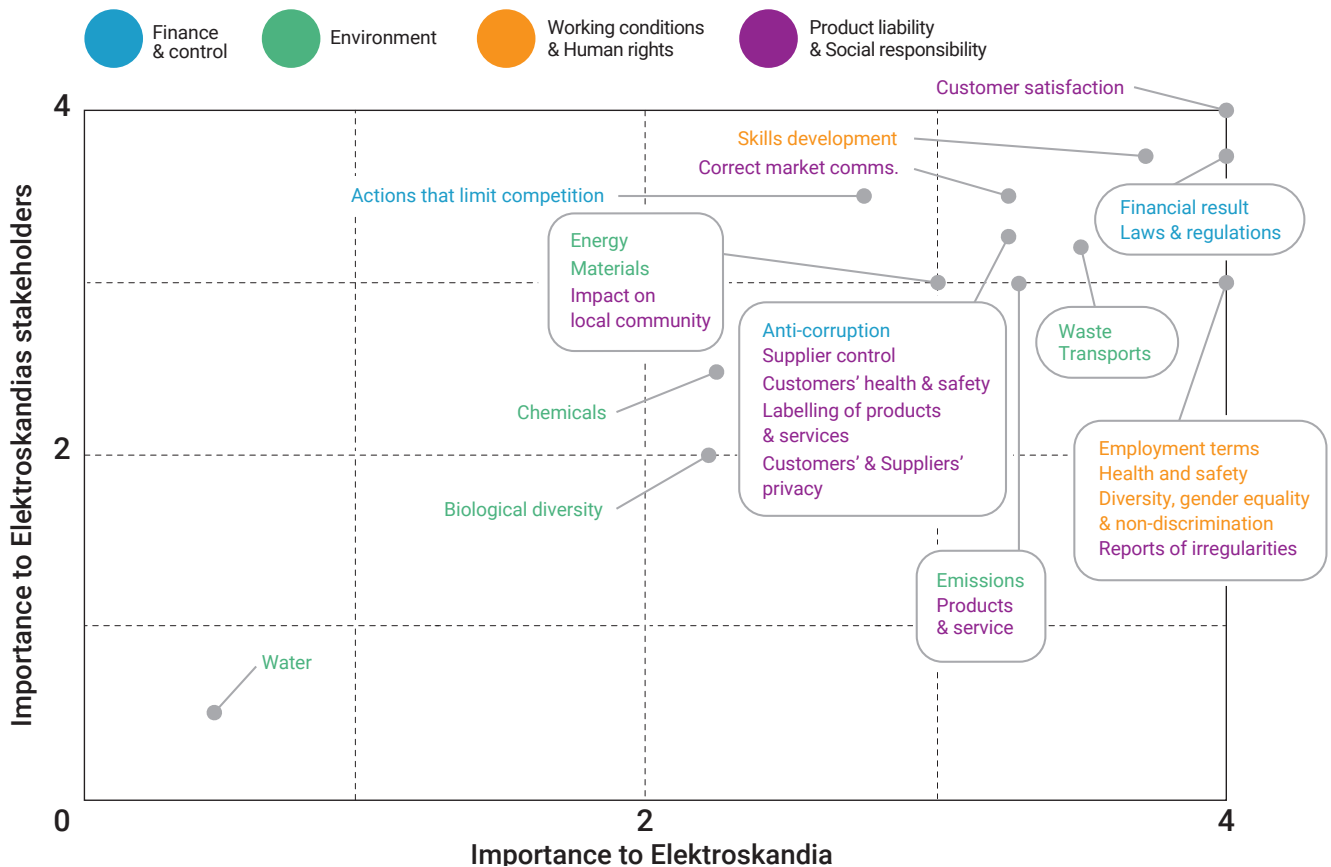
At Elektroskandia, the concept of “sustainability” entails continuous quality work in several areas: finance, social issues and quality and environmental matters, where we include issues to do with human rights and occupational health and safety. Good profitability is, of course, a precondition for driving our business onward in the long term. We will achieve a better working relationship with our employees and other stakeholders if we show consideration for social issues and encompass both quality and environmental aspects.

Method & limitations

In autumn 2021, with a view to identifying Elektroskandia’s key sustainability issues, we conducted a materiality analysis of the company management and a group of employees representing the entire organisation. It was the fifth time we had done so since the original survey was implemented in 2015.

On the basis of a gross list of sustainability aspects, and taking GRI Standards as our starting point, 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 a mean value.

The figure on the following page illustrates how the different aspects were rated by the group. These were discussed with stakeholders on numerous occasions in the period 2016–22, when stakeholders were given the opportunity to study our sustainability reports based on GRI, and in connection with our following up on our Supplier Code of Conduct. The next update of the materiality analysis is scheduled for spring 2023.



Evaluation by the working group, confirmed by the management in autumn 2021. **Assessment of sustainability aspects:** Aspects in the top, right-hand box are considered significant to Elektroskandia.

Customer satisfaction rated highest of all. Satisfied customers are a precondition for our capacity to achieve all other goals. Financial results were viewed as being extremely important to everyone; the capacity to take the long-term view demands stable profitability. Next came compliance with laws and regulations. By making certain to comply with all relevant laws and regulations, we can be sure of acting in an ethically responsible manner and maintaining high environmental standards. We consider Swedish legislation to be strong, and we are convinced that this is important for our stakeholders.

The Elektroskandia value chain

Purchasing, sales, warehouse and auxiliary 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 eleven transport companies, with whom we carry out annual contract negotiations. Transport emissions constitute a key impact area: these values are reported to us and we follow up on them carefully.

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 working group identified several differences in the evaluation compared to previous years. Here are the most important changes compared to previous results from the materiality analysis:

- Skills development is still important, but was rated slightly lower.
- Compliance with laws and regulations has been accorded higher significance.
- Waste management has also been rated higher.

The fact that a given aspect is rated as less important does not mean that we and our stakeholders consider it to be less important in general; rather, the change refers primarily to the fact that our ability to influence the aspect in question through our operations is lower than for other areas.

For details of how we influence our suppliers, see the section entitled **Sustainable products and services** on page 16.



Strategy, governance and follow-up

At Elektroskandia, “sustainability” encompasses financial and social aspects, as well as environmental issues. Profitability is 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:

- 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 these goals every month through the corporate management results meetings, and in the business unit that set the target.
- Environmental goals are defined on the basis of an environmental report. The most recent version was prepared in spring 2020. Our environmental and quality policy was reformulated after 2016 to take the form of an actual sustainability policy.
- The values we identified, discussed and formulated in writing in 2011–13 and which we all return to in our everyday work are: customer focus, the will to lead and to win, entrepreneurship, team spirit and taking the long-term view.
- The first version of our Code of Conduct for employees was formulated in 2013. The code is reviewed and discussed every year. In 2017, we switched to our parent company’s Code of Conduct.
- 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 2021–26, 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 are specified and described in other sections.

Our sustainability policy and Code of Conduct are published online at: elektroskandia.se/Information/Index/23

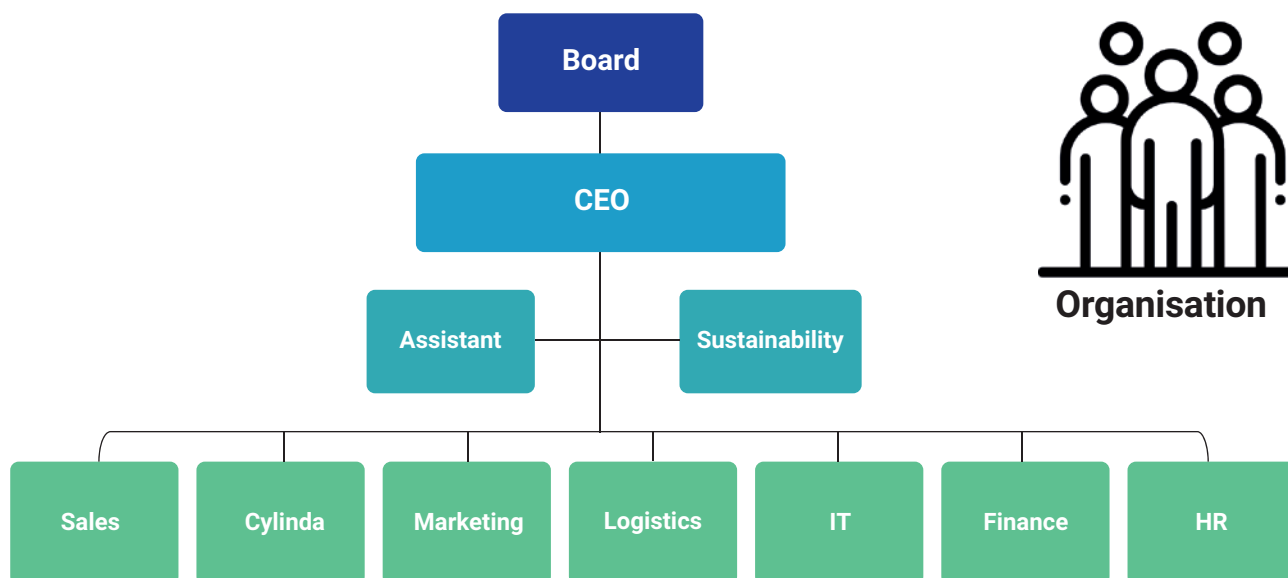
Purpose

The principal purpose of the Elektroskandia management system is to meet requirements from customers, authorities, owners, suppliers and employees through the preparation and delivery of our products and services, and for the management of the business.

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

You can read
Elektroskandia’s
Sustainability
Policy and Code
of Conduct on
our website.





The diagram shows the overarching organisation of the company, as well as the units represented in the corporate management. The Board of Directors consists of ten members – one woman and nine men – of whom eight are appointed by the parent company and two by the trade unions.

Method & limitations

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 five-year period. This work also 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. These meetings are also used to discuss and deal with the conflicts of interest that have arisen or been escalated to management level. Each department follows up on the goals and strategies that have been agreed within their respective sphere of responsibility.

The expanded management meets twice a year; this group is made up of all business managers (approximately 50 managers). These meetings are important in discussing and 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 management system.

When establishing the Elektroskandia management system, we also chose to focus on aspects of the external environment, and to ensure that internal OHAS risks are dealt with systematically.

Elektroskandia's management system is certified in accordance with the ISO 9001:2015, ISO 45001:2018 and ISO 14001:2015 standards, as well as with STEMFS.2014:2.

The management system is reviewed annually by DNV Business Assurance Sweden AB. Any non-conformances identified and observations made are dealt with by the party affected within the organisation. In 2022, the review identified nine minor non-conformances and made eight

observations.

The management system is also reviewed by our internal audit team. All stores and our central warehouse are reviewed within a 2-year period, while other functions are reviewed over a 3-year timespan.

Our internal auditors focused on the following issues in 2022:

- Knowledge about how and where we store important documents.
- The principles applied for the storage of different documents (internal, public, group-wide and authorisation-controlled).
- No non-conformances with regard to knowledge of how we store important documents were noted during our internal audits in 2022.

Changes in legislation and decisions from public authorities are monitored by the sustainability officer, the environmental officer and the officers responsible for the respective areas in accordance with a set process for compliance with legislation. The respective departments are informed as and when necessary. Follow-up on compliance with legislation is also performed in connection with the internal audits.

The management team assesses and evaluates the efficiency and applicability of the management system on an annual basis. In our change work, we apply the precautionary principle, as stated in Article 15 of the Rio Declaration: 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.



Stakeholders and stakeholder dialogue

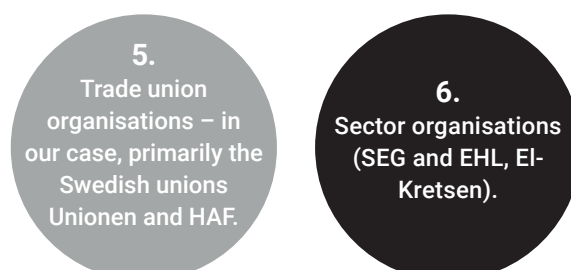
Attentiveness to the needs and opinions of our stakeholders is crucial to Elektroskandia's business. That is why it is only natural for us to maintain an ongoing dialogue with our most important stakeholder groups. In autumn 2021, the company management stipulated that the four key stakeholders and two groups that are not classed as key stakeholders – but who are considered more significant than others identified in 2015–20 – are still the most important. Our key stakeholder categories are the stakeholder groups over whom we are considered to exert the greatest influence and/or those who are most strongly affected by Elektroskandia's operations. The next update of stakeholders is scheduled for spring 2023.

Our four key stakeholder categories are:



Other stakeholder groups

Two other stakeholder groups we consider to constitute an intermediate layer (i.e. not key stakeholders *per se*, but more important than others) are:



Method & limitations

Stakeholder	Dialogue opportunity	Stakeholders' expectations of us
Owners	<p>Elektroskandia is a wholly owned subsidiary of the French Sonepar Group.</p> <p>We keep our owners continuously informed of the company's intentions.</p> <p>Sonepar has established an international sustainability group where we are an active participant.</p> <p>Four board meetings per year.</p> <p>Dialogue in working groups.</p> <p>Executive meetings.</p> <p>Shared our sustainability work by publishing our report in accordance with GRI in English.</p>	<p>Long-term, stable returns through careful use of resources (Society, environment and staff).</p>
Customers	<p>Our sales staff in customer interactions.</p> <p>Annual customer satisfaction survey.</p> <p>Dialogue in stores.</p> <p>Breakfast meetings.</p>	<p>Right, sustainable product.</p> <p>Sustainable deliveries.</p> <p>Right price at the right place and at the right time.</p>
Suppliers	<p>Market department meets suppliers in negotiations.</p> <p>Supplier follow-up meeting.</p> <p>Annual supplier satisfaction survey.</p> <p>Annual supplier get-together.</p> <p>In 2022, we:</p> <ul style="list-style-type: none"> • Analysed the findings from our 2020 risk analysis • Conducted three audits • Continued our work to track conflict minerals • Tightened our requirements for increased logistical efficiency among suppliers 	<p>Clear picture of requirements before contract negotiations.</p> <p>Good dialogue and follow-up on requirements.</p> <p>Information about market conditions.</p>
Employees	<p>Set requirements and followed up to ensure that in 2022 our managers:</p> <ul style="list-style-type: none"> • Have held at least two business meetings with their work groups. • Have completed at least three separate follow-up meetings with managers – one long and two short. • Have carried out employee surveys every week using a digital tool: Winningtemp. 	<p>Responsible behaviour by the employer:</p> <p>Good terms of employment and working environment.</p> <p>Stable, long-term employer.</p>
Trade union organisations	<p>Collaboration meetings in the form of a central committee, where union representatives meet the company management, not including Swedish Codetermination Act (MBL) negotiations and other Zliaison meetings.</p>	<p>Good dialogue (otherwise the same as for employees).</p>
Sector organisations	<p>Four meetings a year at CEO level.</p> <p>Other meetings at other levels within the companies.</p>	<p>Good dialogue, and being a role model in the field of sustainability issues.</p>

We will continue our dialogue with key stakeholders in 2023. One important aspect is to give them access to this report, and to discuss both our and their involvement in these issues.



Finance and business ethics

Financial aspects

– Why are they so significant to us?

In order to maintain competitiveness over time, and 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 systems and solid experience to help boost efficiency and profitability in both our own and our customers' purchasing and sales organisations. We thus serve as a key link between manufacturer and end customer. Our ambition is to be much more than a passive link in a chain.

How do we handle them?

Over the past year, we have maintained focus on improving customer value and enhancing our efficiency. This was essential to our capacity to accommodate the altered behaviour of our customers and the world around us 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.

All financial information is available in our annual report filed with the Swedish Companies Registration Office. The overview at the bottom of page 13 states where information not included in the overview itself can be found. For example: "ÅR Note 3" indicates that this information is available in our annual report filed with the Swedish Companies Registration Office.

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.

We have taken Swedish legislation as the basis for our work in the field of business ethics and combating corruption. The company's values and Code of Conduct are key building blocks in this work. For example, our Code of Conduct for employees states that conflicts of interest must be reported without delay so that the employee(s) in question can find help in dealing with them. We operate a Group-wide training programme which ensures that employees receive training on an ongoing basis. These training courses are mandatory and form part of our onboarding process. The work to provide training for existing employees has been running since 2018.

All new employees are familiarised with the Code of Conduct when they join the company. Sponsorship and charity work are only run at central level so as to prevent the risk of bribery.

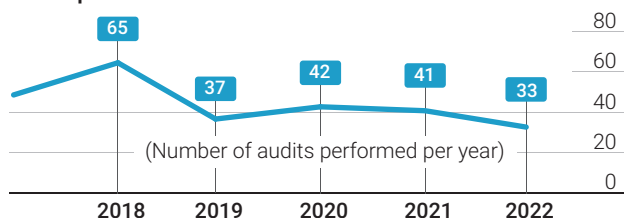
Method

Pursuant to the Code of Conduct, incidents of corruption, irregularities and breaches of legislation must be reported to a superior manager, HR or the CFO. A Group-wide whistleblowing process has been established for our employees and can also be accessed by other stakeholders via our website, elektroskandia.se Other stakeholders can likewise report irregularities directly to their contact, to the company management, or by email to the company's general email address: info@elektroskandia.se.

At its monthly meetings, the company management receives reports on any incidents that have occurred. The



The number of audits for the period 2018–2022



company data protection officer must be informed of any incidents that may violate the privacy of customers or suppliers. A dedicated supervisor has been appointed for each system that stores personal data. These people are responsible for ensuring the correct processing of personal data. They meet every year to discuss measures necessary to ensure compliance with privacy requirements.

No confirmed incidents of corruption or measures adopted.

No confirmed incidents of corruption were recorded in 2022. Undesirable behaviour that limits competition is described in the Code of Conduct.

General information about irregularities (complaints)

Our Code of Conduct informs employees how they can call attention to suspicion of irregularities, and makes it clear that they will not be subject to reprisals for doing so. Over the course of the past year, no complaints were received by Elektroskandia concerning societal impact (local community), the environment or human rights.

Privacy of customers and suppliers.

No confirmed complaints concerning breaches of customer privacy were registered. In order to ensure that customer and supplier data is handled confidentially, this data is processed by a centralised group. Customer data is 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 not identified any breaches of laws or regulations committed by our staff in 2022. The company has not paid fines for any breaches of laws or regulations in 2022.

Compliance check

Elektroskandia's quality and environment auditors conducted audits, as well as checking compliance with the Code of Conduct. No incidences of non-compliance with regard to business ethics or anti-corruption were noted. See the table to the left for the number of audits carried out in the period 2018–22.

Ref. to our financial info. can be found at:

Financial impact		
Healthy culture for salaries and remuneration	Remuneration, Elektroskandia	ÅR Note 3
Social commitment		
Financial stability	Result Operating capital Key figures	ÅR page 8 ÅR page 8 ÅR page 2
Indirect financial impact		
Sustainability integrated into internal processes	ISO Certification	

Annual customer satisfaction survey

Method & limitations

Form of survey

We carry out an annual customer survey through telephone interviews. We have been carrying out this survey for more than 15 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

Elektroskandia has 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 650 customers divided by:

Electrical installation	400 (50 x 8 regions)
Industry	100
Electricity grid	100
Telecoms	50

Goal

Our goal is to improve every year and to exceed our own Satisfied Customer Index (SCI)

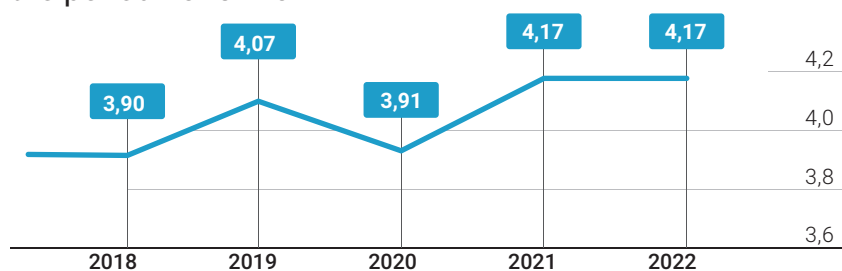
SCI

Some questions refer to Elektroskandia in general and are difficult for the regions to influence. Other questions are more-or-less directly linked to the respective regions. The questions linked to specific regions lay the foundations for the SCI for the region in question.

Rating scheme:

Excellent: > 4.05.
Very good: 3.85 – 4.04.
Good: 3.65 – 3.84.
Approved: 3.45 – 3.64.
Unsatisfactory: < 3.44.

SCI total for the period 2018–2022



SCI per region	2022	2021	2020	2019	2018
North	4.18	4.3	3.71	3.8	3.99
Central	4.08	4.05	3.96	3.85	3.83
Mid	4.19	4.31	4.03	4.05	3.93
Småland	4.26	3.96	3.89	4.18	3.87
Stockholm	4.17	4.36	3.8	4.3	3.83
South	4.21	4.1	3.71	4.15	3.8
West	4.21	4.22	3.94	4.02	3.93
East	3.99	4.2	3.98	4.1	3.89

Improvement measures

Initiated measures that are applied within our organisation to ensure that we can become even better and reinforce our offers to and service for our customers even further.

- Implementation of store guide and digital training activities involving store personnel within the different regions. Increased understanding among our employees of the importance of continued high involvement, greater knowledge and neatness and order.
- Continued focus on packaging and transports from an environmental perspective. Today, on the basis of data and statistics, we have a customer report that enables us quickly and easily to gain a comprehensive overview of the customer's purchasing behaviour and the actual carbon impact from transport operations. The available statistics allow us to analyse the outcome logically and to discuss how we can work together to apply better planning to achieve a change for the better with lower carbon impact.
- Company presentation with clearer messages for customers, so as to sell in our added values: leading global operator, logistics quality, technical expertise, sustainability, service offer, long-term approach within an increasingly competitive range.
- An expanded performance basis stemming from our sustainability work, where we actively train our sales team in preparation and presentation to our customers
- Encourage more customers to make active use of the ES App – with greater use of self-scanning in stores, for example. Work actively to promote the ongoing improvement of our digital tools – such as our website and app – with a range of improvement measures implemented to refine the search function and thus support our customers. Training package (Train the Trainer) with regard to the numerous functions and aids to be found on our website. The primary objective here is actively to train our sales team to promote understanding and confidence, with a view to ensuring that they, in turn, are able to inform our customers on an ongoing basis in the day-to-day dialogue.





Sustainable products and services

The work to select 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 follows up on the business continuously, backed by the various market and product managers. A number of KPIs per product area have been tracked to measure development in supplier performance. Examples of these KPIs are market share, sales compared to budget and previous year, stock value and turnover speed, as well as level of availability and delivery accuracy. Accessibility and level of service for our customers constitute a mission-critical factor we have been working actively to improve.

Over the course of 2022, we continued our efforts to disseminate Elektroskandia Sweden's Code of Conduct for Suppliers and Manufacturers to our suppliers. In 2022, we conducted three sustainability audits on site at our suppliers. We also carried out risk analyses of suppliers to all market areas in 2022. These have been validated and updated as required in order to prepare the selection of audits scheduled for completion in 2023.

Since 2021, we have required all our suppliers to provide us with information about the origin of minerals in line with CMRT (minerals originating from conflict areas). In 2022, we succeeded in obtaining declarations regarding 58 percent of the products in our range.

Products that contain substances hazardous to health and/or the environment are identified by the product supervisor as soon as they are included in our range. Examples of such products are adhesives and sprays.

In the event of complaints from customers or other information from external stakeholders – such as a supplier that has to recall a product – we have procedures in place to withdraw products from sale and, via our marketing department, to inform all parties affected of the measures that need to be adopted. In 2022, Elektroskandia received no information concerning accidents caused by a product.

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

During the year, we have continued to focus on our range in the field of e-mobility (charger stations for electric vehicles).

Green offer

In 2022, we launched a method for comparing carbon impact between products throughout their life cycle. We call this our "Green offer". Over the course of 2022, we have collected data on approximately 800 products from two ETIM classes.

The objective is to expand the concept to include more products and ETIM classes in 2023, and to enable customers to choose products with a lower carbon footprint within a given category. The products with the lowest carbon footprint are placed in category A, while those with the highest footprint are placed in category C. Category A represents 20 percent of the products, category B 60 percent and category C 20 percent. The category and carbon footprint will be displayed in our webshop, making it possible to compare products with each other.

The concept is still in an early phase and the work is an ongoing process. We do not claim to have all the answers or to have perfected the system at present. We will work progressively to make it easier for our customers to make sustainable choices. We are convinced that through this concept, we will continue to lead the way and to learn during our journey.

Products that make a difference

The majority of the installation cables are halogen-free, which means that in the event of a fire the smoke is lighter and less toxic, which facilitates evacuation. In addition, the cables do not generate corrosive hydrochloric acid that can disrupt electronic equipment. Finally, they contain no phthalates or dioxins that are hazardous to health and the environment. Cleaner cables, pure and simple.

Posts and sleepers have long been impregnated with creosote to ensure a long service life. Elektroskandia offers customers other options in concrete, sheet metal or recycled plastic.



Working closely with Vattenfall, Elektroskandia has long since 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.

Energy-efficient lighting solutions

Elektroskandia is a member company of the Swedish *Belysningsbranschen* (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, a lot of old systems are still in operation, which may generate major and unnecessary impact on the environment.

The majority of the lighting distributed by Elektroskandia today is LED lighting with adjustable power supply, and our light designers recommend optimal lighting with appropriate control defined by presence and level of daylight.

In our product development, we constantly check our choices of materials with a view to reducing our environmental impact. One example of this is our REKO range of fixtures. This range features a frame made of recycled aluminium, while the end sections are made of bio-based plastic produced from pine oil. The acrylic cover is made of residual material from the production process and the packaging consists largely of recycled cardboard. REKO is more than 98% recyclable.





Our environmental work **is ongoing**

Elektroskandia is working continuously to improve, especially with regard to environmental issues. Having worked systematically with such issues for a long period, we now view sustainability and environmental considerations as natural parts of all our processes, rather than an aspect that is subsidiary to our operations. Here are some of the other partnerships in which we are involved:

Product liability, environment.

Elektroskandia is making requirements on suppliers 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 9001:2015 and has been certified since 11 December 1996. (Certificate no. 2006-SKM-AQ-2335 DNV GL 2018-05-249.)

Elektroskandia operates an environmental management system in line with the ISO 14001:2015 standard, including Energy Mapping according to STEMFS 2014:2, and has been certified since 15 June 1998, with the addition of

Energy Mapping since 16 January 2018. (Certificate no. 2006-SKM-AE-1118 DNV GL 2018-05-249.)

Our suppliers are responsible for ensuring that environmental declarations are available at SEG (the Swedish Electrical Wholesalers' Federation) and online at enummersok.se. The environmental declarations are available for download from our website – www.elektroskandia.se – under the respective item.

RoHS: As of 1 July 2016, Directive 2002/95/EC banned the use of mercury, cadmium, lead, hexavalent chromium and the flame retardants polybrominated biphenyls (PBB) and polybrominated diphenyl ethers (PBDE) in newly manufactured electrical and electronic products

Energy declarations

The Cylinda range complies with EU energy labelling regulations under the ECO Design directive, which state that labels must be displayed on the following items in stores: refrigerators, freezers, freezer boxes, washing machines, dryers, dishwashers, cooking ranges, ovens and fans. The declaration states the product's energy class and helps customers compare products from the perspective of energy consumption.

El-Kretsen

El-Kretsen is the business community's service company, which is tasked with ensuring compliance with manufacturer's liability in the field of electrical/electronic products and batteries. The organisation is intended for companies that manufacture or sell products covered by the various laws regarding producer responsibility for electronics. For details, see www.elkretsen.se.

EcoVadis awards us the highest rating for our sustainability work

To confirm the quality of our work, and to establish what we can improve in future, we have been working with the independent rating agency EcoVadis for several years.



The agency rates companies in four areas: the environment, fairness and working conditions, ethics and sustainable purchasing. The ratings that EcoVadis awards are divided into four levels: bronze, silver, gold and platinum. A platinum rating is awarded to only 1 percent of all ranked companies. Since we initiated our working relationship, we have progressively climbed up the ratings and in 2022 we reached the highest level: platinum.

Power Circle

Power Circle is the stakeholder organisation for the electrical power sector, and an association for future issues. Its purpose is to showcase the role of electricity as an enabler of sustainable societal development. With a broad network, and working closely with partner enterprises, Power Circle facilitates dialogue and returns, development and demonstrations, as well as influencing by providing good examples and practical experience. For details, see powercircle.org.



SLC (Sustainability leadership committee)

Our owner, Sonepar, has a dedicated group devoted to working with sustainability issues. All countries where Sonepar is active have appointed sustainability leaders and sustainability ambassadors. These people work in groups involving members from the various countries and focusing on topics such as waste and circularity. The groups meet every year (digitally in recent years) to present their work and to give Sonepar the opportunity to communicate plans and targets for the sustainability work going forward.

Appropriate handling of products hazardous to health and the environment.

Products hazardous to health and the environment must 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.

Four times a year, our environmental officers receive information about changes to environmental legislation and regulations from Rambøll Sweden's legislation monitoring service. This information is shared with the respective supervisors, and we follow up and document that the necessary measures are adopted, both through the supervisors replying to emails and via internal audits.

The chemical products we sell are stored in fireproof cabinets at our logistics centre. Safety data sheets about the products' hazardous properties and the associated risks and the safety measures we take are available via our website. When transporting products hazardous to health and the environment, we always follow all applicable regulations and provisions.

Method

Our market- and product supervisors check that our suppliers comply with a range of requirements – see the box below – and confirm this in our ERP system. We set goals for how many suppliers are to meet the targets, take measurements and hold a review once a year at an internal market meeting.

Allmänt

- Leverantören har accepterat Logistikbilaga ☒
- Leverantören har godkänt avtalad servicegrad (SLA) ☒
- Leverantören har accepterat Code of Conduct ☒

Kvalitet/miljö

- Dokumenterat kvalitetssystem finns ☒
- Dokumenterat miljöledningssystem finns ☒
- Leverantören har en hållbarhetsrapport ☒
- Leverantören rapporterar konfliktmineraler(CMRT) ☒
- Leverantören rapporterar utsläpp från transporter (scope 3) ☐

CSR/Etik

- Dokumenterat system för arbetsmiljö finns (ISO 45001) ☒
- Leverantören har hållbarhetsinitiativ ihop med Elektroskandia (emballage, fasa ut SVHC, transporter etc) ☒

Produkter

- Produkterna elektroskandia köper från leverantören uppfyller alla gällande lagkrav samt myndighetsdirektiv ☒
- Leverantören har produktansvarsförsäkring ☒
- EPD finns på hela eller delar av sortimentet ☒
- Leverantören rapporterar hur mycket emballage vi köper (vikt på emballage till produkterna) ☐

Requirements of 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.

The first version of our Code of Conduct for suppliers was prepared in 2015. In 2021, we began making clearer demands of our suppliers to report the environmental impact of their activities and their products. Updated goals have been prepared in 2022.

In 2015, Elektroskandia started work on preparing a Code of Conduct for our suppliers. This Code of Conduct describes the expectations we have of our suppliers with regard to human rights, labour conditions, the environment and anti-corruption.

In the period 2016–22, we introduced our Code of Conduct for suppliers as an appendix to the company's applicable contractual conditions. The suppliers have now signed and returned the documents to us for filing. Several of our suppliers have already submitted a self-assessment to determine where they consider themselves to be in relation to our stated criteria and requirements. The internal implementation work will start with a workshop where our market managers with responsibility for suppliers perform a risk assessment on our strategic suppliers. Purchases from our strategic suppliers currently account for around 80 percent 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.

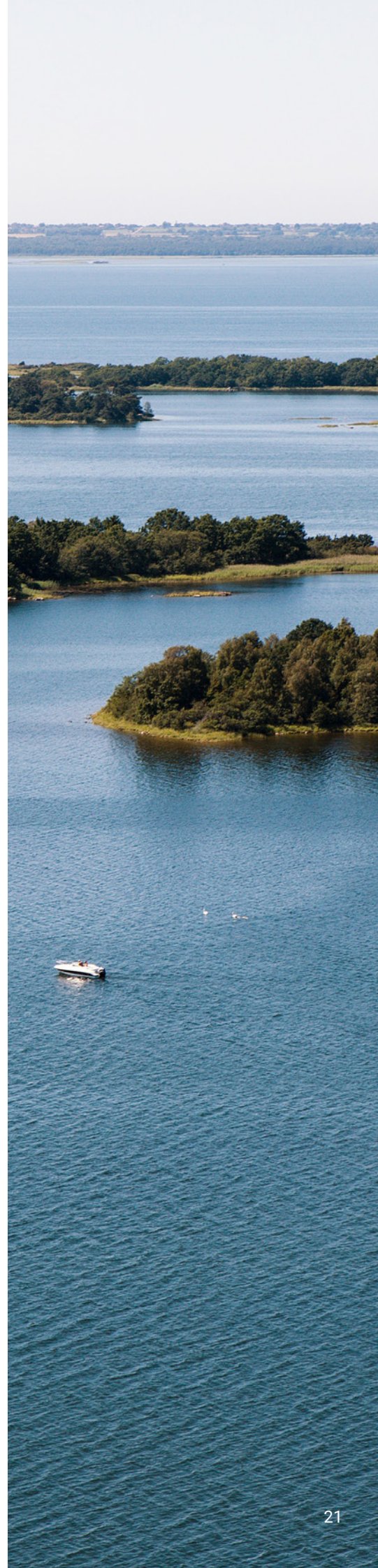
Elektroskandia reserves the right to perform unannounced inspections at the premises of suppliers who have entered into agreements with us, so as to verify compliance with the company's Code of Conduct.

Elektroskandia works with a rating system to monitor our suppliers and follow up on their performance with regard to sustainability issues. Our biggest suppliers are divided into three categories (S, A and B). In 2022, there were 482 suppliers (S, A and B) in total.

Through our follow-up work, we were able to ensure that around 84 percent of our total volume of purchases from product suppliers in 2022 came from suppliers who have signed our Code of Conduct. This represents an improvement of around 3 percent on the preceding year. We updated our rating tool in the winter of 2022, and in 2023 we will collect data from our suppliers in order to develop the project and our follow-up of our suppliers.

Correct market communication

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



Environmental impact of our business

Method & limitations

In order to ensure firm control of environmental impact in our business, we take measurements, adopt measures and follow up on activities in the areas we have identified as significant for reducing our environmental impact. All this work is based on our mapping of environmental aspects and our sustainability strategy. Where possible, we utilise our IT system to collect data. In some cases, we work with external stakeholders (such as sector organisations) to collect data, and we have occasionally needed to utilise our own calculations and estimates in order to establish a solid, holistic overview.

Elektroskandia has access to sophisticated data models that allow the visualisation and analysis of delivery patterns and emissions of kg CO₂ per shipment.

Smart energy saving – taken as read for us

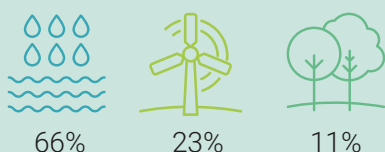
At Elektroskandia, we take responsibility for minimising both our electricity consumption and our environmental impact. For this reason, we use only green electricity: the electricity we receive comes from hydropower (66%), wind power (23%) and biofuel (11%).

Our 43,500 m² logistics centre in Örebro accounts for the greatest proportion of energy consumption within the company, and has been rated a “Silver” standard environmental building. The logistics centre features geothermal heating and solar panels, as well as parking spaces with charging points for electric vehicles. These new measures are designed to reduce energy consumption and thus environmental impact.

We install eco-friendly ventilation units in newly established stores. In addition, we use only LED fixtures, which allows us to make energy savings of 65 percent in relation to conventional fixtures.

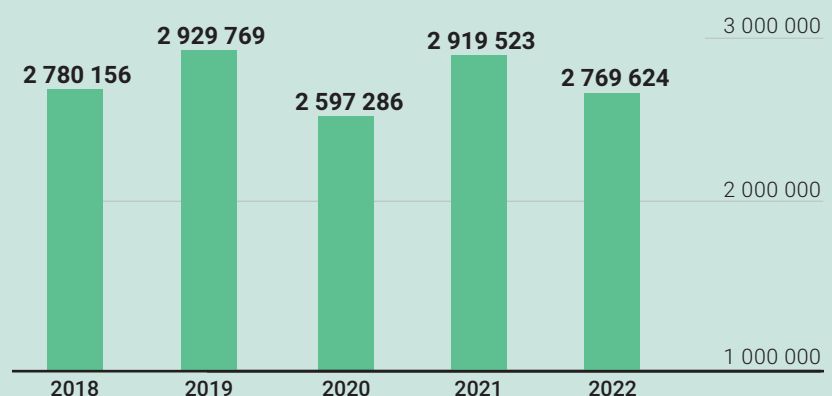
In 2022, electricity consumption at our logistics centre in Örebro totalled 2,769,624 kWh. Two large and one small heat pump supply the facility with heat during the winter months. The plant also uses them instead of refrigeration units for cooling in the summer. The solar panel installation on the roof comprises 940 panels mounted on an area of 1,579 m². In 2022, the solar panels generated 220,393 kWh, of which 10,465 kWh was returned to the Eon grid.

We 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 (66%), wind power (23%) and biofuel (11%).

**Consumption, electricity,
Logistics centre, kWh**





Energy consumption at our other 48 facilities in Sweden totalled 4,883,761 kWh. We were unable to access electricity consumption figures for seven of our stores, as this is included in the rent and is not specified on the invoices we receive from the landlord. For these stores, we have performed our own calculations based on data from the other stores. When taking out new leasing contracts, we now make it a requirement that electricity consumption can be reported separately. Data for the consumption of heating and cooling is collected from landlords where possible. In other cases, we consider this to be included in the figure for electricity consumption.

We are working continuously to identify circular solutions in our operations

Our IT equipment partner (NG Metall) repurchases old and/or defective IT equipment from us. This is then repaired/refurbished and remarketed, thus gaining an additional service life elsewhere. Ninety-eight computers were recycled via this initiative in 2022.

Mapping environmental aspects

We map environmental aspects every four years. The most recent version was prepared in 2020. The mapping process covered our logistics centre in Örebro, our head office in Rotebro and the eight other properties with the highest volumes.

The decisions about which environmental aspects to prioritise were taken by the company management. The environmental aspects mapped are assessed based on five criteria:

- Laws and regulations
- Financial criteria
- Quantities
- Environmental criteria
- Stakeholders

The environmental aspects are assessed as follows:

- A score of 14–18 points is significant
- A score of 9–13 points is less significant
- A score of 6–8 points is negligible from an

environmental perspective

The assessment of environmental aspects was performed by a sustainability group appointed by the Elektroskandia management after consumption figures were collected by several different suppliers.

The significant environmental aspects for Elektroskandia Sverige AB

Area	Score	Aspect
Sorting at source		
Cable scrap	16	Significant
Combustible	16	Significant
Hard plastic	14	Significant
Domestic appliances	14	Significant
Energy consumption		
Electricity consumption	12	Less significant
Transport		
Goods transport	16	Significant

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 only to a limited extent and in small amounts, and we naturally comply with all the applicable legislative requirements.

Travel

We minimise travel when suitable options such as video conferences and Teams meetings are available. Our travel policy is also designed to promote the most eco-friendly form of transport in each case, i.e. train rather than plane where possible.

In 2022, Elektroskandia's fleet of company cars & service vehicles drove a total of 7,038,890 km. Of this total, 657,090 km were driven in electric vehicles and 686,210 km in hybrid vehicles. In total, the fleet comprised 38 electric vehicles and 41 hybrids. Averages were used to calculate the distances driven by service vehicles. An improved follow-up system will be introduced in 2023.

Transport

Our policy means that:



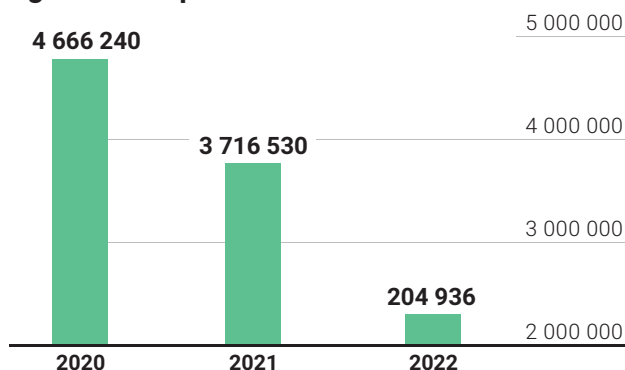
- When purchasing company cars and service vehicles, the buyers are offered alternatives with lower carbon footprints, in the form of an electric vehicle or hybrid.
- We lease our forklifts. This entails us replacing our forklifts every five years. Our intention here is to establish a more energy-efficient and eco-friendly forklift fleet.

Our forklift fleet currently comprises 184 electric models, four diesel models and five wheel-loaders. The diesel forklifts and wheel-loaders consumed 68,312 litres of diesel in 2022, generating emissions of 204,936 kg of CO₂.

Environmentally responsible goods transport

We make high demands of our goods carriers. We check capacity utilisation by measuring and following up on the volume of goods in the vehicle. We likewise require our carriers to have an environmental management system in place and to be members of the Fair Transport organisation.

Kg CO₂ Transports



In 2022, Elektroskandia dispatched 534,008 shipments, which were transported by around 200 vehicles per day. The environmental impact from this source primarily comprises emissions of CO₂. Our carriers report their environmental impact regarding deliveries of goods from our central warehouse on the basis of fuel consumption each month. The carbon impact is then calculated for each individual shipment in accordance with GLEC framework methodology (<https://www.smartfreightcentre.org/en/global-logistics-emissions-council>).

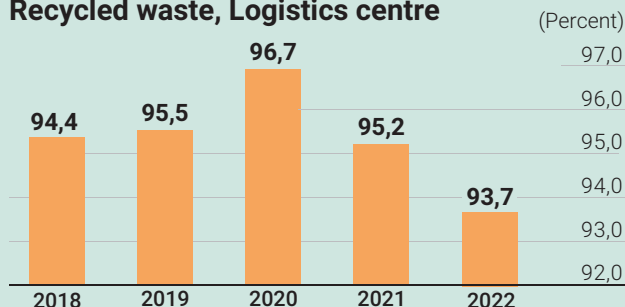
We have agreed the following with our carriers:

- All vehicles used for transport assignments must, as a minimum, meet the requirements in Euro VI. The carrier must have a follow-up system in place so that this can be documented. The carriers must have implemented a timetable for conversion to fossil-free transports.
- The carriers must aim to reduce their fossil footprint on an ongoing basis through constant improvement work. During the contractual period, Elektroskandia and the carrier run environmental projects with a view to reducing environmental impact by using fossil-free fuels.

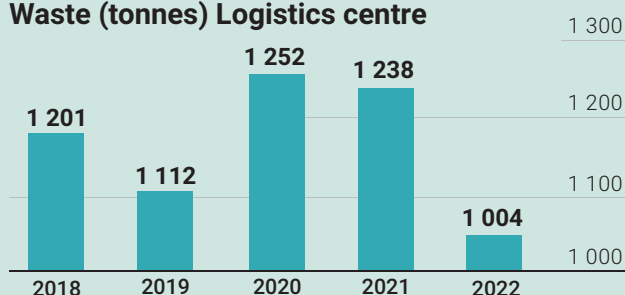
Environmental impact (kg CO₂) and the share of fossil-free transports are measured as KPIs on a monthly basis with all contracted carriers.

In 2022, Elektroskandia implemented a number of measures intended to boost environmental friendliness in the area of transport. For example, a significant proportion of transports are now fuelled by HVO100, which helps reduce carbon emissions by up to 90 percent. The company is also launching new environmental projects as new technology is developed and becomes available.

Recycled waste, Logistics centre



Waste (tonnes) Logistics centre



We have high ambitions for our sorting at source

At our logistics centre in Örebro, which generates the largest volume of waste, we aim to sort as much as 97 percent of waste at source. The level achieved in 2022 was 93.7 percent. In 2023 we will be intensifying our work to reduce the proportion of combustible waste, for example through a new agreement with the waste partner for our central warehouse in Örebro, and by focusing in particular on the volume of combustible waste in the internal audits of our stores.

At Elektroskandia's head office and in the other 48 properties where we have stores, we processed 464 tonnes of waste. Waste data is collected from our recycling partners.



Our employees

Managing HR work

The starting point for our HR work is our employee policy, which comprises our core values, the strategies and targets, as well as the guidelines that define how Elektroskandia operates with regard to relations between employer and employees. Elektroskandia applies an OHAS management system in accordance with ISO 45001:2018 and has been certified since 9 June 2021. (Certificate no. 10000441098-MSC-SWEDAC-SWE)

All our employees are expected to contribute to a positive working environment where we show respect for one another's differences. In 2019, as a part of our work to combat victimisation and harassment, we launched a workshop initiative we call "Culture and Lingo". This initiative continued in 2022 and has become a mandatory part of the induction process for new employees. In 2022, we also completed follow-up on the groups that completed these workshops in early 2019.

Method and limitations

We collect information about our employees via va-

rious HR systems for the purposes of paying salaries, supporting skills development and generating the statistics cited in this report. The results are reviewed regularly by employees and managers at the different meetings described in this report.

We have a database where governing documents and records are stored per location. For reporting accidents and near misses, as well as safety rounds and follow-up on OHAS work, we use the IA system, our information system devoted to Occupational Health and Safety. The company's internal auditors review and follow up on activities in all stores and the central warehouse within a 2-year period. Every quarter, accidents and near misses are followed up at safety committee meetings, where management, trade union representatives and/or safety officers participate.

Pioneering employer

We are committed to being a workplace where there is plenty of room for expression, along with opportunities for continuous training and skills development. Some of our employees have worked for the company for more than 40 years.

The table below presents the number people we employ and the form of employment. For reasons of privacy concerning staff working under collective bargaining agreements, the company has not measured the number of such staff since 2016. Agency staff reinforce our warehouse team. Consultants are utilised in all areas of our business.

Zero-hour and part-time contracts are only applied in the event that employees have chosen to exercise their legal right to take parental leave or early retirement.

Staff category	2022	2021	2020	2019	2018
Salaried employees	572	573	555	567	574
Salaried employees, of whom, on open-ended contracts	99.50%	0.98	98%	99%	99%
Salaried employees, of whom, on fixed-term contracts	0.50%	2%	2%	1%	1%
Employees under collective agreement (warehouse and service)	238	243	254	257	267
Of whom, covered by collective bargaining agreement	N/A	N/A	N/A	N/A	N/A
Employees under collective agreement – of whom, on open-ended contracts	93.70%	95.5%	95%	92%	82%
Employees under collective agreement – of whom, on fixed-term contracts	6.30%	4.5%	5%	8%	18%
Total employees (Salaried and under collective bargaining agreements)	810	816	809	824	841
of whom, men	625	632	631	642	649
of whom, women	185	184	178	182	193
Agency staff and consultants (Calculated as average FTE)	31.7	29.4	25.3	25.3	36.3

Information from 31.12.2022, 31.12.2021, 31.12.2020, 31.12.2019, 31.12.2018 stated for the company as a whole. Division into regions is not relevant as many employees work across the regional boundaries.



Being an Elektroskandia employee

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 respective union organisations – as well as by the company's own internal job regulations. These are set out, for example, in our employee policy, employee guide, travel regulations and other Elektroskandia policies, including our company car policy.

Our ambition was to record a staff turnover figure of no more than 7.5 percent in 2022 – unfortunately, we did not achieve this aim (8.7%). We included our salaried employees on fixed-length contracts in our staff turnover figures for the first time in 2022. We hold exit interviews with everyone who leaves the company, to follow up on the reasons why staff choose to leave, as well as to pick up opinions and ideas about how we can improve as an employer.

Benefits

All Elektroskandia employees are offered a wide range of benefits, including flexible working hours, employee discounts on our range, fuel discounts, *Rikskort* payment cards, training benefits, corporate fitness schemes and paid parental leave. We also organise training programmes in various areas with a view to boosting skills development.

Occupational Health and Safety

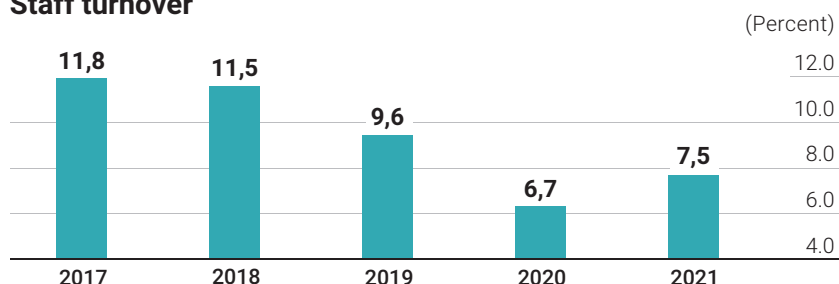
The overarching objectives of OHAS work at Elektroskandia Sverige AB are:

1. To promote health factors
2. Via preventative work, to identify and deal with risks so as to prevent work-related accidents and illness.

In addition, the working environment is to be developed in a direction that promotes improved productivity, quality and – of course – well-being. Through management, planning and checks, industrial injuries and risk are to be 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. A training course in our management system which was prepared in 2021 has also been available in 2022 to enable new employees to participate.

The psychosocial working environment and employee well-being are issues the managers follow up on through our MYR (Midyear Review) and our annual employee appraisal. We also pick up on the psychological well-being of our employees via our weekly "Pulse Measurement" survey that contains questions about well-being within the organisation. In addition, we conduct safety inspections featuring questions targeted specifically at this topic, as well as risk analyses and bi-annual follow-up meetings (business meetings), and we provide our managers with training in this area. We also have a number of safety committees with OHAS sub-committees from the respective trade unions, where OHAS issues are discussed and action plans prepared.

Staff turnover



The corporate healthcare services include:

Rehabilitation

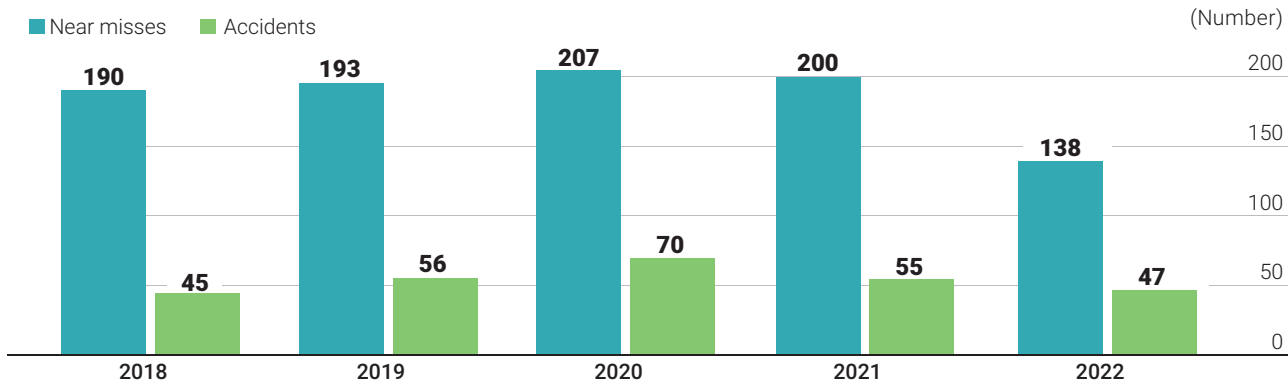
Health check/health profile

Support on OHAS issues

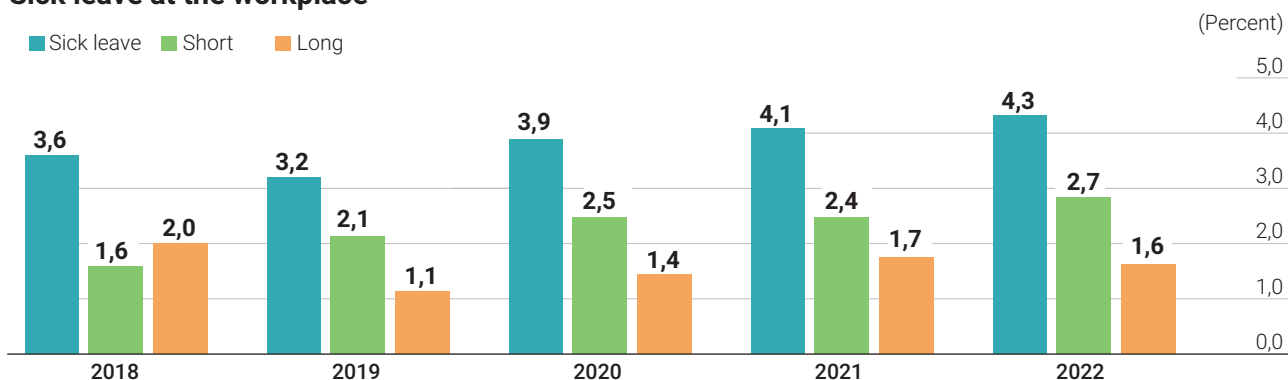
Ergonomics (workplace measures)



Accidents and near misses



Sick leave at the workplace



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. Accidents and near misses are reported and dealt with on an ongoing basis, but are measured annually. We follow up on accidents and near misses on an ongoing basis. Most of the accidents reported stem from our warehouse operation in Örebro. Inattention has been a contributing factor to a number of accidents and injuries, which were all minor.

As regards near misses, the majority are linked to forklift operation or the dispatching of goods. Over the course of 2022, we have reported 138 near misses and 47 accidents, including 13 which resulted in sick leave. We have noted a reduction in both near misses and accidents, and we believe this to be due to increased use of our IA system and the associated app, as this makes it much simpler to report incidents. The app is also increasingly being used to report risk observations.

Corporate healthcare

The purpose of Elektroskandia's working relationship with corporate health centres in all locations is set out in our OHAS policy. The objective is to access help and support on issues related to the field of OHAS.

The corporate healthcare system is to assist with expertise in the form of OHAS engineers, physiotherapists and occupational therapists, with the goal of preventing indu-

strial injuries and illnesses as far as possible, and actively creating a good working environment.

All employees are offered the chance to have a health check (health and OHAS profile) at the age of 45, 50, 55 and 60 at the corporate health centre.

We have KPIs for sick leave, which we review and follow up on an ongoing basis. Our goal for total sick leave for 2022 was 3.5 percent, but we recorded a figure of 4.3 percent, largely due to elevated sick leave on account of the pandemic at the start of the year. Our ambition is to reduce sick leave, and we have a zero vision for accident categories A & AA (we have categorised the levels in our IA system). We strive to achieve this by training and coaching our managers about our responsibility in the area of illness, and in how they can apply systematic OHAS work and health-promoting leadership.

Skills development

Our employees and their skills constitute our greatest strength and competitive advantage. That is why we work actively with skills development and learning.

At the start of 2022 we launched our Group-wide LMS, where we have also integrated the LinkedIn Learning module that contains more than 15,000 online courses.

Corporate fitness

We offer a keep-fit scheme for all employees, but we are also working to introduce alternative health and fitness benefits such as lectures on health and diet, as well as shared activities in the form of fun runs, for example.

The importance of helping our employees to develop in line with their own wishes and needs – and those of the company – cannot be overstated, as our goal is to increase internal mobility and opportunities for building up a career with us. In 2022 we decided that all employees should have at least one documented development goal.

We hold two fixed employee appraisals every year, which also involve a salary review. Through this method, we aim not only to match salary to performance, but also to set goals intended to lay the foundations for development and to determine which skills our employees possess, as well as what kind of development they are seeking – and what we, as a company, need.

All salaries are proposed by managers following a salary appraisal meeting with the employee in question. The salary proposal must be approved according to the “grandfather principle”, and, ultimately, by the CEO and the HR Director. The salary paid to the CEO and the company management must also be approved according to the grandparent principle, i.e. by a representative of the parent company. Salary proposals for employees covered by collective bargaining

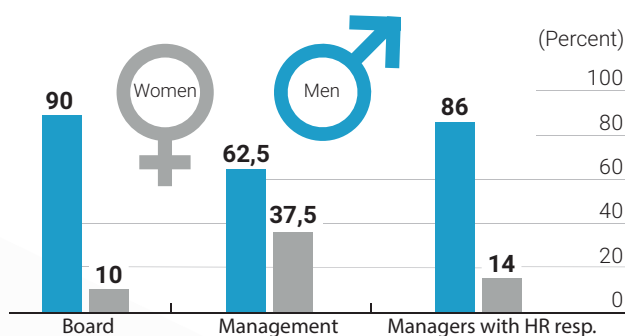
agreements are negotiated and set in consultation with the respective trade union organisations.

The performance expected and the targets are agreed at the employee appraisal at the start of each year. We follow up on employee performance through a brief MYR interview during the year, where there is also time to prioritise activities and assess whether they are in line with the goals set.

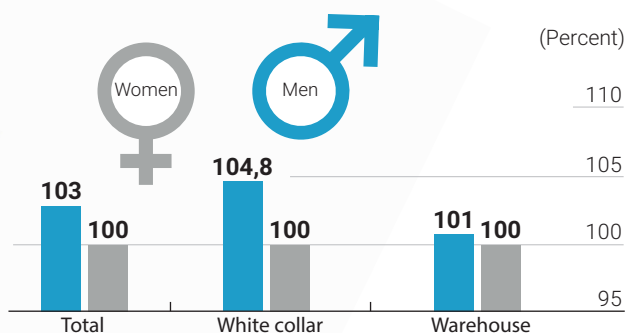
Diversity and equal opportunities

Through conscious work with diversity, we are committed to contributing to a society in which everybody is viewed as an asset. Our ambition is to reflect society, our suppliers and our customers. Our diversity work should be a natural part of the work to reinforce Elektroskandia’s competitiveness. When recruiting, we always strive to create working groups composed of employees of different genders, ages, group affiliations and backgrounds. In 2022 we added the category “diversity and inclusion” to Winningtemp. Our aim is to raise awareness around the area and our work associated with it.

Gender distribution 2022



Average salary by gender regarding 2022





Elektroskandia will work to:

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

Elektroskandia is an electrical technology wholesaler, and our employees work in various services: sales, warehousing and white-collar positions. Our sector is heavily male-dominated, and 78 percent of the company's employees in 2022 were men (2021: 78%, 2020: 78%, 2019: 78%).

We measure the average pay for the different professional categories. The total pay gap between men and women is 3 percent. For white-collar employees it is 4.8 percent and for warehouse staff it is 1 percent.

We performed a payroll mapping process in 2022 to establish any unfounded grounds for unequal pay. The findings did not demonstrate any unjustified differences in pay. We also noted that the pay gap between men and women in general had been reduced in comparison with 2021.

Employee Survey

Since 2020 we have been using Winningtemp to measure engagement and well-being in the organisation on an ongoing basis. Using this tool, we "take the temperature" of the organisation on a weekly basis, where managers can check the current status of their teams. The survey is distributed once a week by email; it is completely anonymous and includes a comment option for those employees who wish to use it.

We continued using Winningtemp in 2022, where we also used it to ask "own questions". The main benefit here is that the tool provides a current snapshot that allows us to act directly and implement preventative measures.



Social responsibility and social commitment

Contributing to a better world

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 facility in Örebro every three months.

Defibrillators for emergency aid. In 2015 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. Each defibrillator is accompanied by a list of staff in the unit who have completed HLR training. All defibrillators are listed in the Swedish defibrillator register and are checked every year.

Knowledge about working life

We consider it important to teach young people about working life, which is why we are happy to receive PRAO students, 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 are happy to open 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.

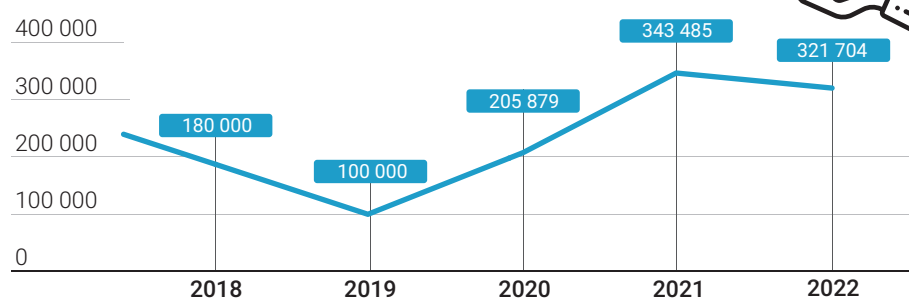
Sustainable working relationships

In 2022 we put a great deal of work into structuring and planning the launch of new working relationships in 2023.

We also sponsored a number of local associations, including: Karlstad IBF, Team Kalmarsund Cykel, FC Rosengård, Sunnanå SK, Sweden Rock.

Sponsorship, historical

(SEK 00,000)



About the report

This sustainability report summarises Elektroskandia's sustainability work in 2022. It is the seventh report submitted according to the Global Reporting Initiative (GRI) and was published on 30 June 2023 together with our financial report. We compile the report with reference to the GRI Standards 2021. It also constitutes the statutory report pursuant to Section 6 of the Swedish Annual Accounts Act (*lagen om årsredovisning* – ÅRL). It covers all activities at Elektroskandia Sverige AB in Sweden. Financial data is published in the annual report and in the auditor's report, which is registered with the Swedish Companies Registration Office. No changes in information published in the 2021 report have been reported in this version.

For a complete list of all stores in Sweden, see: www.elektroskandia.se

The report is compiled annually and our ambition is to publish the next version of this report in June 2024. Please address any questions and enquiries about the report to:

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Auditor's report on a general review of Elektroskandia Sverige AB's 2022 Sustainability Report, and opinion concerning the statutory sustainability report

For Elektroskandia Sverige AB, company reg. no. 5560148412

Introduction

We have been commissioned by the Board of Directors and the CEO of Elektroskandia Sverige AB to conduct a general review of Elektroskandia Sverige AB's 2022 Sustainability Report. The company has defined the scope of the sustainability report on page 2 of this document, of which the statutory sustainability report is defined on page 39.

Responsibilities of the Board of Directors and the CEO

It is the Board of Directors and the CEO who hold responsibility for preparing the sustainability report, including the statutory sustainability report, in accordance with the applicable criteria and the Swedish Annual Accounts Act (ÅRL). The criteria are presented on page 31 of the sustainability report and comprise those parts of the framework for sustainability reporting published by GRI (Global Reporting Initiative) that are applicable to the sustainability report pursuant to the requirements to report with references, as well as the company's own accounting and calculation principles. This responsibility also comprises the internal control that is considered necessary to prepare a sustainability report that does not contain material misstatement on account of irregularities or errors.

Auditor's responsibility

Our responsibility is to express an opinion on the sustainability report based on our general review and to provide an opinion concerning the statutory sustainability report. Our assignment is limited to the historical information presented and therefore does not encompass future-oriented information.

We have conducted our general review in accordance with ISAE 3000 (revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. A general review consists of making enquiries, initially of persons who are responsible for the preparation of the sustainability report, conducting analytical reviews, and performing other general review actions. We have conducted our review of the statutory sustainability report in accordance with FAR's recommendation RevR 12 Auditor's opinion on the statutory sustainability report. A general review and a review pursuant to RevR 12 have a different direction and a significantly smaller scope than the direction and scope of an audit pursuant to the International Standards on Auditing and good auditing practice.

The firm of auditors applies the International Standard on Quality Management 1, which requires the firm to design, implement and manage a system for quality management, including guidelines or routines concerning compliance with professional ethics requirements, standards for professional practice and applicable requirements in laws and other regulatory requirements. We are independent of Elektroskandia Sverige AB in accordance with good auditing practice in Sweden, and have otherwise fulfilled our professional ethics responsibility under these requirements.

The review actions adopted in a general review and examination according to RevR 12 do not allow us to obtain a level of assurance that we have been made aware of all significant circumstances that could have

been identified if a full audit had been performed. For this reason, the stated conclusion based on a general review and examination according to RevR 12 does not provide the same level of assurance as a stated conclusion based on an audit.

Our review of the sustainability report is based on the criteria selected by the Board of Directors and the CEO, as defined above. We consider these criteria to be suitable for the preparation of the sustainability report.

We consider that the evidence we have obtained during our review is sufficient and appropriate for the purpose of expressing our opinion below.

Opinion

On the basis of our general review, we have not identified any circumstances that give us grounds to consider that the sustainability report has not, in all material aspects, been prepared in accordance with the above-mentioned criteria stated by the Board of Directors and the CEO.

A statutory sustainability report has been prepared.

Stockholm den 29 juni 2023

KPMG AB

Henrik Lind

Registered auditor

Torbjörn Westman

Expert member of FAR

GRI Content index

Where page reference is missing the reason is either that the information a) is confidential or b) that we have not yet gathered data of high enough quality to be published or c) that the outcome of our analysis of material aspect made the reporting redundant. Our ambition is to increase the amount of reporting aspects for each new report.

GRI STANDARD	Disclosure	Description	Page reference	Deviations and comments
GRI 2: General Disclosures 2021	2-1	Organisational details	31	
	2-2	Entities included in the organisation's sustainability reporting	31	
	2-3	Reporting period, frequency and contact point	31	
	2-4	Restatements of information	31	
	2-5	External assurance	32	
	2-6	Activities, value chain and other business relationships	4, 7, 9	
	2-7	Employees	25	
	2-8	Workers who are not employees	25	
	2-9	Governance structure and composition	8–9	
	2-10	Nomination and selection of the highest governance body	9	
	2-11	Chair of the highest governance body	9	
	2-12	Role of the highest governance body in overseeing the management of impacts	9	
	2-13	Delegation of responsibility for managing impacts	9	
	2-14	Role of the highest governance body in sustainability reporting	9	
	2-15	Conflicts of interest	9	
	2-16	Communication of critical concerns	11, 13	
	2-17	Collective knowledge of the highest governance body	26	
	2-18	Evaluation of the performance of the highest governance body	9	
	2-19	Remuneration policies		
	2-20	Process to determine remuneration	28	
	2-21	Annual total compensation ratio		
	2-22	Statement on sustainable development strategy	3	
	2-23	Policy commitments	8	
	2-24	Embedding policy commitments	13	
	2-25	Processes to remediate negative impacts	10–11, 13	
	2-26	Mechanisms for seeking advice and raising concerns	13	
	2-27	Compliance with laws and regulations	13	
	2-28	Membership associations	9	
	2-29	Approach to stakeholder engagement	10–11, 14	
	2-30	Collective bargaining agreements	26	

GRI Standard	Disclosure	Description	Page reference	Deviations and comments
GRI 3: Material Topics 2021	3-1	Process to determine material topics	6–7	
	3-2	List of material topics	7	
	3-3	Management of material topics	6–7	
GRI 201: Indirect Economic Performance 2016	201-1	Direct economic value generated and distributed	b	
	201-2	Financial implications and other risks and opportunities due to climate change	b	
	201-4	Financial assistance received from government	b	
GRI 202: Market presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	a	
	202-2	Proportion of senior management hired from the local community	b	
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	b	
	203-2	Significant indirect economic impacts	b	
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	b	
GRI 205: Procurement Practices 2016	205-1	Operations assessed for risks related to corruption	13	
	205-2	Communication and training about anti-corruption policies and procedures	13	
	205-3	Confirmed incidents of corruption and actions taken	13	
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	b	
GRI 301: Materials 2016	301-1	Materials used by weight or volume	b	
	301-2	Recycled input materials used	b	
	301-3	Reclaimed products and their packaging materials	b	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	23	
	302-3	Energy intensity	b	
	302-4	Reduction of energy consumption	22	
	302-5	Reductions in energy requirements of products and services	24	

GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	24
	305-2	Energy indirect (Scope 2) GHG emissions	b
	305-3	Other indirect (Scope 3) GHG emissions	b
	305-4	GHG emissions intensity	b
	305-5	Reduction of GHG emissions	b
	305-6	Emissions of ozone-depleting substances (ODS)	b
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	b
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	b
	306-2	Management of significant waste-related impacts	24
	306-3	Waste generated	24
	306-4	Waste diverted from disposal	b
	306-5	Waste directed to disposal	b
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	b
	308-2	Negative environmental impacts in the supply chain and actions taken	b
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	26
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	b
	401-3	Parental leave	b
GRI 402: Labor/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	b
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	26
	403-2	Hazard identification, risk assessment, and incident investigation	26
	403-3	Occupational health services	b
	403-4	Worker participation, consultation, and communication on occupational health and safety	27, 29
	403-5	Worker training on occupational health and safety	27
	403-6	Promotion of worker health	27

Forts. GRI 403: Occupational Health and Safety 2018	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	b
	403-8	Workers covered by an occupational health and safety management system	27
	403-9	Work-related injuries	26
	403-10	Work-related ill health	b
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	b
	404-2	Programs for upgrading employee skills and transition assistance programs	27
	404-3	Percentage of employees receiving regular performance and career development reviews	28
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	28
	405-2	Ratio of basic salary and remuneration of women to men	28
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	b
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	b
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	b
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	b
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	b
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	30
	413-2	Operations with significant actual and potential negative impacts on local communities	b
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	16
	414-2	Negative social impacts in the supply chain and actions taken	b

GRI 415: Public Policy 2016	415-1	Political contributions	b
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	16
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	16
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	20
	417-2	Incidents of non-compliance concerning product and service information and labeling	20
	417-3	Incidents of non-compliance concerning marketing communications	21
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	13

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Index for sustainability reporting pursuant to the Swedish Annual Accounts Act 6:10-14

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Elektroskandia
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