

Sustainability report

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

2024



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With a clear direction in a changing world

In a changing and in many ways challenging world, I am proud of how Ahlsell continues to create value. Together with employees, customers and suppliers, we stand firm in our conviction of what is the right direction. In 2024, we have continued to work purposefully to contribute and seize the business opportunities that exist in the sustainable societal transition.

2024 has been another year characterized by an unstable geopolitical situation and uncertainty in financial trends. Globally, undemocratic forces continue to gain ground, and we have received further evidence of the consequences of climate change. An undesirable societal development that affects us both in business and human terms. At the same time, we see positive trends towards a more sustainable direction.

For example, many of our major customers now have an ambitious sustainability agenda and set more precise and far-reaching requirements regarding environmental performance and social responsibility.

At Ahlsell, our starting point is to navigate the challenges in the best possible way, continue to strengthen our business and ensure that we make a difference to the development of our society in a positive direction. As a major actor in the market, we play an important role both in helping our customers and in acting as a role model in the business community. We at Ahlsell also enjoy the full support from our owner, with whom we share

and align on a common view of what long-term value creation is all about, with clear expectations on delivering results.

In our strategic plan with a view to 2030, we focus on continuing to strengthen our offer to different customer segments in each market, to take advantage of the opportunities of digitalization and to develop a more circular business. In parallel with data-driven efficiency and new digital services, we see that the face-to-face meeting between the customer and Ahlsell's knowledgeable, committed employees is a crucial success factor. Therefore, we continue to work goal-oriented for world-class customer satisfaction and employee engagement. For many customers, especially smaller companies, we also want to take on the role of knowledge partner. I see great potential in the parts of our business that deal with advice and competence support, in addition to our strengths as a multi-specialist, distributor and wholesaler.

Acquisitions continue to play an important role in accelerating our sustainable growth and the future-proofing.



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On my wish list for 2025 is of course a change in the global situation. We need a more united commitment in both business and politics to take on the transformation that is needed for our common future. Today, we are far from there. Because of that, I am honestly proud to lead a company that firmly adheres to the conviction that sustainability, responsibility and a long-term profitable business are interconnected.

Claes Seldeby, CEO Ahlsell

In 2024, we acquired a total of 14 companies that contribute in various ways to our breadth and market position and to more local and regional supply chains. Through this year's acquisitions, Ahlsell has, among other things, strengthened its position in Norway's industrial sector. We evaluate all new companies from a sustainability perspective and ensure that they are integrated into the Group's common governance as quickly as possible.

Market development in 2024 has been below expectations in all Nordic countries. Still, we can be proud of Ahlsell's performance. We have increased our market share and managed to compensate for declining demand in certain segments with increased sales in others. A confirmation that our multi-specialist offering and presence gives us a robust business model that can withstand some shakiness in the external environment. Ahlsell's sales in 2024 amounted to SEK 50 (51) billion. Operating profit (adjusted EBITA) was SEK 4.5 (4.9) billion. The forecast for 2025 is a positive development, with expectations of increased investment willingness and growth.

We work integrated with sustainability in four overarching areas: Reduced climate and environmental impact, Responsible purchasing, Sustainable business development and "People & Culture" with a focus on sustainable employees. With clear and ambitious goals, we show that we are serious about contributing to a sustainable transition and taking responsibility for the impact of our operations.

In 2024, Ahlsell's science-based climate targets in line with the 1.5-degree target were validated by SBTi. The targets encourage to take action and implement new initiatives throughout the value chain. The challenging work ahead is primarily about successfully reducing the footprint from products and transport. A tangible example is the transition to renewable fuels, where we continued to invest in the use of HVO100 during the year. To meet the demand for environmentally declared products, we have also continued to develop and make available Environmental Product Declarations (EPDs) for our own branded products.

Our complex supply chains account for a significant part of Ahlsell's impact and risks to people and the environment. Our most important approach is to choose professional partners who share our values, since quality often goes hand in hand with responsibility and sustainability performance. The implementation of our new supplier system also enables better and more efficient follow-up. We have continued to develop the process for quality assurance of our EMV products and the cooperation with our suppliers in China in particular. Ahlsell must be and be perceived as a credible business partner with integrity. Therefore, we continue to develop the work for transparency and traceability throughout the chain of suppliers.

As always, I would like to emphasize that Ahlsell's most important success factor is the knowledge, skills and commitment of our employees. With the

support of the House of Learning training platform, a cutting-edge digital tool, we have continued to focus on learning and leadership during the year. With the Future-ready Leadership program, we develop and train our managers to be able to lead and navigate in a challenging and fast-moving world.

We see great potential in utilizing the skills and solutions that exist in our various local organisations or that are added through new acquisitions. During the year, we have initiated a cross-Nordic collaboration with 12 strategic initiatives that aim to accelerate and learn from each other. We also work to encourage and enable internal mobility between different parts of the organisation.

I am personally convinced of the value of investing in the health and well-being of our employees – healthy employees make up the foundation for a healthier business! During the year, many of our employees have participated in training and sports activities through Ahlsell's various collaborations and events, not least through our sponsorship of Vasaloppet. Today, good health is also increasingly about mental well-being. We are committed to be a workplace that contributes positively to health from a holistic perspective, and I am proud of the award that Ahlsell Finland received during the year for its work with mental health. As one of our next steps to support health and well-being, we will offer our employees a digital self-assessment tool and access to individual advice from a health coach.

For 2025, I look forward to continuing to deliver on Ahlsell's own goals as well as contributing to the communities we impact, with the power and capabilities available in our organisation. As a company, we are proactive and good at transforming strategy into reality. With the large investments that we have made during the last years in our logistics centers, and with our continued digital development, we are well equipped for tomorrow.

On my wish list for 2025 is of course a change in the global situation. We need a more united commitment in both business and politics to take on the transformation that is needed for our common future. Today, we are far from there. Because of that, I am honestly proud to lead a company that firmly adheres to the conviction that sustainability, responsibility and a long-term profitable business are interconnected.

With this foreword, I invite you to Ahlsell's sustainability report for 2024. I hope that it will give you a credible picture of our work and also provides a basis for continued dialogue and cooperation.

Claes Seldeby,
CEO Ahlsell

Sustainability highlights 2024

Ecovadis Platinum

Ahlsell has once again been awarded a platinum rating by EcoVadis, one of the world's leading platforms for the assessment of the sustainability of companies. The prestigious platinum rating means that Ahlsell performs in the top 1% of the 100 000 companies evaluated globally each year.



19

14

new companies

Growth through acquisitions

Ahlsell has an overarching ambition to grow and be in a leading position in our core markets and product segments. In 2024 we acquired 14 new companies, that will contribute to our business development and be integrated in our sustainability governance.

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Future ready leadership

To keep pace with and navigate in a fast-changing world we need a future-oriented organisation. In 2024 we have started to roll out our Future leadership program.



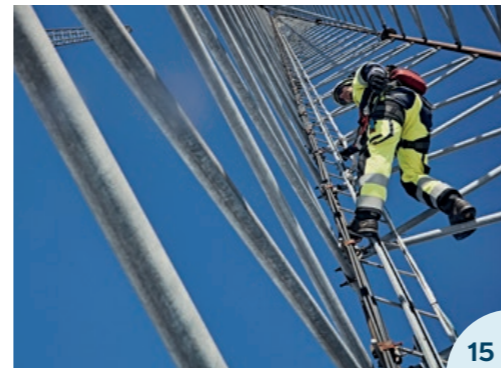
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Capacity enhancement for tomorrow's logistics

To increase capacity and support sustainable growth, we have invested in major expansions, new technology and environmental performance, in our Nordic central warehouses and logistics centres.



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Updated strategy

Ahlsell's updated strategy aiming at 2030 clarify our direction and commitments. The sustainability perspective is integrated with defined focus areas, overarching goals and KPIs.

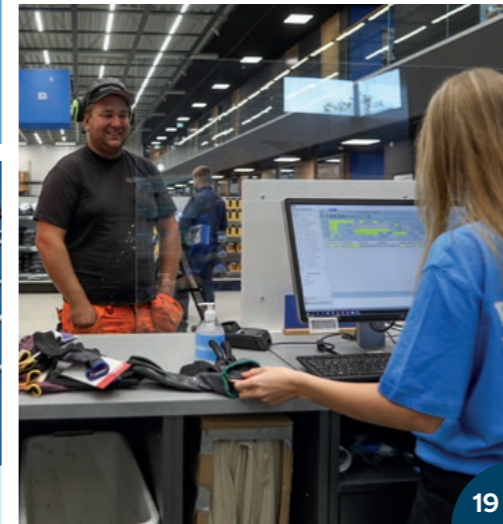
-42%

Scope 3 goal 2030

SBTi approved targets

With ambitious climate goals aiming at net-zero, Ahlsell commit to take active part in the climate transition. In 2024 we got our goals approved by SBTi.

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Stakeholder satisfaction

The result from this year's stakeholder dialogues show that Ahlsell delivers well on customer and supplier sustainability expectations.

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With a wide range of products and services, our specialized expertise, and world-class logistics, we make it easier to be a professional.

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We make it easier

Ahlsell operates where people reside, work, and live their lives. As a leading multi-specialist distributor of technical installations, we drive the development of society together with professionals who manufacture, install, build, repair, and maintain. With a wide range of products and services, our specialized expertise, and world-class logistics, we make it easier to be a professional. →

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Ahlsell is a specialist distributor for multiple customer verticals, a "one-stop-shop" covering specialist as well as adjacent needs. In our own stores, via our logistics centres or directly via selected suppliers. Our offering includes more than one million items and we also offer associated services and expertise in many different categories, such as heating and plumbing, electrical, tools and supplies, construction logistics and safety training.

Available at physical stores and digital channels

We are close to the customer and can be reached through several channels that interact with each other. Ahlsell has a large number of physical stores in our different markets, and personal sales by phone or via meetings with sales representatives and account managers. We also have one of the Nordic region's largest online shops for professional customers. Customers who shop online can then pick up the goods in a physical store or have them delivered to their workplace. Our physical stores are a meeting place where customers can find accessible, professional assistance in finding the right solutions and products. The stores carry locally adapted ranges of products and are located in easily accessible industrial or commercial areas. Ahlsell also has several customised solutions with on-site stores at the customer's premises, vendor managed inventory services and temporary pop-up stores.

World-class logistics

Ahlsell is a reliable partner that delivers the right products at the right time to the right place. Efficient logistics and secure transport operations are among the most important considerations for our customers when choosing business partners. Our four combined central warehouses and logistics centres form the hub of our operations. Thanks to our broad product range, we reduce the transport to customer sites thus saving time, money and a reduced environmental footprint.

Our customers

Ahlsell's customer base is large, with different customer categories and purchasing patterns. Our target group comprises all professionals who manufacture, install, build, repair and maintain. Our customers are found in both the private and public sectors, from small entrepreneurs to companies with thousands of employees. In 2024, more than 200,000 business customers chose us as their supplier. Small and medium-sized enterprises account for just under 40% of the Group's net sales. →

Our top ten largest customers account for just under 10%. Through subsidiary stand-alone brands, Ahlsell also has a broad offering aimed at private customers, which account for around one percent of our sales.

Our vision: Building a more sustainable society

At Ahlsell, we have decided to adopt a proactive approach to the green transition in society. As a major actor with a strong market position, we have both the opportunity and responsibility to contribute to more sustainable development.

We contribute to our customers' competitiveness and are an attractive partner for our suppliers. This is done by continuously developing our offering and our range of sustainable products and services in line with needs and expectations, and by providing world-class knowledge and logistics. We combine a highly efficient distribution model with a customer-centric approach.

In our work towards a more sustainable society our Group management has decided on four prioritized areas to focus on based on input through the dialogues we regularly have with our stakeholders such as customers, suppliers, owners, lenders and others in our value chain. The areas are

Environment with highlight on Climate, Procurement, People and Culture and sustainable business development.

Sustainability is a driver for our business strategy and a major success factor for us and our customers. We shall achieve profitable growth and grow faster than the market through strategic growth initiatives, acquisitions and increased efficiency. We shall be the leading actor in each segment in our primary markets with the long-term aim of building a more sustainable society together with customers and suppliers.

Sustainable development

For us, sustainability work is about competitiveness, responsibility and value creation over time. This includes everything from satisfied customers, suppliers, employees and owners to a profitable business that is sustainable in the long term – financially, environmentally and socially. Sustainable development for Ahlsell is also about advising and enabling our customers and their customers to gradually choose more climate-adapted and sustainable products and services. When we create new more sustainable solutions, we help ourselves and our customers as well as our suppliers to achieve their sustainability goals. This is an important driver for Ahlsell.

Entrepreneurship since 1877

Ahlsell boasts a proud history defined by an entrepreneurial spirit, bold business development, remarkable growth, and transformative acquisitions—shaping its journey to the present day.

It all began in 1877 with the founding of the company John Bernström & Co in Stockholm, a company dedicated to supplying pumps to mechanical workshops and various industries. In 1922, a significant milestone was reached when the company merged with Ahlsell & Ahréns, a company specializing in sanitary products and pipes. This union set the stage for the incredible growth that followed. Now, over a century later, Ahlsell stands as a dynamic international trading company with a diverse portfolio and a strong, trusted presence in the Nordic market. From humble beginnings to industry leadership, Ahlsell continues to evolve, driven by innovation and a commitment to excellence.

AHLSSELL IN FIGURES 2024

Owners CVC Capital Partners / Headquarters Stockholm

7 629

Employees (average)

>1 000 000

Number of items

~19 500

Suppliers

309

Stores

~200 000

Business customers

4

Central warehouses/
logistics centres

SEK 50 billion

Sales

SEK 4.5 billion

Operating profit (adjusted EBITA)

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Ahlsell 2024

Geographic presence

Our operations and geographic presence

Ahlsell's main operations are conducted in the Nordic region. In total, the Nordic countries, in which we have our four primary markets, Sweden, Norway, Finland and Denmark, account for over 98% of the Group's sales. We also have operations in Estonia, Latvia, Lithuania and Poland, and a local sourcing office in China.

Ahlsell strives for a market-oriented, decentralised organisation with developed local entrepreneurship. The Group includes several independent subsidiaries that are operated under their own brands. For more information on the scope and limitation of the content of this report, see note 1 on page 52.

Growth through acquisitions

Ahlsell has an active strategy for profitable growth, with an overarching ambition to be the market leader in all product areas in each market. We are investing in both organic growth and growth through acquisitions, which enhance or supplement our offer, or which can contribute to our sustainable business development. Another 14 companies were acquired in 2024.



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Contributing to the development of the society

Ahlsell is present where people reside, work and live their lives. We drive developments together with professional customers that manufacture, install, build, repair and maintain. We shall contribute to building a more sustainable society.



Rail and ports

Transport-intensive operations generate large carbon emissions. Ahlsell has several unique storage solutions for larger industrial workplaces, which reduce the volume of transport operations and cut emissions.

Healthcare, schools and elderly care

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

Mining, steel and engineering

The transition to a fossil-free society demands a lot of our Nordic metals (such as copper and zinc) for future electrification. Ahlsell supplies materials and system support for the safe handling of chemical products to customers in the mining industry and the processing chain.

The food chain

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

Electricity generation and distribution

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

Water, sewage and treatment plants

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

Defence and civil contingency

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

Mobile networks and internet

Having a functioning and accessible internet is important for democracy and equality. Ahlsell supports the material-intensive construction of the next generation of mobile networks through advanced logistics solutions and a wide range of materials.

E-Mobility

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

Housing

Housing needs to be built, managed and maintained. Ahlsell contributes with a broad product range for the entire life cycle, and relevant expertise.

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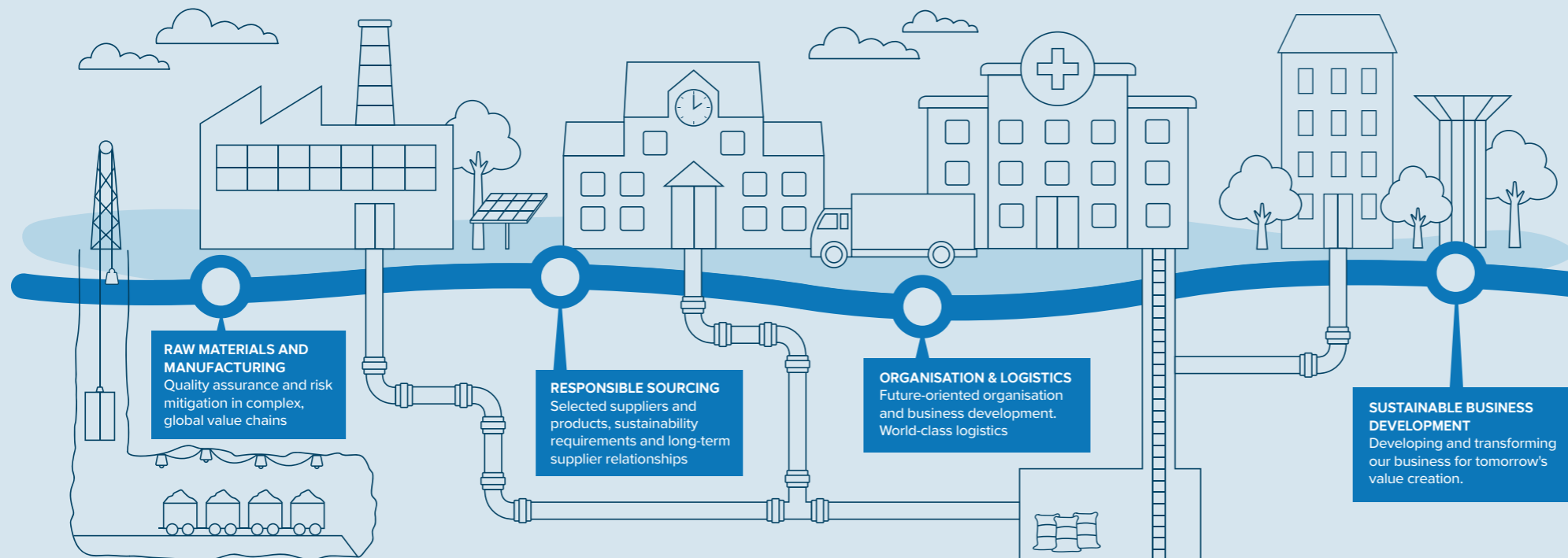
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OUR PRIORITIES FOR FUTURE-PROOFING

Relevance today and tomorrow

At Ahlsell we are committed to staying relevant and to continue creating sustainable value, for our stakeholders and for society. In a changing, challenging world, we focus on several areas to futureproof our business and our contributions to a more sustainable development.

WHAT WE FOCUS ON TO CREATE VALUE

Skills development and leadership to keep pace with and navigate in a fast-changing world

Capacity enhancement to continue deliver on world-class logistics

Active collaborations with customers and suppliers as well as industry peers and academia

Developing and transforming our business in a sustainable direction

Digitalization to facilitate, streamline, innovate, develop, and increase availability

Acquisitions of companies to develop, strengthen and broaden our offer and competence

HOW WE WORK TO TAKE RESPONSIBILITY

We put effort in compliance, to make sure that we understand, implement and follow rules and legislation

We work systematically with risk mitigation and risk management in the supply chain

We have high standards for product quality and instructions for use, etc.

We focus on health and safety for our own employees as well as for workers in our value chain

We have zero tolerance for unethical behavior such as corruption and discrimination

We take climate responsibility, and are committed to achieve our science-based targets

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A sustainable investment in logistics and innovation



Ahlsell's new site in Hallsberg, taken into operation in January 2025, is one of our most extensive projects to date. Covering a 284,000 square meter plot, the site features three buildings with office and warehouse spaces totaling 58,000 square meters, along with extensive outdoor storage and green areas. The site will be certified according to the BREEAM Excellent standard, an internationally recognized framework that evaluates and scores aspects such as energy use, indoor climate, water management, and waste handling.

The new Hallsberg site represents an important step in Ahlsell's strategy to centralize and streamline warehouse operations, reducing transportation needs and lowering carbon emissions.

The new facility accommodates trucks up to 34 meters in length, enabling fewer vendor and customer transports. Automation for pipe handling will be implemented in 2025 to increase capacity by 60% and improve the work environment.

A solar power system with a capacity of 1.7 MW is being installed, complemented by a 1.3 MW battery storage system to store and optimize self-produced electricity. Additionally, a network of charging stations for trucks supports the green transition of transport providers.

The site is divided into zones to manage stormwater effectively, to enhance Hallsberg's capacity to handle extreme weather conditions.

An efficient, quality-assured flow of products is an essential part of our core operation. Our four Nordic warehouse and logistics centers are the hub of our logistics: Hallsberg in Sweden, Gardermoen in Norway, Hyvinkää in Finland and Billund in Denmark.

To increase capacity when growing our business, and to continue delivering on our ambitious targets for quality, efficiency and sustainability, major investments are now being made in all four of our central warehouses. This involves both extensions and completely new facilities, as well as extensive investments in new technology focusing on digitalization and automatization.

Investing in tomorrow's sustainable logistics

Sweden: In Hallsberg a new facility has been built during 2023-2024, located next to the existing one. The project has been carried out with high climate and environmental demands. The financial investment totals around SEK one billion.

With the new facility, the logistic center in Hallsberg is one of Europe's largest. Around 1100 employees are working here, receiving, packing and shipping

products. The lead time from order to delivery is less than 24 hours.

Norway: A new logistics centre in Eidsvoll is built to replace the existing one in Gardermoen. Construction work has started during 2024. The completed warehouse covering approximately 62,000 square metres, with additional storage areas outdoors, will be one of the largest in Norway. The facility is designed for the future focusing on for example traceability of deliveries, preparation for circular logistics solutions and self-sufficiency in renewable energy. The planned solar installation will be the biggest one in Norway. The facility is planned to become operational at the turn of the year 2026/27.

Finland: At Hyvinkää, the area of the central warehouse has been increased by 50% with doubled automation capacity, to meet the planned volume

increase until 2030. The extension was put into use during the summer of 2024. When finalized in December the project received a BREEAM Excellent certificate for meeting high requirements on for example energy-efficient buildings, with increased self-sufficiency in electricity from solar energy and renewable district heating.

Denmark: In Billund, major investments have been made in recent years, which have doubled capacity. A high-tech robot facility has been taken into operation, streamlining the workflow and making it easier to consolidate goods to the same customer, reducing the number of transport operations and the use of packaging materials.

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Our digital transformation journey

The digital transformation is an ongoing process impacting society and organisations. It includes great business and sustainability potentials but also risks that need to be managed. At Ahlsell, we have ambitious goals for enhancing the customer experience as well as accelerating our sustainable development, through digital transformation, as well as how the digital transformation will accelerate our sustainable development.

In our 2030 strategy, digital transformation is identified as an integrated focus area and an important enabler to achieve our targets in other areas, such as sustainable business development, customer satisfaction and internal efficiency.

Our digitalization approach and strategy start with Ahlsell's vision "Building a more sustainable society" and our customer promise "We make it easier."

Through continuous improvement and drive within digital and tech innovation we can make the everyday work more easy, efficient and sustainable for our customers as well as employees. We have defined our desired digital position, to be reached 2030, as "Best unified experience for professionals". To achieve this, we have since 2022 laid the foundation for our digital transformation, building our internal organisation and capabilities.

Building our organisation

The last three years we have worked to build and develop our Group digital organisation, to be able to explore and gain benefits from the digital opportunities.

Maria Andersson, Ahlsell's Chief Digital Officer, has the overall responsibility for shaping and leading the company's new digital organisation.

– Our digital team includes 85 skilled employees organized in several competence areas, for example Engineering, Analytics, Infrastructure and Security. Our work is then mainly done in cross-functional product teams. We have all digital development, operations and support gathered in a Nordic organization. Our common starting points are sustainable business development and agile working methods.

Partnering with selected experts

In addition to our own digital organisation, we rely on external expertise and capacity. We want to work with the best, hence we put high requirements on our IT partners. We expect a preferred partner to Ahlsell to challenge us and be proactive and innovative, understand our business and work for more sustainable solutions. We also challenge our business partners to explore AI-supported technologies.

Building values for our customers

An important part of our digital transformation is about building customer values. Today approximately one third of our customers complete their transactions online, even though almost all uses our website and digital tools at some part of the customer journey. We focus on making the customer digital experience as



"We want to give our customers the best unified experience when dealing with Ahlsell."

Maria Andersson, Chief Digital Officer, Ahlsell AB

accessible and easy-to-use as possible According to external evaluation and sector benchmark of Ahlsell's website, functionality and user experience has been largely improved since last year, even though there are many more steps to take.

Transforming internal processes and way of working

Internally, digital transformation is about adopting new ways of working and implementing smarter and aligned processes and tools. We focus on areas where we see significant potential to gain efficiency and quality. Our approach is to develop common standardized solutions for our Nordic organisation, focusing on main processes that today are time consuming. We want to give our employees as good digital support as possible and make sure their capacity is used in the most value-creating way.

Our digital learning platform, Learning house, built on generative AI technology, is a powerful tool to accelerate knowledge-sharing and competence development. We also make AI tools available and encourage our employees to use and explore them. By the end of 2024 our own AhlsellGPT was used actively by more than 800 employees, and over 2500 have tested it.

Cyber security

Within our operation and business relations, we are handling a great amount of customer and supplier data. We are also dependent on our IT systems to run without disturbances to be able to deliver on our services and logistics.

Ahlsell work systematically with IT and information security. Policies for IT, information security and privacy are implemented. We also conduct e-learning trainings for our employees. In the light of global trends with increasing external threats, we have put more effort into cyber defense and in developing internal guidelines to prevent risks.

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Sustainable strategy and governance

Sustainability is a key component of our strategy, with efforts aimed at embedding sustainable practices across all operations to ensure long-term progress.

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A Resilient Strategy for Sustainable growth

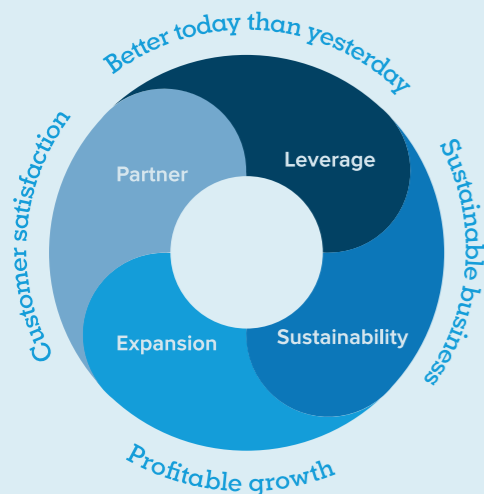
In 2024, we developed a new strategy to secure Ahlsell's long-term success for the years 2025–2030. Named "Growth that Matters," this strategy encapsulates our ambition and commitment to a future that benefits everyone connected to Ahlsell. It reflects our determination to grow in ways that make a meaningful and lasting impact.

Our strategy has high ambitions in terms of driving growth with improved profitability. We aim to further deepen our engagement with current and new customers through organic and inorganic initiatives that will expand our offering and reach.

The strategy also emphasizes the importance of supporting our people, fostering a workplace where individuals can grow and develop their potential. In collaboration with customers and suppliers, the goal is to drive innovation and set high standards within the industry.

Sustainability is a key component of the strategy, with efforts aimed at embedding sustainable practices across all operations to ensure long-term progress. Alongside this, we maintain a strong focus on financial performance, achieving robust results that allow us to invest further in growth and responsibility.

By integrating these priorities, Ahlsell is charting a course for balanced progress—one that supports employees, strengthens partnerships, drives innovation, and advances sustainability. We ensure steady growth while contributing to a more sustainable future.



Partner

We aim to further increase our partnerships with our customers by increasing services and our ability to be proactive and guiding in sales.

Leverage

By leveraging the full capabilities of Ahlsell across borders we will increase the customer value we deliver, as well as our performance.

Sustainability

We are committed to creating a more sustainable society, which is reflected in our strategy through responsible sourcing, business development targeting sustainability as well as meeting our commitment in SBTi.

Expansion

Organic growth initiatives together with M&A to strengthen our offering and provide entry to new markets is an important component of our strategy.



Ahlsell's sustainability strategy



Reduce climate and environmental impact

Reduce our climate impact and waste.

42%

Reduction of our scope 3 greenhouse gas emissions, in line with our Science Based Targets.



Responsible sourcing

Mitigate all high risks in our supply chain

100%

Valid risk assessments for targeted suppliers



Sustainable employeeship

Increase our employee satisfaction and skills.

>80

Employee Satisfaction Index



Sustainable business development

Increase our share of sales from sustainable products and services.

80%

of the targeted suppliers' active assortment should be covered by an EPD 2030*

**type III, machine readable article-level*

Sustainable development is an integral element of our business strategy but has also been detailed in a specific sustainability strategy that specifies Ahlsell's most important sustainability issues, our overarching goals and what we focus on in our work to achieve them. Prioritised activities, measurable targets and KPIs are formulated with the time horizons 2025, 2027 and 2030.

In the strategy, we have also defined preconditions or enablers that are central for delivering on the strategy. These include, for example, digitalisation and data management, training, cross-functional working methods and innovative collaboration.

*Sustainability strategy overview:
Focus areas, objectives and selected measurable targets for 2030.*

Christina Lindbäck,
Chief Sustainability Officer,
Ahlseil AB



Our Chief Sustainability Officer's statement

With an integrated strategy in place, aiming at 2030 and with clear commitments and targets Ahlseil's sustainability journey has taken important steps. Yet, it has still only begun.

Our long-term goal is to create and implement transformative low CO₂-emitting solutions for our customers to reach their targets and thereby building a more sustainable society. These new solutions must be less fossil dependent going towards net zero 2045, and more circular to safeguard the use of limited resources over time.

In 2024 our climate mitigation targets, aligned with the Paris agreement, got validated by SBTi. Over 90% of our total carbon footprint lies within scope 3, from manufacturing and use of the products we sell. This means that our collaboration with suppliers and customers is key to move forward. We also need an explorative approach, using and sharing new insights to innovate and test new solutions. This year, we have continued to put effort in training our employees in new ways of learning, to create curiosity for sustainable business solutions. We are also proud of several concepts and services saving resources and transports. One example is that we have geographically expanded the Project Logistics service, a service that enables customers who want to transport and store products intended for reuse.

Ahlseil's business model is to some extent already designed for circularity. In the last few years we have expanded and developed our logistic centers for tomorrow's logistic solutions. We do in some cases already today stock spare parts and we can provide services. This, together with our extensive network of stores, will support customers and suppliers to return, upgrade and resale products in the future. Also, we have since long developed partnerships with ambitious and committed partners and put high requirements on product quality and resource efficiency.

We know that to accelerate a sustainable business transformation, investments and financial planning are needed. This is to acquire new competencies and technologies that support our continuous journey. Therefore, we welcome that we share the sustainability agenda with our owners and lenders. We also welcome the new regulations that steer us and other companies in the right direction and put effort in being transparent and compliant with new reporting and due diligence requirements related to EUs Green Deal – viewing this deeper sustainability knowledge about our business as a competitive advantage.



Sustainability in everything we do

Work to assume responsibility and make a positive difference is integrated into all parts of Ahlsell's operations and in relations with customers, suppliers and other stakeholders.

In dialogue with our stakeholders

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

We are also actively involved in various industry associations and forums, and help to drive relevant issues regarding, for example, common industry databases, stricter legal requirements and environmental and sustainability data for products.

Our collective stakeholder dialogues show that sustainability issues have grown in scope and significance. Areas highlighted among our stakeholders include ambitious, clearly defined goals and strategies for climate impact and circular product offering, as well as product-specific environmental and sustainability data such as EPDs. They also expect us to address our value chain approach for human rights, biodiversity, anti-corruption and security. For more information on our stakeholder dialogue and our materiality analysis, see Note 2 on page 52.

Integrated and systematic approach

We manage our operations with the support of

group-wide policies and of ISO-certified management systems for quality, environment and occupational health and safety.

Sustainable business and operational development are integrated into regular operations and decision-making processes. Each manager and employee are obliged to contribute within the framework of their own role and mandate. At Group level, there is a strategic sustainability function led by a Chief Sustainability Officer who is part of the Group Management team. There is a local sustainability manager in each national organisation in our four primary markets of Sweden, Norway, Finland and Denmark.

Code of Conduct for Ahlsell and all business partners

Our Code of Conduct describes Ahlsell's approach and guidelines for responsible conduct regarding climate and environment, social conditions, human rights and business ethics.

The Code of Conduct applies to all employees within Ahlsell, the Board of Directors and our business partners. Internal courses on the Code of Conduct are held regularly, to ensure that all employees are aware of and able to act in accordance with our common approach. For more information on our sustainability governance and our work with business ethics, see note 8 on page 66.



Our contribution to the Sustainable Development Goals

Ahlsell supports the 2030 Agenda and the sustainable development goals in its entirety. They are a basis for our sustainability work. Through our business we have both the opportunity to contribute and a responsibility for the impact of our operations, on several goals.

We offer products and services contributing to goals 6 and 7 about sustainable water and energy supply, goal 8 on a safe work environment and goals 9 and 11 on sustainable infrastructure and sustainable communities. Our challenges are related to goals 12 and 13 on resource efficiency, circularity and climate mitigation, as well as goal 5 and 8 on gender equality and working conditions in the supply chain.

Awards and acknowledgements

Our work for sustainable operations and business development includes many areas and efforts. We know there is still a lot of work to be done to deliver on our common societal challenges. At the same time, we are proud of what we have achieved so far, and hope this can inspire other companies. The strong result in our brand and customer satisfaction survey also shows that we make progress. In 2024, Ahlsell was honored with several awards and acknowledgements within sustainability:

- Industry perception of Ahlsell's responsibility for sustainability improved. Going from index 28 (2022) to 61 (2024) indicates our stakeholders believe in us driving the sustainability agenda
- Winner of Symbiosis Award (Ahlsell Sweden), Cupole's award to companies that successfully combine ambitious sustainability goals with profitable growth
- Mental health friendly workplace® certificate (Ahlsell Finland)
- Aalborg Award Sustainability 2024 (Ahlsell Denmark)
- CBRE Innovation Award (Ahlsell Denmark), for the innovative work to make sustainability data available for customers
- The electrical industry's Diversity Award 2024 (Ahlsell Norge)
- Virke Inclusion Award 2024 (Ahlsell Norge)

WE SUPPORT



Ecovadis Platinum sustainability rating



Award ceremony of the Aalborg Award with Louise Mariegaard Svendsen, Anders Haunstrup Mortensen, Sanne Gordon Christensen, Gitte Østergaard Futtrup, Line Møller Blankholm, Stephan Schuler, Svend Pedersen, Dot Søe, Jesper Vernersen from Ahlsell Denmark.

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Reduced climate and environmental impact



Ahlsell's climate and environmental work encompasses the entire value chain, with goals and measures for significant areas regarding our impact, authority and ability to make a difference.

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On our journey towards net zero emissions

We are committed to take responsibility for the climate impact of our operations, with the long-term goal to achieve net zero emissions. In 2024, Ahlsell's climate goals in line with the Paris Agreement and the 1.5-degree target, were approved by the Science Based Targets initiative.

Making our business grow and running our operations within the planet's limits require more and faster improvement measures, as well as new, innovative solutions and far-reaching transformations.

Ahlsell's climate and environmental work encompasses the entire value chain, with goals and measures for significant areas regarding our impact, authority and ability to make a difference. Dialogue and collaboration are also important elements of this work.

Climate goals validated by SBTi

In 2023, Ahlsell signed up to the Science Based Targets initiative (SBTi) as a key step in its sustainability work, and with the aim of being a leader in the climate transition. This involves a commitment to set science-based climate targets in line with the Paris Agreement's goal of limiting global warming to a temperature increase of 1.5 degrees.

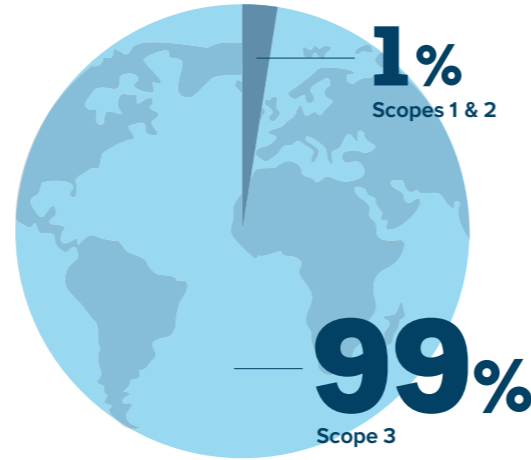
A comprehensive climate survey of Ahlsell's emissions in Scope 1, 2 and 3 was conducted, to provide a basis for the development of the new climate goals. In 2024 our new ambitious targets have been decided by Ahlsell's board of directors and have also been approved by SBTi.

The new climate goals mean an acceleration of Ahlsell's work with climate mitigation throughout the value chain. We also see a great opportunity for positive synergies in several industries, by reducing the climate footprint of our products and services.

Focusing on product footprint

In terms of our whole value chain, most of the climate and environmental impact comes from the manufacturing and use of the products we sell. One priority area is therefore to provide our customers with sustainability information for our products, to enable conscious, sustainable purchasing and to facilitate various reporting needs. Among other things, we produce environmental product declarations for our private label products, work with supplier dialogue and product requirements, and develop system support to enable sharing of data.

**SBTi is a global organisation that enables companies to set ambitious emission reduction goals in line with the latest climate science. The organisation is focused on encouraging companies all over the world to halve their emissions by 2030 and achieve net zero by 2050. SBTi is a collaboration between the Carbon Disclosure Project (CDP), the UN Global Compact (UNGC), the World Resources Institute (WRI) and the World Wildlife Fund (WWF). More information about Science Based Targets may be found at <https://sciencebasedtargets.org/>.*



Distribution of Ahlsell's climate impact

Ahlsell calculates greenhouse gas emissions in accordance with the Greenhouse Gas Protocol climate calculation standard. Ahlsell applies operational control and includes the following emissions categories for 2024:

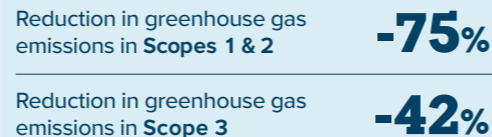
Scope 1 Includes emissions over which Ahlsell has direct control. This includes emissions from company cars, business and service vehicles, work machines, fugitive emissions and stationary heating with oil, gas and pellets.

Scope 2 Includes indirect emissions from purchased district heating/cooling and electricity.

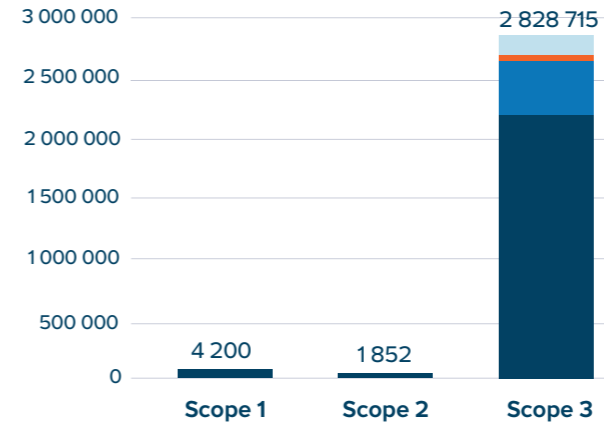
Scope 3 Includes indirect emissions from purchased goods and services, capital goods, fuel- and energy-related activities, upstream transportation and distribution, waste generated in operations, business travel, employee commuting, use of sold products and end-of-life treatment of sold products.

For more information see note 4 for details of the scope, methodology and relevant changes from the previous reporting year.

Goal 2030, with base year 2022:



Climate footprint 2024, tCO₂e



Scope 3:

- 72.04% Purchased goods and service
- 24.83% Use of sold products
- 1.91% Capital goods
- 0.47% Upstream Transportation and Distribution, 0.35% End-of-life treatment of sold products, 0.22% Employee commuting, 0.10% Fuel- and energy-related activities, 0.07% Business travel, 0.01% Waste generated in operations

Focusing on Scope 3

In the process of applying for the science-based target, Ahlsell has made a significant expansion of which climate emissions are calculated and reported compared to previous years. Ahlsell's climate target covers all relevant scope 3 categories. The two most significant categories are purchased goods and services (72%) and the use phase of the products (25%). In third place comes capital goods (2%) followed by transport and distribution (0,5%).

Expanding the scope and calculating all emissions for the first time has given us a good understanding of our largest footprints. We are now working to develop more detailed action plans and a transition plan to achieve the goals. We are also working to improve our data quality and in some cases develop better calculation methods to be able to calculate emissions even more precisely.

Better data also gives us better opportunities to support and influence our customers and suppliers in their work towards lower carbon footprint.

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Environmental efficiency in our daily business

To reduce environmental impact from our daily business operations, we continuously work in three main areas: Efficient transport and logistics, energy efficiency in our own premises and recycling of waste. Our systematic work is supported by ISO 14001 certified environmental management systems.

Aiming for an electric vehicle fleet

We have set the long-term goal of our own vehicle fleet and machinery being 100% electric by 2030. At our logistics centres, most machines and forklift trucks are currently powered by renewable electricity or HVO100. For business vehicles and company cars, all new vehicles purchased or leased must be electrically powered as from 2025. In Denmark, this policy applies as from 2023.

Efficient and renewable energy usage

Through efficient energy consumption and an increased proportion of renewable energy, we are reducing our carbon footprint. The energy supply in our logistics centres and most of our stores come from renewable energy sources for which we have central agreements with energy suppliers and property owners. Special environmental requirements have been introduced into all new rental contracts. In Sweden, energy audits are being conducted in accordance with the Swedish Act on Energy Audits in Large Enterprises. A statutory energy audit is also conducted in Denmark and Finland, every four years.

Efforts to improve energy efficiency are continuously being made based on action plans in each country. Examples of measures include the continued transition to LED lighting in stores and warehouse roofs. We also increase our own production of electricity by installing solar panels. The possibilities for measures vary, as we do not usually own the properties, but with higher energy prices in the last two years, interest and incentives have increased significantly from property owners to reduce energy consumption.

Smart logistics

Logistics and transport make up a large part of our operations and have a significant climate footprint. Transport from our warehouses to customers is handled by professional logistics partners. Working in

partnership with them to continuously review and adjust our regular logistics flow is by far the most important method of reducing the environmental impact from transport. It is about picking, packing and loading, as well as planning and coordinating routes in the best way possible. We maintain an ongoing dialogue with both carriers and customers to increase load efficiency, optimise the number of deliveries and to reduce the need for last minute transport.

By offering our customers efficient project logistics services, emissions from construction and industry projects can be reduced. We also work continuously to optimise transport to our stores, to reduce our emissions.

Encouraging greener transports

We set environmental requirements for both transport companies and their vehicles. An increased proportion of renewable fuels, through electrification and the addition of biogas, ethanol or HVO, is key. We also encourage our carriers to improve processes, technology, efficiency and capacity utilisation. For example, the carriers with which we have agreements in Sweden, are expected to undertake at least two environmental initiatives/pilot projects per year.

Renewable and electric transport operations

We have a goal to achieve 100% renewable fuels (including electricity) in our outbound transports by 2027. In Sweden all scheduled linehaul services run on renewable fuel (HVO100*, biogas and electric), and in Norway, 95% of line scheduled services run on renewables (HVO100, biogas, more electric vehicles and an increased proportion of rail deliveries). In Finland, 16% of outbound transport operations take place with renewable HVO. Also Denmark is working together with distributors on the transition to renewable fuels, with good progress. ➔

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



Jonas Lovenhill,
Transport Manager,
Ahlsell Sweden

Next step for renewable distribution transports in Sweden

Since 2021, all Ahlsell's long-distance transports are run on the renewable fuel HVO100. Next step is to achieve 100 percent renewable fuel in the distribution transports. Part of the strategy is to phase in even better fuel alternatives where possible, such as biogas and electric vehicles.

– We consider both biogas and electricity to be important energy sources in the long term – including hydrogen, and we are looking at, for example, electrifying long-distance transport in parts of the country. In addition to the environmental benefits, we see a strong business value and that we, as a major transport buyer, have a responsibility to lead the ways, says Johan Lovenhill, Transport Manager.

We work closely with our transport partners, who are also committed to finding long-term and sustainable solutions. By paying a surcharge for renewable fuels, distribution can also be made renewable, something that is not always easy due to the variations in the infrastructure.

– The conditions differ depending on where in the country you are. In some areas, we therefore compensate by balancing with the corresponding amount of sustainable fuels in nearby regions. The most important thing for us is the big picture – that we can contribute to a lower environmental impact at the societal level, rather than each individual car meeting the requirements to the letter," Jonas explains.

Together with our transport partners we work to develop monitoring and reporting of results and performance.

–By being open and transparent, we not only want to reduce our own emissions, but also inspire other transport buyers to take the step towards a more sustainable future, says Jonas.

Minimising waste

We have a clear ambition to reduce waste and increase sorting for recycling. The waste that arises in our warehouse and retail operations consists mostly of various types of packaging materials, primarily corrugated cardboard, wood waste and plastic. The small proportion of hazardous waste that arises from operations is handled in accordance with the legislation and with established procedures.

Waste management systems in the Nordic region are well-developed and Ahlsell engages professional contractors to manage our sorted waste and ensure that it can be recycled. We work purposefully to achieve the highest sorting rate possible. The goal for 2030 is an average of 80% for all countries, considering different conditions and maturity levels. In 2024, the average value was 57%.

We work continuously to reduce our consumption of packaging material and to improve our recycling and reuse performance. Examples are reducing packaging sizes and switching to plastic film that is made of renewable or recycled material. Together with our suppliers we are working to identify and phase out unnecessary packaging throughout the value chain. Using return crates and return pallets instead of load carriers made of single-use material is one example of saving resources and reducing waste.



LED conversion at LC Hallsberg save energy and improve work environment

In 2024, Ahlsell's logistics center in Hallsberg undertook a major transition to LED lighting, resulting in substantial energy savings and an enhanced work environment. Approximately 4 500 fluorescent light fixtures have now been replaced with 1 500 modern and energy-efficient LED fixtures. The conversion saves around 1 000 000 kWh annually and also leads to significant cost savings.

The project was supported by shared competence within Ahlsell, using internal expertise in electrical systems, lighting, and IoT. Thanks to the skills of in-house specialists and dedicated suppliers, the new lighting has been seamlessly integrated into operations.

Employee feedback indicates that the work environment has improved, with lighting conditions optimally adapted to various tasks. Automatic light control based on occupancy saves additional energy while creating a safe and pleasant workplace.



Focus on minimising “non-sortable waste”

Non-sortable waste, often referred to as combustible, is waste that cannot be recycled or sorted into specific material categories. At Ahlsell's logistics center in Hallsberg, introducing new sorting categories for many of these materials help to minimize the amount of non-sortable waste and ensure that more resources are returned to the circular economy.

Changing the term from "combustible" to "non-sortable waste" has served as a real eye-opener, encouraging everyone to think twice before discarding items into this category. For example, soft plastic is now sorted into two categories: transparent soft plastic and colored soft plastic. Other materials, such as plastic bands and heavy-duty cardboard tubes, have also received their own categories. During the first eleven months of 2024, a total of 15 580 kilos of plastic bands were sorted, which previously would have been discarded as non-sortable waste. This corresponds to near 14% of this year's non-sortable waste. The goal is for non-sortable waste to not exceed 6.5% of total waste. Monthly follow-ups and clear information keep employees motivated to sort correctly and contribute to improved waste management and reduced environmental impact.

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Our overarching goal is to continuously increase the share of sales from sustainable products and services.

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Paving the way for net zero emissions

Together with customers and suppliers, we work on sustainable business development, with a focus on quality, resource efficiency and circularity in our offering. Through innovative product and service development, product-specific climate data and knowledge sharing, we are committed to make the more sustainable alternatives the “first choice”.

A transition from linear to circular economy is necessary. The journey has yet only begun, but sustainable business development is now accelerating with growing interest from customers and suppliers to contribute and to test new solutions. New and developed legislation, not least from the EU, encourages better environmental performance, quality assurance and traceability.

Ahlsell realizes that the transformation towards a near net zero product and service range in 2045 needs investments and financial planning. In this context arises a need to develop and scale up new solutions and acquire and strengthen our competence and investment in new technologies which support this journey. Therefore, it is very important that our owners and lenders take such a great interest in our sustainable business development going forward.

Strategic goals for sustainable business

Sustainable business development is one of the focus areas in Ahlsell's sustainability strategy. Our overarching goal is to continuously increase the share of sales from sustainable products and services. We work to make it easier for our customers to make the right product choice, by offering more sustainable alternatives and providing information on which option is better in any specific situation.

We develop and offer product alternatives with improved environmental performance, including more offerings

featuring repair, spare parts, reuse and other services that extend the useful life of products and save resources. Another prioritized area is to produce product-specific climate and environmental data, such as EPDs.

High demands on product quality

Products of good quality that function and last as planned is the foundation for user safety, resource efficiency and a more sustainable business. We want our customers to feel confident that the products they buy from Ahlsell are of good quality and safe to use. Particularly strict requirements are placed on several parts of our range, such as tools, lighting, sprinklers, fastening and safety equipment, as well as chemical products. We work systematically with quality requirements and certifications to ensure compliance with statutory, our own and customers' requirements regarding function, content and documentation.

The regulations concerning products and product content are constantly changing. We work continuously to stay updated and to ensure that all products in our range comply with applicable laws and regulations. We select our suppliers and our range with care, set requirements for both suppliers and products, and follow up on these. Read more in the section on responsible sourcing. ➔

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Environmentally approved products

Ahlsell offers a wide range of products environmentally approved in accordance with different standards, including the Swedish Building Materials Assessment. Environmental approval makes it easier for construction and property customers to choose building materials based on environmental and health aspects and is also necessary to be able to environmentally certify buildings in accordance with the BREEAM, Miljöbyggnad LEED and DGNB systems.

Focus on EPDs

Since 2023 we produce third party-verified environmental product declarations (EPDs) for our private label products. An EPD describes a product's climate and environmental impact during its life cycle, providing valuable information for product selection and product development. As an EPD is produced with specific calculations and is audited by an independent party, it enables comparisons between products and has a high degree of credibility compared with other types of declarations. Customer demand for product-specific environmental data and EPDs is increasing, not least in public procurement.



In 2024, we achieved 34 EPDs for private label products. We have also set the target that 80% of our targeted suppliers' active assortment should be covered by an EPD.

Innovative partnerships

The journey towards a circular, net zero business requires collaborating with our customers and partners. Together we work to innovate and explore new solutions for increased environmental performance and resource efficiency in our offering and product development.

Increased focus on services

We continue to develop and offer services that make our customers' everyday lives easier and that contribute to a reduced environmental impact, saved resources and increased circularity. Efficient solutions for construction logistics, risk analyses for a workplace safety, chemical management systems, rental solutions and return systems for various products are some of the areas where we have developed and launched services in recent years.

Sustainability sales training

An increasing number of customers expect sustainability expertise from their Ahlsell sales representative, to help choosing more sustainable products and be supported to achieve their sustainability targets. To give our sales representatives the knowledge needed to advice on more sustainable business, we develop and offer training and education. With our new digital learning platform, development and sharing of knowledge is faster and more accessible.

We have set the target that 80% of our targeted suppliers' active assortment should be covered by an EPD. In 2024, we achieved 34 EPDs for private label products.



Henrik Krabbe,
Division Director,
Ahlsell Denmark

Digital solution serves construction and industry customers with product climate data

In 2024 Ahlsell Denmark launched a new digital solution that provides climate data for more than half a million products. This solves a challenge for construction and production companies, which are increasingly demanding climate data to meet legislation, reporting requirements and expectations from end customers. Globally this sector accounts for a significant share of climate emissions, and many initiatives are being taken to reduce emissions.

– Our customers are met with increasing legal and stakeholder requirements for climate data on product and materials. Available and relevant data is also crucial to set and deliver on measurable targets, and to evaluate the work with climate mitigation, says Henrik Krabbe, Division Director at Ahlsell Denmark.

With the solution, which has been named Climate Navigator, our customers can easily get an overview of the climate footprint of all the products they buy from Ahlsell Denmark and use the data for reporting. Climate data is received from Ahlsell's suppliers in the form of so-called EPDs with product-specific data, and from the sustainability platform Produkt, which provides generic data. The product-specific data is precise, and it is therefore Ahlsell Denmark's ambition to be able to provide product-specific data for the entire range. There are currently EPDs for almost 30 000 products, and the number is constantly increasing.

– It requires cooperation throughout the value chain if we are to achieve our common goal in line with the Paris Agreement. Ahlsell itself has ambitious climate goals, and we need climate data both to be able to help our customers with their reductions – and to be able to reduce our own emissions. We hope that with this solution we can inspire companies in other industries, says Henrik Krabbe.

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A sustainable comprehensive solution for projects in central Gothenburg

Business Region Göteborg and Nordstan have together created Sweden's first Mobility Hotel. It is an innovative initiative where six different actors, including Ahlsell, collaborate to increase the share of green and emission-free transportation in Gothenburg's city center. The Mobility Hotel, which was inaugurated in May 2024, offers sustainable logistics solutions such as deliveries by bicycle, battery swapping for electric scooters, and servicing for bicycles and electric micro-vehicles.

Ahlsell contributes with a 24/7 open, unmanned micro-warehouse of approximately 300 square meters. The micro-warehouse is designed to meet the needs of companies operating in the city center, offering a basic range of products and services. By reducing the need for trips to larger facilities outside the city, the solution creates simplicity and efficiency for supplementary purchases and project logistics. In addition, transport bikes are available near the micro-warehouse, which the City of Gothenburg lends to craftsmen, facilitating sustainable transportation to city customers.

– The response from our customers has been overwhelmingly positive. They appreciate the easy accessibility in the city and the convenience provided by the Always Open concept. This initiative is an important step for Ahlsell and aligns perfectly with our vision of contributing to a more sustainable society, says Marcus Högström, KAM at Ahlsell.

The Mobility Hotel is part of the EU project MOVE21, where Gothenburg is one of three cities testing innovative solutions to transform urban environments. The goal is to establish Gothenburg as a smart zero-emission zone for logistics and mobility.

OSTP aims for circularity and carbon neutrality

OSTP, a leading producer of stainless, welded process pipes and fittings, aims to become the most efficient and sustainable manufacturer by using recycled steel to reduce its carbon footprint, and aims for all units to be carbon neutral by 2025. In collaboration with Ahlsell, Nordic customers are offered locally produced pipes with faster deliveries and shorter transport distances than from suppliers in other parts of Europe or Asia.

Stainless steel is durable and can be recycled infinitely without quality loss. About 90% of the raw material used is recycled. OSTP also works to minimize production and packaging waste, use renewable energy and electric vehicles. Climate data and EPDs are provided and demonstrates that products have nearly 40% lower climate footprint than the European average for similar products.



“ Working with students gives us valuable perspectives, insights and new knowledge. They challenge us by asking curious questions. It is indeed useful and developing.

Gunilla Sandström, Environment and Sustainability Manager Ahlsell AB



Supporting recycling of protective clothing

With the EU-funded project LIFE-CIRTECHTEX, our supplier Tranemo works on solutions to make protective clothing more circular and to reduce the amount of textile waste. Ahlsell plays an important role in the project by helping Tranemo with the collection of their end-of-life protective clothing, which will then be recycled and transformed into new high-quality fabrics. Ahlsell's broad customer network enables a continuous and flexible collection that can be adapted to the customer's needs, for example through specific collection bags or fixed collection points.

The LIFE-CIRTECHTEX project runs 2023 to 2026 and is an important step in meeting the industry's sustainability requirements. The goal of the project is to achieve the use of 20% recycled pre- and post-consumer material in at least 80% of newly manufactured protective clothing.

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We are dedicated to regularly identifying and assessing any potential negative impacts on people, society, and the environment related to our own operations and our supply chains.

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With respect for people and the environment

In a rapidly evolving global landscape, Ahlsell remains steadfast in our commitment to staying relevant and developing our sustainable practices. Responsible sourcing is a cornerstone of our business and our sustainability strategy, reflecting our dedication to integrating ethical, social, and environmental considerations into our procurement processes.

Our commitment to responsible sourcing involves close collaboration with our suppliers. This includes exploring new areas for business development including circularity and sustainable products as well as mitigating supply chain risks. We aim to build long-term partnerships that are founded on mutual respect and shared values. This collaborative approach enables us to enhance our practices continuously, address new challenges proactively, and drive innovation in our supply chains.

Supply chain Due Diligence

As we navigate the complexities of a changing world, we strive to not only meet but exceed the expectations of our stakeholders. By aligning our processes with the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and the OECD Due Diligence Guidance for Responsible Business Conduct, we aim to establish a robust due diligence framework that helps us identify, assess, and mitigate any potential negative impacts on people, society, and the environment.

In short, this means that we are dedicated to regularly identifying and assessing any potential negative

impacts on people, society, and the environment related to our own operations and our supply chains. After identifying these risks, we aim to take proactive measures to prevent or mitigate them, thereby reducing any harmful effects. By monitoring and prioritizing our efforts where the highest risks are, we can effectively manage and minimize these impacts.

We are also committed to continuous improvement alongside our suppliers, striving to build long-term collaborations. This means that we constantly seek new ways to enhance our practices and address any new challenges that arise, ensuring we remain at the forefront of responsible business conduct.

Regulatory compliance

Due to a rapidly changing regulatory landscape, we remain committed to staying proactive in navigating market and compliance challenges. This year, we updated our Trade Compliance Policy to align with global regulations, reinforcing adherence to export controls and sanctions. We have also updated our Code of Conduct to further strengthen our commitment in this area regarding business ethics, sustainability, and human rights.



Therese Bjelde,
Division Director,
Ahlsell Norway

Norwegian Transparency Act

The Norwegian Act concerning enterprises' transparency and work on fundamental human rights and decent working conditions (Transparency Act) came into force in Norway in 2022. This Act mandates companies to disclose information to the public and to conduct due diligence, the results of which must be published annually. This legislation includes key elements from the upcoming legal requirements under the EU's Corporate Sustainability Due Diligence Directive (CSDDD).

In June 2023, Ahlsell Norway submitted its first report in compliance with these requirements. Since then, with Norway leading the way, we have gradually introduced similar working methods and procedures across the Group,

Customer and legal demands are increasing regarding how we follow up due diligence with our suppliers. It is therefore beneficial that we have a digitalized risk assessment system available in Ahlsell. We have also strengthened the Compliance function within the Norwegian purchasing organisation, says Therese Bjelde.

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Our diverse product portfolio

Ahlsell offers a diverse array of products, used in different areas to contribute in building a more sustainable society. Our products are sourced from suppliers across various sectors and industries. Consequently, we depend on numerous complex supply chains, each with its own regulatory landscape and associated risks, including potential negative impacts on people, environment and society.

Understanding the materials used in our product groups, how they are produced, where they are sourced from and their potential impacts on human rights and the environment is fundamental to responsible sourcing at Ahlsell. By further exploring our supply chains, we aim to ensure that our procurement practices are aligned with our commitment to ethical business conduct and sustainability. This approach not only helps us mitigate risks but also reinforces our dedication to creating a positive impact on the world.

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“ New Private Label suppliers undergo careful risk assessments based on the risk level of their geographical location.

Karolina Hagberg Chinell, Chief Procurement Officer

Three procurement flows, the same objective
 Ahlsell manages three main procurement flows: goods from suppliers for resale to customers (direct procurement), private label products for resale, and indirect materials and services needed for internal operations. Purchases of goods for resale constitute our largest purchasing category, accounting for 89% of total spend. Indirect materials make up 11% of total procurement spend and include items such as transport, IT, property management, and HR services.

Although the procurement processes and the corresponding sustainability requirements and follow-ups differ across these flows, our long-term objective remains consistent: to develop and implement a robust, company-wide plan to identify, monitor, and mitigate all high risks

across our supply chains by 2030. This involves a thorough approach to supplier qualification, risk assessment, and management of suppliers. We are committed to addressing potential adverse impacts while fostering positive transitions and developments in collaboration with our suppliers. For more detailed information on our processes and the 2024 procurement data, see note 6: Responsible Sourcing, page 58.

Focusing on our Private Label Products

For our Private Label we have the greatest responsibility and the most significant impact when it comes to influencing product standards. This is also where we focus most of our resources to ensure that we can secure sustainably sourced products of high quality and standards. Our private label segment covers 9% of our direct spend. ➔

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The majority of our private label products comes from Europe, while about one-third are sourced from Asia, mainly China. We are always actively looking for alternative countries to source our products, and we always strive to have suppliers from at least two different countries to ensure competition, delivery reliability and risk mitigation.

New suppliers undergo careful risk assessments based on the risk level of their geographical location. High-risk suppliers are evaluated through on-site audits by our employees, quality engineers, or independent agencies.

Throughout the year, we have continued to strengthen our audit processes by continuously improving our practices, including the refinement of our checklists. We have improved our employee interview questions to also include areas such as Diversity and Inclusion as well as Adequate housing, to better understand our suppliers social responsibility efforts and alignment with Ahlsell's ethical practices.

Digital tools for risk assessment and follow up

In 2024, a new digital supplier risk assessment was introduced. Follow-ups now prioritize high-risk suppliers through dialogue and audits, continuing into 2025. Regular follow-ups are conducted on high-risk suppliers to ensure they meet our requirements. At Ahlsell, follow-up activities like audits and supplier dialogues go beyond mere compliance checks; they are vital

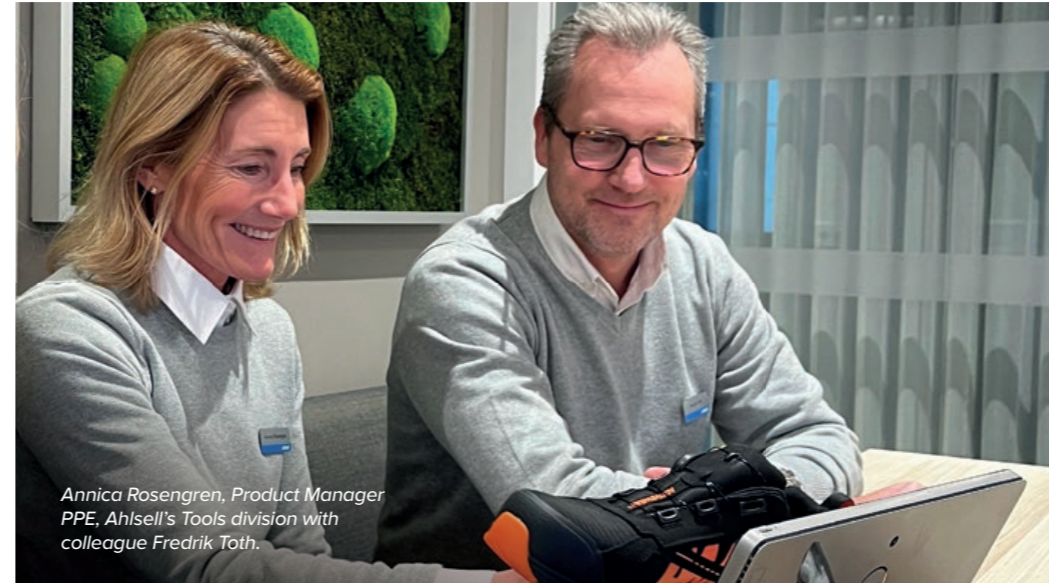
tools for cultivating long-term partnerships. These activities ensure mutual improvement and learning, ultimately driving business value, better products and practices through collaborative and sustainable relationships.

Training Purchasers: Sustainability in Category and Procurement

Continuous learning is essential to staying updated with the latest sustainability regulations, goals, and requirements. Through our House of Learning platform, Product Managers can gain the relevant knowledge needed to drive sustainability practices.

In 2024, we introduced targeted trainings for our procurement team, covering topics like "Sustainability for Category and Procurement," which helps understand Ahlsell's strategy, process and requirements regarding responsible sourcing, "Risk in the Value Chain," addressing the importance of a sustainability risk perspective related to supply chains, and "Risk Assessments in our A-SRM Platform," teaching how Ahlsell works with supplier risk assessment practices and follow-up.

These training courses ensure that our procurement team is well-equipped in Ahlsell's comprehensive approach to sustainable and responsible sourcing, enabling them to navigate and mitigate risks throughout the value chain. 28% of employees within the purchasing organisation have been participating in the training during 2024.



Annica Rosengren, Product Manager PPE, Ahlsell's Tools division with colleague Fredrik Toth.

Our Product Managers' important role in driving Sustainability

At Ahlsell, our knowledgeable and skilled Product Managers play a vital role in driving sustainability initiatives within their procurement categories. The product managers work closely with our suppliers to build long-term, sustainable relationships focused on high quality products but also with environmental and social responsibility.

Annica Rosengren, Product Manager PPE (Personal Protective Equipment) in Ahlsell's Tools division on how collaboration with suppliers drives continuous product development and innovation:

"We work closely with our suppliers with continuous development plans to achieve a better and more sustainable assortment for our customers. This involves pushing for products that meet our own and our customers' sustainability criteria, as well as addressing our customers' needs for eco-friendly and circular options and driving forward innovative solutions."

Ahlsell's ambition is to work closely with companies that excel in sustainability and can show progress in the area. Among our inspiring partners are both innovative smaller actors, and larger suppliers that have made significant improvements in sustainability.

Ensuring compliance with different national and EU- legislations is another key responsibility where Product Managers need to stay informed on relevant legislation to be able to communicate to as well as ensure supplier compliance with relevant regulations and customer requirements that go beyond the legal requirements. Product Managers are also responsible for conducting risk assessments and follow-up and communicating with the suppliers on actions to address risks related to sustainability.

"During the year, I participated in an audit of a protective footwear manufacturer in southern Europe. Together with our sustainability team, we visited the supplier's manufacturing plant. During the visit, we investigated various aspects of their operations. Following-up on the visit, we have observed significant improvements from the supplier."

These improvements include the implementation of stricter chemical requirements communicated to sub-suppliers, the development of improved policies and procedures related to health and safety and anti-corruption, and advancements in their sustainability reporting practices."

Sustainable employeeship



We place great emphasis on being an attractive workplace, where every employee can develop and feel proud.

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An attractive and stimulating workplace

In combination with an attractive offering, it is our skilled and serviceminded employees who make Ahlsell a value-adding company in a changing world. We place great emphasis on being an attractive workplace, where every employee can develop and feel proud. A healthy and safe work environment, an inclusive culture and ongoing investments in leadership and skills development are important elements in ensuring that every employee can grow with us.



At Ahlsell we believe that an inclusive corporate culture, with diversity amongst employees, promotes good business.

Monica Aune, Chief People & Culture Officer



People & Culture Strategy

Our work to be an attractive, developmental workplace is based on an ambitious overarching goal: "The best time in your working life". The strategic work focuses on four areas: People Attraction, People Growth, Diversity and Inclusion, and Improvement & Innovation.

With an ambition to provide the best time in our employees' working lives, we want to clarify the importance of each employee's role and contribution. With a turbulent external environment and major societal challenges that affect us all, it is now even more important to be a reliable employer that sees opportunities ahead and offers development.

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OUR EMPLOYEES 2024

7 629

Employees (average)

28%

Women

72%

Men

26%

Female managers

9%

Staff turnover



Guided by our values

At Ahlsell, we are truly living by our values in our day-to-day work. They provide guidance in decision-making and in shaping the attitudes we have towards each other, our customers and our business partners. Our values are included in the introduction of new employees. We follow up on the perception of compliance in employee appraisals and in our employee and customer surveys.

During 2024, we have updated our values to clarify and emphasize our integrated and strong sustainable commitment.

High level of employee engagement

We measure engagement, leadership, organisational development and the perception of the corporate culture in regular employee surveys. In 2024 we added a shorter "Puls" survey to our normal yearly survey, including fewer but central questions on engagement and satisfaction.

In the yearly autumn survey, Ahlsell continued to receive generally high ratings from employees, and the result was relatively uniform between different teams and parts of the business. The Engagement Index 75 (76) and the Leadership Index 82 (83) surpass our goals and show that our active work on leadership issues has yielded results. Employee Net Promotor score was 38 (46) showing that we still have highly dedicated employees, however the result is a little lower compared to last year. One explanation is challenging market conditions that resulted in some reduction in the workforce, particular in Finland and in Denmark.

Together with their team, each manager is responsible for developing action plans based on the results of the employee survey. The response rate in this year's survey was 92 (92)%.

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A safe work environment

Occupational Health and Safety at Ahlsell

At Ahlsell, the health, safety, and well-being of our employees are paramount. By fostering a safe and inclusive work environment, we are committed to ensuring the best possible working conditions, setting ambitious goals, and continuously improving our practices to prevent workplace accidents and support our employees' overall well-being.

We...

...want our employees to have the **best time of their working life** at Ahlsell.

...have **zero tolerance** for victimisation and all forms of discrimination, harassment and violence.

...work systematically and **comply with applicable laws** and regulations.

...will comply with **agreed work environment requirements from customers and stakeholders** as well as Ahlsell's internal requirements

...have **good working conditions** and have balance between work and leisure.

...set **work environment targets** in business- and operational plans with activities that are followed up on an ongoing basis.

...strive to inspire and support our employees to physical and mental well-being.

...have a long-term goal of **zero work-related accidents**.

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

Our occupational health and safety work aims to create safe, effective workflows that do not cause any ill health or accidents. This is a prerequisite for both profitable, efficient operations and sustainable employeeship.

Systematic improvement work supported by ISO 45001

We work in a systematic, integrated way with the support of processes and procedures implemented in all parts of the business. This work is carried out based on the ISO 45001 management system standard. Identifying risks, working preventively and with continuous improvements are important aspects of the work. Health and safety goals are integrated in the business plan for each region and division.

Proactive health and safety guideline

During the year, an updated, more proactive occupational health and safety guideline was adopted at group level, based on Ahlsell's overarching goal of "the best time in your working life". The guideline clearly states that Ahlsell takes health and safety seriously and work actively to eliminate hazards and reduce risks, and to make our employees thrive and perform well at work.

For more information about our systematic health and safety work, see Note 7 on page 62.

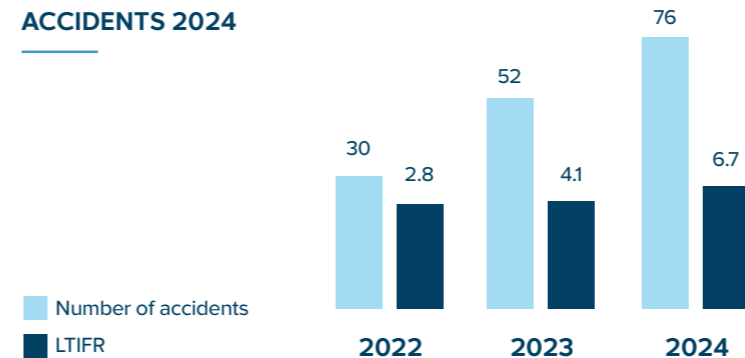
Preventing health and safety hazards

The work-related accidents that nonetheless do occur usually happen in our logistics centres, in connection with driving forklift trucks, heavy lifting or transport work. We work continuously with preventive risk analyses, information and training, such as introduction training for new employees, forklift truck training and training in ergonomics, heavy lifting and first aid. We have procedures for rotation between different work activities and carefully follow safety rules in areas such as hot work, handling chemicals, emergency preparedness and systematic fire safety work. We also have clear security procedures for our store staff, in the event of robbery or threats, and also for dealing with visitors who behave unsuitable or aggressively.

For our travelling salespeople, who spend a lot of time on the road, there are clear safety requirements for company cars and guidelines on choosing modes of public transport, in order to reduce risk.

During the year, we have further developed our introduction training for forklift truck driving at our logistics centres. We have also performed a mapping of ergonomic risks and adjusted our routines for quality assured safety rounds.

WORK-RELATED ACCIDENTS 2024



Outcome and comment for 2024

During the year, a total of 76 (52) work-related accidents resulting in sick leave were reported. This corresponds to LTIFR (lost time injury frequency rate) 6.7 (4.1) accidents per million hours worked, compared to an industry average of 4.5. The growing number of reported accidents is partly explained by improved reporting routines in Sweden. It is important to know about the accidents and incidents that unfortunately do occur in order to continuously take preventive actions. Our goal is the zero vision.

The LTIFR indicator is also affected by an adjusted calculation method in Sweden: The calculation is now based on actual working hours instead of scheduled working hours, which increase LTIFR with about 0.5. Denmark is included in LTIFR from 2024.

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Ahlseil co-workers at "Gåvasan" one of our health activities.

Promoting health and wellbeing

Health and work-life balance

At Ahlseil, we care about our employees' health and well-being from a holistic perspective. For us, sustainable employeeship is about working and developing in a way that creates job satisfaction and enables improved performance in the long run, providing the conditions for a work-life balance. We also see that creating the conditions for a work-life balance combined with opportunities for development are now among the most important parameters for attracting and retaining motivated employees. According to the employee survey, more than 80% of our employees agree they can achieve a good work-life balance at Ahlseil.

We train managers with staff responsibility in health issues and adopt a positive and supportive approach to parental leave. Employees in roles that enable a flexible way of working are offered a mix of office-based and remote work. Ahlseil also collaborates with occupational healthcare providers in our four

primary markets and offer our employees to contact external partners for help and advice in a way that guarantees confidentiality.

Encouraging a healthy lifestyle

To encourage a healthy lifestyle and at the same time promote good interaction between employees, customers and suppliers, we invest continuously in health activities for both exercise and increased awareness of issues such as recovery and self-leadership. During the year, various sports tournaments and sponsored participation in team challenges, were arranged in our different countries.

Mental health in focus

The societal trends with increasing challenges related to mental health, mean that mental health and wellbeing has become a more important issue from an employer and workplace perspective. Ahlseil works actively to promote a healthy, open working environment. ➔



Award for Mental health friendly workplace®

In 2024, Ahlsell Oy received “The Mental health friendly workplace” recognition from Mieli Ry, for the active contribution to promoting mental health and well-being among the staff.

To get the label, the company must work systematically to promote mental health and well-being and support well-being with daily practices tailored to different employee life situations.

– We have paid attention to our employees' well-being for a long time, and we are happy and proud that our work has been recognized. This is an important achievement and an encouraging incentive to continue our efforts in this important cause," says Anna Saksi the People & Culture Director.

Key Investments in Employee Well-being include comprehensive staff benefits designed to promote wellbeing, and broad occupational health services, including mental health services. Skill development, training for managers and preventive work to ensure a tolerant, inclusive culture are other important areas.

The Mental health friendly workplace label is reapplied annually, reviewing the success of the previous year's development plan and identifying new areas for improving well-being.



Health and wellbeing at the Logistic center in Billund

In 2024, Logistic Center Billund achieved impressive results in our employee survey. One important reason is the ambitious work, involving trade union representatives and employees, in creating a safe and healthy working environment.

An “improved safety” project where all employees register risk factors and “near accidents”, and mandatory “Safety walks” with direct dialogue between managers and employees about improved safety, have been two important activities.

In addition, preventive gymnastics has been implemented to help avoid injuries. The weekly team meetings always begin with joint gymnastics exercises, and everyone has been given training equipment (elastic bands) so that they can do exercises at their working stations during the day.

The implementation of preventive gymnastics has shown that not only the physical part is improved, but also that the joint training sessions has given a better team spirit and working atmosphere.



Health investment at the Logistics Center in Hallsberg

In 2024, we have invested in employee health at the Logistics Center. Today, in partnership with IMR, all employees at the Logistics Center are offered a health coach who tailors programs to the employee's needs.

Through a digital app, participants have access to exercises linked to both recovery (mindfulness, meditation) and training (at different levels) as well as recipes and dietary advice. IMR collaborates with some of Sweden's and Europe's leading lifestyle researchers, their service is based on evidence-based methods.



Healthy, active working life in Norway

In November Ahlsell Norway conducted a pilot initiative called HSE In your everyday working life, a 2-day workshop with participation from safety representatives, HSE ambassadors, managers, QHSE, and HR from both Ahlsell and its subsidiaries. The agenda covered health and wellbeing from a holistic perspective, with guidance on for example mental health, addiction issues and other sensitive topics. Evaluations and feedback from the pilot were very positive and the project will continue in 2025.

To encourage an active lifestyle, various tournaments, gatherings, and competitions are organized regularly. Examples from 2024 are league competitions for both golf and bowling, padel tournaments and a ski day.



A learning organisation

Skills development and supply are crucial to Ahlsell's operations and success. We strive to be a learning organisation, one which makes the best use of the expertise and experience existing in our operations. Our target culture is one where innovation thrives learning. This is amplified through experimentation and continuous feedback, and mistakes are transformed into valuable opportunities for growth and improvement. Being a workplace that fosters the conditions for growth, personally and professionally, will enable Ahlsell to attract critical talent and provide a competitive advantage.

During the last three years Ahlsell has invested heavily in transforming learning to enhance and accelerate skills and drive innovation. By leveraging innovative and AI enabled technology,

we make learning accessible and involving, and create future-ready employees at scale. This technology creates the foundation for our new learning ecosystem which enables more frequent employee dialogues, evolves leadership development and accelerates internal career opportunities.

Goal: More training hours

As part of our People & Culture strategy, we have set measurable goals for significantly increasing the yearly number of training hours per person, and for the customers' perception of Ahlsell employees' skills. The target for 2027 is an average of 20 hours of documented training per person per year. For 2024 registered training was about 5.8 hours per person. One important success factor is to develop new, more

accessible and flexible forms of training and learning, adapted to specific roles and needs.

Still, registered formal training is not the primary way of learning at work. At Ahlsell our philosophy is that 90% of our learning occurs seamlessly within the flow of work, as job training or social learning through interaction with others.

House of Learning

Our digital learning platform House of Learning was launched 2023. It uses AI to support learning and is based on a democratic model. Course content can be easily created by in-house experts, meaning that the organisation's accumulated knowledge can be shared with colleagues more quickly. The new training platform is adapted for accessibility through

Sales training

Due to increased demand, we have developed a new, practical sales training program, anchored with our regional managers and the sales management team at Ahlsell Norway AS. We have partnered with "NyeVaner" to design and deliver this sales training locally across all regions.

The program has been created in collaboration with field salespeople and sales managers, with the integration of A-Sales (CRM) into the training. It consists of four 1.5-hour digital training sessions and three full-day practical training sessions, complemented by periods of preparation and tasks to be completed between sessions.

We will measure real sales development through key performance indicators (KPIs) to ensure the learning effect (ROI) of this training is clearly visible and achieves the desired outcomes. The training is facilitated through our House of Learning (LMS), where course content, homework assignments, and other implementation details are registered and tracked at the participant level.

Participants are expected to complete all tasks and exercises before, during, and after the physical meetings.

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Our Future Ready Leadership program is unique in Ahlsell's history. It is a front-edge and largescale initiative, that will be a game changer for our leadership culture.

I'm proud of our brave decision to invest in a new way of learning, and in tomorrow's leadership approach. In partnership with Sana and Lead4x we lean on smart digital solutions and the latest research on leadership skills, to equip our leaders and our organisation for tomorrow. In the short term, we can measure return on investment in achieving additional high-performing true leaders. Good leadership pays well!

Lina Thomassen Strömberg, Head of Learning & Development, Ahlsell Group

multiple devices, making it easier for all our employees to access the learning experiences and content. Participation in, and completion of, various training courses are registered directly in the system, which facilitates follow-up.

The principles of House of Learning are participation, engagement, action and cocreation. During 2024 more than 900 courses were offered through the platform, most of them with high ratings from users. Over 200 Ahlsell employees have also contributed by creating courses during the year. We conclude that these principles are very present as we see categories such as Our Code of Conduct and other compliance-related training being in the most used categories. In addition, leadership, digitalization and product-related training courses for our salespeople, are among the most frequent and popular categories.

Employee dialogues for performance and development

Ahlsell emphasizes the importance of employee dialogues to align personal and business objectives,

and to support individual development. Every employee should have an annual structured meeting with their manager to evaluate performance, set goals and reflect on their work situation in total. In 2024, 93% (96%) of all employees had had their employee dialogue in the last twelve months.

Management and leadership development

Our managers and leaders drive both individual and organisational development and change, ensuring progress at both strategic and operational levels. Effective leadership is one of our top priorities and key measures in our employee survey. When recruiting, we place high demands based on our leadership expectations.

Talent Mobilization

Ahlsell is a large company with great opportunities for those who want to accelerate their careers. We work actively with succession planning to have a pool of capable employees ready to assume critical roles. Our ambition is to fill more than half of all managerial roles from our internal talent pool. In 2024, the percentage was 55% (55%).

Future Ready Leadership program

In 2024 Ahlsell launched a new Group-wide leadership program, designed to meet the challenges of tomorrow's leadership. A rapidly changing world, digitalization and sustainability transformation will increase the demands on managers to lead themselves and their team in the right direction.

The Ahlsell Future Ready Leadership program is co-created with our learning partner Lead4x and leveraging our digital learning platform Sana (House of Learning). The program is designed to equip all 800 leaders in Ahlsell with the capabilities and mindset needed to effectively lead today and tomorrow. It comprises of a leadership development journey over 6-8 months with the emphasis on translating knowledge into action. The program is designed based on the 70/20/10 principle and combines face to face workshops, with virtual sessions, peer coaching and technology support in the flow of work. The journey is divided into three main sprints: Leading Self, Leading Teams and Leading the Business. Business innovation and sustainable development are key themes running through all three sprints.

The leadership program is rolled out over a three-year period. In the end of 2024, approximately 175 out of 800 managers had completed the program. Results from our measurement of leadership and engagement index show that leaders that have participated in the program perform significantly better than average.

Future skills supply

We recruit on an ongoing basis in several areas, primarily in sales, purchasing, logistics and in digital development. We strive to be an attractive employer and work actively to strengthen our brand in the eyes of both existing and potential employees. We collaborate with several institutes of higher education and accept students to do work placements and degree projects.

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Inclusion, equal treatment and diversity

At Ahlsell we believe that an inclusive corporate culture, with diversity amongst employees, promotes good business. We also know it is of crucial importance to attract and keep talents and the competence we need. In our work we focus on the working environment, innovation and attractiveness in recruitment, and by better reflecting and understanding the diversity of our customer base.

Equal treatment and non-discrimination

At Ahlsell we treat each other fairly and respectfully. No employee shall risk discrimination or harassment. Through the employee survey, we are able to follow up on how the values are complied with, and to

identify any perceived violations and other deviations. The result of the 2024 inclusion index, which describes the perception of inclusion and equal treatment by managers and between colleagues, was 81 (83). Approximately 95% state that Ahlsell has a working climate free of bullying and discrimination. But we will not be satisfied with this until our zero vision for all types of abuse has been achieved.

Goals for gender equality

We value different perspectives, backgrounds and personalities, to continue develop our organisation and business. We want to increase diversity at all levels and in all areas of operations.

For gender equality we have set a goal for the entire Group to have 30% female managers by 2030. In 2024, the proportion of female managers was 26 (25%) and the proportion of female employees 28% (28%).

One important part of our work is a skills-based recruitment process, where the focus is on a fact-based assessment of an applicant's qualifications rather than a person's name, age or gender.

Ahlsell's definition of diversity

Ahlsell's definition of diversity encompasses everything that makes us unique as individuals. It refers to general differences between people, but also to gender, ethnic background, religion or other belief, disability, sexual orientation, gender identity or expression, age and educational background. Inclusion means that everyone must be given the opportunity to contribute fully to the business. We also want to strive for a culture where it is easy to be yourself and achieve your full potential – through openness, respect and consideration for each other.

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Ahlsell Board*

CLAES SELDEBY

President & CEO

Born: 1969

Education: Master of Science in Industrial Engineering & Management, Chalmers University of Technology. Degree in business administration from Lund University

LENA BERGMAN

Employee representative

Born: 1962

Principal occupation: Sales, Ahlsell Sweden

SØREN VESTERGAARD-POULSEN

Member of the board

Born: 1969

Education: Master's degree and an MSc (Econ) from Copenhagen Business School

MARIA HERBERTSSON

Employee representative

Born: 1979

Principal occupation: Logistics centre in Hallsberg, Ahlsell Sweden

ANDERS HOLGER-NILSSON

Employee representative

Born: 1966

Principal occupation: Sales, Ahlsell Sweden

MATTIAS FAJERS

Member of the board

Born: 1987

Education: Bachelor of Commerce, University of New South Wales, Sydney

JOHAN NILSSON

Chairman of the board

Born: 1960

Education: Degree in business administration from Lund University. MSc (eng) from Lund University's Faculty of Engineering.

SUSANNE EHNBÅGE

Member of the board

Born: 1979

Education: Degree in business administration from the School of Business, Economics and Law at the University of Gothenburg.

GUSTAF MARTIN-LÖF

Member of the board

Born: 1977

Education: BA (Hons) in International Business Studies, main subjects finance and economics, European Business School, London

PETER TÖRNQUIST

Vice Chairman of the Board

Born: 1962

Education: Degree in business administration from the Stockholm School of Economics. MBA from IMD in Switzerland

*Quimper AB

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Corporate governance

Ahlsell's corporate governance aims to create long-term value through good internal governance and control and a sound corporate culture. Sound corporate governance leads to efficient decision-making and increases our opportunities to develop the business. A clear division of roles and responsibilities between management and control bodies, combined with transparency, form the basis for active and responsible ownership.

The framework for corporate governance is defined by the Swedish Companies Act, the Swedish Annual Accounts Act and other applicable legislation. The most important internal governing instruments are the adopted Articles of Association, the rules of procedure for the Board of Directors and its committees, the instructions for the CEO, the business plan and the budget, as well as a number of adopted Group-wide policies and guidelines. The decentralized organisational structure with associated responsibility for financial results, which means a very high number of individual profit/loss statements in the Group, fosters increased transparency and a long-term approach in business decisions.

General Meeting of the Shareholders and Board of Directors

The General Meeting of the Shareholders is Ahlsell's highest decision-

making body, who appoints members to the Board of Directors. The Board of Directors for example assumes the responsibility for the company's organisation and administration of the company's affairs. This includes defining and governing overall goals and strategies, business plans, budgets, annual accounts and internal management procedures. The Board of Directors also monitor the company's development, ensures the quality of financial reporting, and assumes responsibility for ensuring that appropriate systems are in place for regulatory compliance and internal governance and control. As an outcome of this, the Board of Directors resolves and follow-up on the company's progress on sustainability issues. The overall sustainability strategy, being an important piece of the business plan, is adopted annually by the Board of Directors.

The Board of Directors' two committees, the Audit Committee and the Remuneration Committee, prepare matters within its respective areas of responsibility and submit proposals prior to the Board of Directors' decisions. The Audit Committee supervises the procedures for accounting, financial reporting and internal governance and control. Moreover, the Audit Committee monitors the compliance work (including sustainability reporting and its link to financial reporting and how

the company complies with the sustainability strategy), and pays attention to the company's interests with regard to IT & information security, and management of the whistleblower function.

The Remuneration Committee prepares decisions on issues relating to salaries, terms of employment, pension benefits and bonus schemes for the CEO and Group President, as well as other members of Group Management. 10% of the Group Management's bonus is based on the achievement of sustainability goals. For 2024, this included further improving Ahlsell's results in Ecovadis' assessment, which was also achieved.

The Board of Directors* consisted in 2024 of seven members appointed by the General Meeting of the Shareholders (one female and six men) and three employee representatives (two females and one man). In addition, there are three (3) deputies to the employee representatives.

*Quimper AB



Group Management

Group Management, led by the CEO and President (Group CEO), manages the day-to-day administration in accordance with the Board of Directors' instructions. In addition to the CEO and President, the Group Management consists of the Chief Financial Officer, Chief People and Culture Officer, Chief Digital Officer, Chief Sustainability Officer, Chief Procurement Officer and the respective Country Managers of the largest geographical markets, Sweden, Denmark, Norway and Finland. As a rule of thumb, there shall be at least two representatives from the Group Management on each local top subsidiary's board of directors in Sweden, Denmark, Norway and Finland.

From the left: Kristian Aceby, Chief Financial Officer/Mikael Sundström, Country Manager Sweden/Monica Aune, Chief People & Culture Officer/Karolina Hagberg Chinell, Chief Procurement Officer/Olli Köresaar, Country Manager Finland & the Baltics/Claes Seldeby, Group CEO/Christina Lindbäck, Chief Sustainability Officer/Claudio Christensen, Country Manager Denmark/Maria Andersson, Chief Digital Officer/Runar Hansesætre, Country Manager Norway.

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Group-wide policies and guidelines

Our Group-wide policies and guidelines apply to the entire business structure, with the aim of safeguarding regulatory compliance, provide guidance, and supporting an efficient way of working.

Policies are adopted annually by the Board of Directors and reflect the Board of Directors' intention and principles in important matters. The policies prevail the guidelines, which provide complementing directions and are also regularly adopted by the Group Management. The guidelines thus address certain selected principles in greater detail.

The CEO and President is responsible, together with other members of the Group Management, in particular the Country Managers, for the implementation of the aforementioned governing documents in the business operations. Through established internal functions (e.g. P&C, Legal and Internal Control & Risk Management), recurring training activities on e.g. code of conduct takes place, as well as governance of identified risks in the business operations.

The company has the following policies and guidelines:

Policies	Description	Decision-making body	Document owner
Code of Conduct	The Board of Directors' intent as to business ethics, human rights & fair working conditions, occupational health & safety and environment and quality	Board of Directors	President & CEO
Anti-Bribery & Corruption Policy	Statement on prohibition to engage in bribery and corruption related activities	Board of Directors	General Counsel
Communication Policy	Goals and principles of internal and external communication	Board of Directors	President & CEO/Chief Sustainability Officer
Competition Law Policy	Statement on prohibition to engage in unfair competition activities	Board of Directors	General Counsel
Information Security Policy	Ensures effective governance of business secrets	Board of Directors	Chief Digital Officer
IT Policy	Regulates and standardizes the handling of IT-related activities	Board of Directors	Chief Digital Officer
People Policy	Describes the desired employeeship and leadership	Board of Directors	Chief People and Culture Officer
Policy for Policies	Prescribes the framework for the Group's corporate governance documents	Board of Directors	General Counsel
Pre-approval of Non-Audit Services Policy	Principles for upholding impartiality of the Group's auditor	Board of Directors	Chief Financial Officer
Privacy Policy	Principles for processing personal data	Board of Directors	Chief Digital Officer
Procurement Policy	Principles for sourcing products	Board of Directors	Chief Procurement Officer
Quality and Environmental Policy	Statement as to the Group's sustainability efforts	Board of Directors	Chief Sustainability Officer
Trade Compliance Policy	Statement on prohibition to infringe sanctions & export control regulations	Board of Directors	General Counsel
Treasury Policy	Procedures for management of financial risks and treasury activities	Board of Directors	Group Treasurer
Guidelines			
Gifts and Hospitality Guideline	Description as to prohibited behaviors and guideline with respect to customary hospitalities	Group Management	General Counsel
Guideline for Application and Integration of Ahlsell's Quality and Environmental Policy	Description on how the Quality and Environmental Policy shall be applied in Ahlsell's operations	Group Management	Chief Sustainability and Communications Officer
Guidelines for Sourcing Private Label	Principles for sourcing the Group's own private label products	Group Management	Chief Procurement Officer
Meeting Guideline	Principles for meetings and business travels	Group Management	Chief People and Culture Officer
Treasury Guideline	Procedures for handling payments and bank engagements	Group Management	Group Treasurer
Occupational Health & Safety Guideline	Statement on promoting health, eliminating hazards and reducing risks in the work environment	Group Management	Chief People and Culture Officer
AI Guideline	Statement on the use of AI in operations and procedures for maintaining a high level of security and ethical integrity	Group Management	Chief Digital Officer

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Risk management

Ahlsell Group manages and mitigates its exposure to risk through a unified risk management process. Ahlsell's risk work is led by the Head of Internal Control & Risk Management, who reports to Group Management, the Audit Committee and the Board of Directors. Risk management is executed using an established risk model, and the process is coordinated with the business plan process.

Risk process

The risk process is conducted annually and aims to identify, evaluate and manage the Group's most significant risks (top risk) and to support the subsidiaries' business planning process, within which specific risks that the business will not achieve its set goals and strategies are identified, evaluated and managed.

Ahlsell's risk universe is identified through analyses and dialogues regarding significant risks, both internally with functional managers and key personnel,

and externally with stakeholders. In 2024, Ahlsell conducted a double materiality assessment, using methodology according with the ESRs which identified the most significant areas of the business. In this double materiality assessment, Ahlsell utilized the same evaluation criteria for financial impact as applied in the regular risk process, fostering an integrated understanding of how various factors influence the company.

The risks are categorized in five main groups: Market, Treasury, Accounting and reporting, Compliance and Operational risks. Risks deemed necessary for management are assigned to a risk owner, who is responsible for implementing and monitoring mitigating measures. These measures may be one-time actions or specific control activities aimed at establishing, modifying, or reinforcing the control environment. The management of the Group's top risks is monitored in a structured manner by Group Management, the Audit Committee and the Board.

Internal control framework

Ahlsell's internal control efforts are designed to support the achievement of strategies and goals while safeguarding the owner's investment, ensuring compliance with laws and regulations, and enhancing the reliability of financial and sustainability reporting. An internal control framework with a focus on financial reporting enables systematic testing of controls and reporting on their outcomes to the Audit Committee and Board of Directors. This framework aims to ensure efficient and reliable management and reporting across processes including purchasing, inventory, sales, acquisitions, IT, closing of financial statements and overall corporate governance. Sustainability reporting process integration into the internal control framework started this year.

Each process owner and operations manager are responsible for internal control within their respective areas. The Head of Internal Control and Risk

Management provides support for development and oversight. The design of controls is tailored to the level of risk and tolerance for various issues. For areas with zero tolerance, such as violations of legislation, permits and official decisions, internal control becomes especially important. Key issues in business ethics include anti-corruption, competition matters, credit granting and trade sanctions.

In addition to ongoing follow-up and testing of the internal control framework, country-wise internal audits are conducted to verify compliance with standardized certification requirements, supplemented by overall monitoring through joint Group functions.

Risk landscape

All business activities are associated with uncertainty and risk. In our operations, we navigate a constantly evolving risk landscape influenced by various factors. Elements such as globalization, technological advancements, shifting customer behaviors, and regulatory requirements contribute to a dynamic risk environment that impacts our strategic decisions and operational effectiveness. As we adapt to these changes, we remain committed to identifying and managing risks to ensure the sustainability and resilience of our business.

Below is an overview of the risk landscape that specifically affects Ahlsell's operations and financial position. This landscape has been summarized based on key and support processes in the internal control framework, as well as the identified top risks for the year.

Key controls to ensure accurate financial and sustainability reporting within both key and support processes are included in Ahlsell's internal control framework and undergo regular evaluations and audits.

RISK LANDSCAPE

Key Process	Risk	Measures
Purchase	Ahlsell's extensive purchasing organisation is critical for suppliers. Structural changes in distribution channels among major suppliers can negatively impact Ahlsell, as can the failure to deliver products on commercially acceptable terms. Procurement and supplier relationships should be characterized by responsibility and respect for people, the environment, and society throughout the production chain. Our suppliers and partners are expected to adhere to the same ethical and social standards as we do. A lack of control over products or suppliers, particularly regarding human rights, can damage both our reputation and sales.	Ahlsell has an established position as a leading distributor in the Nordic region and strives to offer suppliers the most cost-effective way to reach the Nordic market. With a diverse supplier base, the purchasing organisation has processes and established procedures for evaluating suppliers' sustainability efforts, both prior to entering into agreements and for compliance monitoring against Ahlsell's code of conduct. Ahlsell employs systematic risk monitoring and conducts audits through both documentation reviews and physical inspections.
Logistic	Ahlsell Group offers high-quality logistics and delivers most orders the day after they are placed. This efficiency is supported by multiple warehousing and distribution facilities, including the central warehouse in Hallsberg (Sweden), Gardermoen (Norway), Billund (Denmark), and Hyvinge (Finland). Any damage to these facilities or operational disruptions could negatively impact delivery capabilities. Distribution is carried out through a limited number of transport companies, where changes in contracts can significantly affect transportation costs. Certain regulated activities, such as the temporary storage of used refrigerants, are conducted at the central warehouses, which may incur costs for storage, handling, and disposal of potentially hazardous waste.	Ahlsell continually focuses on the preparedness, maintenance, and oversight of central warehouses and supply chain to ensure efficiency and capacity. Operational risk management and continuity plans at central warehouses minimize disruptions and ensure recovery in the event of incidents. Insurers conduct annual audits of the central warehouses and impose requirements during development and expansion. Being a long-term and significant customer of a limited number of transport companies has historically been advantageous. Ahlsell has agreements with primary carriers that stipulate requirements for capacity continuity planning and also support if any critical incident occur. Alternatives are continuously monitored to ensure preparedness for unforeseen circumstances. The organisation regularly conducts training and follow-ups to guarantee the proper handling of goods. Measures are based on continuous improvement efforts to identify, evaluate, and manage existing risks.
Sales	Ahlsell is a leading Nordic distributor of materials, tools, and supplies for installation, construction, property management, industry, and machinery. Market developments impact performance, and demand may decrease during economic downturns, primarily due to activity levels in industry, infrastructure, and construction. If Ahlsell fails to meet customer sustainability preferences, it could adversely affect sales and market position. Ahlsell strives to deliver quality products, as customer expectations are high. Deficiencies in product control can damage the company's reputation and sales. Product liability risks may lead to claims for damages if products cause harm, and complaints and disputes can tarnish the brand and strain resources.	We operate in multiple countries and serves customers of varying sizes and industries, making Ahlsell less sensitive to economic fluctuations. Historically, different market segments have developed at different rates during downturns. Sustainability is integrated into our business strategy and operational activities. Ahlsell focuses on identifying new green business opportunities and creating circular business offerings through both internal development and acquisitions. We continuously improve our tracking and reporting of product data and collaborate with our suppliers to develop more sustainable products and services. Ahlsell always aims for a diversified customer base to reduce dependence on individual customers. Monitoring systems are in place to track complaints and disputes. Sold products are jointly the responsibility of Ahlsell and its suppliers in the event of malfunctions. The range of private label products is subject to rigorous controls and guarantees.
M&A	Acquisitions are a critical component of Ahlsell Group's growth strategy. The acquisition process may be associated with challenges such as identifying potential targets, financing, integration, and achieving anticipated synergies.	An established group function, along with responsible managers in the subsidiaries, works to identify, evaluate, and execute acquisitions. Payments are typically made cash, financed through cash generation or loans. Integration is led by an integration manager within the subsidiary.

RISK LANDSCAPE

Support Process	Risk	Measures
Sustainability	Ahlsell aims to be a leader in sustainability by contributing to a more sustainable society and assuming economic and social responsibility. Sustainability is viewed as a business opportunity, and shortcomings can harm both reputation and revenue. Ahlsells sustainability strategy focuses on four key areas: Environment, Procurement, People & Culture, and Business Development. This strategy is based on a materiality analysis of risks and opportunities, stakeholder dialogue, and findings from the double materiality analysis for 2024, using methodology according with the ESRS	Our sustainability efforts are guided by a code of conduct that governs employee behavior and establishes standards for equal treatment, anti-corruption, reduced environmental impact, safe working conditions, and human rights. Ahlsell prioritizes business ethics and sustainability through continuous compliance reviews internally and for external partners. Employees can anonymously report violations via our whistleblower function, available on both the intranet and our external website. Ahlsell is committed to climate action by signing the UN Global Compact, and our climate targets have been approved by the Science Based Targets initiative (SBTi) for 2024. We actively work to enhance diversity and gender equality, with employee engagement assessed through regular surveys. Sustainability issues are integrated into daily routines, supported by ISO 14001 (environment), ISO 45001 (occupational health and safety) and ISO 9001 (quality). Supply chain human rights and labor condition risk assessments are conducted.
IT	Ahlsell group's operations require a well-functioning IT environment. Interruptions, errors, or downtime in critical software and systems, whether due to technical failures or unauthorized intrusions, can negatively impact delivery capability, which in turn may adversely affect sales. Secure information management and effective information security practices are crucial for Ahlsell.	Ahlsell employs a structured approach to maintenance, auditing, and development to enhance IT security. The control environment is continuously tested, and suppliers must meet standards for risk management and continuity planning. Skills development, established processes, and specific internal controls work to minimize risks.
Financial	<p>Ahlsell is exposed to various financial risks through its operations and financing. These risks include currency, interest rate, refinancing, credit, and liquidity risks. For instance, an increase in interest rates could negatively impact Ahlsell, and the high acquisition rate results in a significant portion of assets being comprised of intangible assets, which may be subject to impairment testing.</p> <p>In a distribution business, working capital is crucial. Inventory constitutes a significant part of Ahlsell's current assets and may be subject to write-downs. Regarding accounts receivable, it is essential to maintain good customer knowledge and continuously monitor creditworthiness. Additionally, effective management of accounts payable is important to optimize monetary flows.</p> <p>Risks of inaccuracies in financial reporting are addressed within Ahlsells internal control framework.</p>	<p>Ahlsell's financial policy specifies the management of financial risks. The company hedges against accounts payable in foreign currency, with authority granted to the Group Treasurer and Group CFO to hedge transaction exposure as needed.</p> <p>Intangible assets primarily consist of customer relationships from acquisitions, the "Ahlsell" brand, and goodwill. These assets are continuously reviewed and tested for impairment when necessary. Inventory turnover analysis and compliance checks are conducted regularly to ensure appropriate product assortments and inventory levels. Given that sales are primarily made on credit, strong customer knowledge is essential. Ahlsell's credit policy provides guidelines for selling to customers with suitable credit backgrounds, and credit decisions are made by authorized personnel.</p> <p>Diligent monitoring is critical for maintaining financial stability.</p>

The Ahlsell Group's business-critical risks

The table below describe business-critical risks identified, known as top risks, from the Group-wide risk analysis that was conducted in 2024. The risk analysis included the parent company, Ahlsell Sverige AB, Ahlsell Norge AS and Ahlsell Finland OY, Ahlsell Danmark A/S, Proffsmagasinet Svenska AB and Prevex AB, corresponding to 91% of the business's total revenues.

TOP RISK 2024

Category	Area	Name	Risk	Measures
Operational	Logistic Operations	Warehouse disruption	Potential damages to our logistics centers or disruptions in logistics operations can negatively impact our delivery capabilities. Maintaining a reliable inventory operation is critical to sustaining market share and growth. Expansions and relocations to new sites may introduce new risks of disruptions.	Logistics operations continuously focus on emergency preparedness, operational risk and incident management, and staff training. All central warehouses have recovery strategies for large-scale loss scenarios, most of which are complemented by detailed continuity plans for disruptions such as power outages, IT failures, and pandemics. During expansions or relocations, planning includes minimizing disruptions.
Operational	IT-security	IT-attacks	The risk of businesses being exposed to IT attacks is a reality that Ahlsell, our business partners, customers, and suppliers must be prepared for. IT attacks can result in the manipulation, theft, destruction, or encryption of business-critical data.	Ahlsell continuously works to strengthen the control environment, for example, through ongoing technical development and training to increase awareness. Investments in IT security are closely monitored by the group management and the board's audit committee. Essential IT controls are included in the internal control framework, which is evaluated and reviewed regularly.
Compliance	Information Management	Data processing	Information managed by Ahlsell's operations may be subject to unauthorized access, inappropriate distribution, or use, whether by employees/consultants or third parties. Additionally, managed information may be lost or disclosed in violation of data protection laws and regulations.	The digital organisation has a security department specializing in cybersecurity and data protection/GDPR. Ahlsell's GDPR framework includes governing documents, policies, guidelines, and templates. Key activities encompass records of processing activities (RoPA), privacy notices, and data processing agreements. The department continuously provides support to ensure compliance with data protection regulations.
Compliance	Product Data	Product Data - Sustainability	Proper management and analysis of product data are crucial for making informed business decisions, ensuring accurate reporting, and facilitating effective customer communication. Deficiencies in product data can lead to non-compliance, damaged reputation, and lost business opportunities. Accuracy and transparency in product data are essential for achieving Ahlsell's sustainability goals	Sustainability has been integrated into Ahlsell's overall business strategy and operational activities. Through the vision of building a more sustainable society, we actively work towards a green transition. We identify new green business opportunities and create circular business offerings through both internal development and acquisitions. To meet upcoming regulations and expected customer demands, Ahlsell is undertaking several ongoing projects to establish, complement, and enable the tracking of desired product data. An example of implemented measures is the development of environmental product declarations (EPD) for Ahlsell's own brand products. Group-wide projects are driven by the Nordic Master Data function within group purchasing together with product owners in the group's digital organisation.
Market	Sustainability	Changes in overall demand driven by sustainability preferences	If Ahlsell is unable to deliver what customers demand based on various sustainability preferences, it can negatively impact sales and market position. Adapting products and services to sustainability preferences can differentiate Ahlsell in a competitive market. This is considered a top risk in securing relevant product data rather than creating new circular business offerings.	

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– More information about our sustainability work

We have gathered more information here about the Sustainability Report, as well as supplementary information about governance and results for each area.

NOTE 1

About the Sustainability Report: compliance with legislation, focus and scope

This Sustainability Report comprises Quimper Group Holdings AB's statutory sustainability report in accordance with Chapter 6, Section 11 of the Swedish Annual Accounts Act, and has been reviewed and approved by the company's Board of Directors. The Sustainability Report has been the subject of a limited assurance review by KPMG AB. The Sustainability Report has been prepared with reference to the Global Reporting Initiative (GRI) Standards.

Quimper Group Holdings AB is the parent company of the Ahlsell Group. Unless otherwise specified, the Sustainability Report refers to the financial year 1 January to 31 December 2024, and includes the companies included in the Ahlsell Group's legal annual report, in respect of 1 January to 31 December 2024. The Sustainability Report contains information about the business's conditions, impacts, risks and opportunities, as well as governance and results. The aim is for this report to provide the company's stakeholders with a comprehensive and easily accessible overview of Ahlsell from a sustainable development perspective.

The Sustainability Report is compiled annually and was last published in April 2024. The contact person is Christina Lindbäck, Chief Sustainability Officer.

Unless otherwise stated, the Sustainability Report applies to the entire Ahlsell Group. Businesses acquired during the year are included in the Sustainability Report, nor are businesses divested during the year. This may result in certain changes in reported results between the years. The starting point is that acquired businesses, after no more than one year,

must be fully integrated and have implemented Ahlsell's policies and governance, and be included in systems for data collection and follow-up.

For reported data and KPIs that have a different, more limited scope, this is specified and explained. All reported data covers more than 90% of Ahlsell's total sales.

Data was collected in Position Green, the Vivaldi business and finance system, as well as manually by each information owner. Quantified information and other information have been verified in accordance with Ahlsell's internal control procedures. The respective country manager and/or company manager is responsible for reporting and quality assurance of their sustainability data, based on Group instructions. An overall review of data is carried out at Group level. Previously reported values are not normally corrected retrospectively but may be in cases where the calculation method has changed. For further information on data collection, limitations and calculation principles for different subject areas and KPIs, please see the respective notes.

NOTE 2

Materiality analysis and stakeholder perspective

Materiality analysis

Ahlsell's sustainable development work and reporting are based on a materiality analysis. The materiality analysis helps to ensure that we focus our work, follow-up and reporting on the sustainability topics that are most relevant, to assume responsibility for the business's impact through the value chain and to create long-term value for our stakeholders.

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

The results from the materiality analysis outcome form the basis of the goals and KPIs that help us monitor and manage the risks, opportunities and impacts of our operations on the parts of the value chain where they have been identified as most significant. The design of the KPIs is guided by the GRI Standards and the global goals in Agenda 2030.

Our material sustainability topics and report content

The content of the 2024 report is based on the results of the materiality analysis described above and the current strategy for sustainability work, see also under Note 3 Sustainability governance. In the report, the material sustainability topics have been categorised based on the strategy, in the following overall themes: Reduced Climate and Environmental impact , Sustainable Business development, Responsible Sourcing and Sustainable Employeeship.

Updated materiality assessment

In 2024 Ahlsell performed an updated materiality analysis, using the methodology for a so-called double materiality assessment according with the European Sustainability Reporting Standard, ESRS. Ahlsell is required to report in accordance with the new legal requirements implemented in the Swedish Annual Accounts Act, as of the financial year 2025.

The result of the double materiality assessment, where sustainability-related impacts as well as financial risks and opportunities are included, confirms that our present sustainability strategy and defined focus areas are highly relevant.

Stakeholder dialogue

Ahlsell's value creation and development take place in collaboration with our stakeholders. In the stakeholder analysis conducted within the framework of ISO 14001, we have defined our key stakeholders as the groups most affected by and/or impacting our business. These are customers, suppliers, employees, organisations, the local community and our owners.

To stay up-to-date and take advantage of the potential in trends and changes, we maintain an ongoing dialogue with our stakeholders, through various channels and in various contexts. The dialogue on sustainability issues is largely integrated into regular communication and dialogue. We also play an active role contributing to sustainability developments in various industry forums, organisations and networks. See also *Memberships* below.

- **Customers** The dialogue with our business customers is maintained largely by account managers, who are responsible for ensuring that we are meeting the customer's needs in the best possible way and actively seeking out common and improved solutions. Ongoing tender and contract discussions provide insights into the customer's future needs. We also work with customer interviews, focus groups and various tests for continued development.
- **Suppliers:** Having good, long-term relations with our suppliers is the foundation of everything we do. We hold continuous development meetings with our suppliers and conduct follow-ups and audits to expand our product flows and range, and to improve our collaborations.
- **Employees:** Employee dialogues are held annually between

managers and employees, where individual goals are set and followed up. Shorter follow-up dialogues are also held during the year. An annual employee survey provides an overall view of how our employees perceive Ahlsell as a workplace, our strengths and areas for development.

- **Local community:** Our operations create value and have an impact in the communities in which we operate. We care about good relations with residents and place great emphasis on collaboration with the municipality in the places where we are established.
- **Owners:** Our main owner, CVC Capital Partners, plays an important role in Ahlsell's direction and focus on sustainable development. The dialogue with the owner takes place, among other things, within the framework of the Board's work and through the continuous sharing of knowledge and expertise.

An overall stakeholder dialogue was conducted in 2024, wherein customers, owners, suppliers and employees have been asked to prioritise the sustainability matters they consider to be of most importance for Ahlsell's operations and sustainable development. The survey was conducted digitally through online questionnaires with a total of approximately 150 respondents. In addition to this, sustainability questions were also included in our ordinary customer survey, with approximately 2000 respondents. To get a transparent depiction of stakeholder perceptions, we used predetermined topics based on EcoVadis, Global Compact's ten principles and sustainability reporting frameworks. Ahlsell's Group and country management teams also evaluated the topics on a four-point scale.

The result shows increased interest for a wider spectra of sustainability issues. The most prioritised topics by our stakeholders are all included in our strategy and focus areas.

Silent stakeholders

As part of the process for the double materiality assessment we have also identified Ahlsell's significant so-called silent stakeholder groups, this means stakeholders indirectly affected by our operations who do not have the opportunity to raise concerns with Ahlsell. Threatened animal and plant species affected by environmental impact, future generations, and people living in local communities in our supply chain, are silent stakeholders we need to consider in our decisions and actions to act responsibly.

Memberships

Various network platforms and industry organisations are an efficient forum for pushing global technical and sustainability developments forward. Ahlsell participates and is actively involved in networks and organisations, both at Group level and in each market. Below is a list of organisations in each primary market where Ahlsell has a strategic membership.

Sweden	SEG (Swedish electricity wholesalers)
	RGF (Pipe wholesaler association)
	Svensk Ventilation
	Sprinklerfrämjandet (Sprinkler association)
	Byggbranschens Elektroniska Affärsstandard (Construction Industry's Electronic Business Standard)
	Svensk Handel (Swedish Trade Federation)
Norway	Byggmaterialhandlarna (Association of Building Materials Merchants)
	VVS Info
	EFO (The Norwegian Electrical Trade Association)
Finland	Virke (Main organisation for trade and service)
	Virke Teknisk Handel
	STK (Finnish Electrotechnical Trade Association)
	Taltekari ry (Finnish building services industries and trade)
	Teknisen Kaupan liitto (The Association of Finnish Technical Traders)
	SuLVI (The HVAC Association of Finland)
Denmark	Rasi Ry (The Finnish Hardware (Home Improvement) Association)
	Green Building Council Finland
	FIBS (Finnish Business and Society)
	Confederation of Danish Industry
	VGH International
	Branchehuset

NOTE 3

Sustainability governance

Business governance with the support of certified management systems

In addition to the Code of Conduct, our operations are managed with the support of Group-wide policies, including a Quality and Environmental Policy. Governing documents and policies are annually being evaluated and when needed revised and approved by the Board. The process owners are responsible for developing and communicating processes and procedures, and each manager is responsible for ensuring that policies and procedures are implemented and complied with in operations. The respective process owners are responsible for the implementation of the policies.

Large parts of our operations are covered by certified management systems for quality, environment and occupational health and safety. Ahlsell in Sweden, Norway and Finland is quality and environmentally certified in accordance with ISO 9001 and 14001. The sourcing office in Guangzhou, China, is also ISO 9001 certified, and Ahlsell Norway and Finland is also certified for occupational health and safety in accordance with ISO 45001. The logistics centre in Denmark is certified in accordance with ISO 9001, ISO 14001 and ISO 45001.

Organisation and responsibilities

Work on sustainable business and operational development is integrated into regular operations and decision-making processes. Each manager and employee are obliged to contribute within the framework of their role and mandate. Responsibility for the sustainability strategy rests ultimately with Group Management, with a clear division of responsibility for the various focus areas. A strategic Group function for sustainable development, under the leadership of a Chief Sustainability Officer with a position in Group Management, has the task of developing, leading, coordinating and supporting the business in sustainability issues. The Group function has four employees, in roles as sustainability strategist, sustainability analyst and a sustainability manager who works primarily with the Swedish organisation. In addition to this, there are local sustainability managers in the national organisations in Ahlsell's four primary markets of Sweden, Norway, Finland and Denmark.

The Board of Directors is regularly informed about follow-up on the strategy and goals, and about upcoming legislation, significant issues (focus areas) and environmental monitoring linked to sustainability issues.

Code of Conduct for Ahlsell and all business partners

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

The Code of Conduct applies to all employees within the Ahlsell Group, the Board of Directors and our business partners. Internal courses on the Code of Conduct are held to ensure that all employees are aware of and able to act in accordance with our common approach. A new digital training course was launched in 2023. During 2024 the Code of Conduct was updated with significant changes, therefore all employees was asked to go through and sign the new version before 31 December. By the end of 2024 87% (94%) had signed, The Code of Conduct is reviewed and approved annually by the Board of Directors together with other Group policies. Group Management is responsible for ensuring compliance with the Code of Conduct and that this is followed up on an ongoing basis.

The Code of Conduct forms part of the agreements with our business partners, and we follow up on our suppliers in respect of how they comply with the requirements. Work with our suppliers is explained in more detail in Note 6.

NOTE 4

Reduced climate and environmental impact

Sustainability governance

Ahlsell's Quality and Environmental Policy constitutes an overall framework for our environmental work. Among other things, the policy states that Ahlsell shall comply with environmental legislation and meet stakeholder expectations, work systematically, preventive and with continuous improvements, and be goal-oriented with due reference to the Paris Agreement and the EU's climate goals. Our climate targets were approved by the SBTi¹ in June 2024.

Systematic environmental work is carried out with the support of the ISO 14001 environmental management standard. See above under Note 3 for operations covered by ISO 14001 certification.

Accounting for greenhouse gas emissions

Reporting scope

From 2024², the scope covered by the environmental reporting aims to be identical to the consolidated financial reporting.

As stated in the recalculation policy (found on our website [ahlsell-group.com](https://www.ahlsell-group.com)), acquisitions are at the latest included after one year. The following acquisitions were not included in the current years carbon accounting: KS Værktøj, Herning Industri Lager, Inseco i Söderhamn AB. In total, this amount corresponds to approximately 0,0 % of Ahlsell's sales. Divested entities that are excluded, Flex Scandinavia, Futira energi AB and Evishine AB.

Methodology and references

Greenhouse gas emissions are calculated in accordance with the Greenhouse Gas Protocol, with Ahlsell applying operational control.

According to this principle, emissions are divided into three scopes:

Scope 1 includes emissions over which Ahlsell has direct control including emissions from long term lease contacts for company vehicles.

Scope 2 includes indirect emissions from purchased energy, heating and cooling. Ahlsell calculated both location-based emissions and market-based emissions. Unless indicated, scope 2 emissions are expressed as market-based emissions. Scope 3 includes all relevant indirect emissions that comes about from Ahlsell's operations.

Below is a summary of the reported emissions per category with details on the data as well as emissions factors used to calculate the corresponding carbon emissions.

About emissionsfactors:

GHG Protocol, allows the use of either Gross Calorific Value (GCV) or Net Calorific Value (NCV). To align with coming legislation our emission factor have been updated to reflect NCV for energy-based units for 2024. Reporting energy consumption in NCV results in lower energy values (~5-10%) compared to GCV. We have not adjusted calculations for NCV 2022 and 2023.

¹ Overall Net-Zero Target: Ahlsell AB commits to reach net-zero greenhouse gas emissions across the value chain by 2045. Near-Term Targets: Ahlsell AB commits to reduce absolute scope 1 and 2 GHG emissions 75% by 2030 from a 2022 base year. Ahlsell AB also commits to reduce absolute scope 3 GHG emissions 42% within the same timeframe. Long-Term Targets: Ahlsell AB commits to reduce absolute scope 1, 2 and 3 GHG emissions 90% by 2045 from a 2022 base year.

² In 2023 the scope included the main operations in Sweden, Norway, Finland, Denmark, Estonia, Latvia and Lithuania, as well as subsidiaries with sales of more than SEK 250 million: Proffsmagasinet, Prevex and Solelgrossisten. In total, this amount corresponds to approximately 98% of Ahlsell's sales.

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Emission category	Data	Emissions factor sources
Scope 1		
Company cars	- Diesel and petrol consumption - Kilometers driven by electric vehicles	- DEFRA (2023) - AIB (2022) for electricity and Vattenfall (2019) for conversion from kilometres to kWh
Business and service vehicles	- Consumption of diesel, petrol and HVO100 - Kilometers driven for electric cars	- DEFRA (2024) - AIB (2024) for electricity and Vattenfall 2019 for conversion from kilometers to kWh
Work machinery	- Consumption of diesel, HVO100, LPG, propane	- DEFRA (2024)
Stationary heating	- Consumption of oil and natural gas	- DEFRA (2024)
Fugitive emissions	- Refilled refrigerant after leakage per refrigerant type	- DEFRA (2024)
Scope 2		
Electricity	- Purchased electricity - Renewable energy certificates	- AIB (2024)
District heating	- Purchased district heating - Renewable district heating certificates	- Energiföretagen (2023) for Sweden, CTR, HOFOR and VEKS (2024) for Denmark, Norsk Fjernverme (2023) for Norway, Finnish Energy (2024) for Finland. DEFRA (2024) was used for Estonia, Latvia and Lithuania
District cooling	- Purchased district cooling - Renewable district cooling certificates	- District cooling is only reported in Sweden. Emissions factor from Energiföretagen (2023).
Scope 3		
Purchased goods and services	- Purchased products for resale Transaction data per article (purchase value) - Indirect purchasing, spend	- Purchased goods and services contain two groups; purchased products for resale and indirect purchasing for operational use. The first group is collected from a sustainability platform where articles are match with an emissions factor; industry average or supplier specific. Thereafter, emissions are calculated by using transaction data. Articles without emissions factors are extrapolated. - For indirect purchasing calculations are based on spend and mapped with emissions factors from The Procurement Authority (2022).
Capital Goods	- Investment transaction data, spend	- Capital goods are based on spend and mapped with emissions factors from The Procurement Authority (2022).

Emission category	Data	Emissions factor sources
Scope 3		
Fuel and energy related activities	- Based on activity data in scope 1 and 2	- Emission factors from DEFRA (2024) and IEA (2024) were used for all energy and vehicles fuel, except for district heating in Sweden where Energiföretagen was (2023) used.
Transportation and distribution	- For freight transport. Ahlsell receive supplier specific greenhouse gas reports from carriers. In exceptional cases carriers have provided fuel consumption or Ahlsell has extrapolated emissions based on spend to cover carriers that could not provide activity data.	- Ahlsell's insight to the carrier's calculation methods varies. However, most of the larger carriers use the ISO 14064, ISO 14083:2023 or EN16258 standards to calculate their emissions. Supplementary emissions factors from DEFRA (2024) have been used to obtain Well-to-Wheel emissions.
Waste generated in operations	- Ahlsell receive supplier specific greenhouse gas reports from waste management companies.	- Ahlsell's insight to the carrier's calculation methods varies.
Business travel	- For business trips by air, Ahlsell primarily receive greenhouse gas emissions reports from travel agencies used. In other cases, information about the number of flights per point of departure and destination is used to calculate emissions based on kilometers travelled. - Kilometers driven for vehicles with internal combustion and electric cars.	- DEFRA (2024) for vehicles with internal combustion and electric engines. - ICAO (2024) for flights not booked by travel agent
Employee commuting	- Kilometers travelled - Mode of travel and fuel type	- Commuting data has been collected by an internal survey carried out by CERO in December 2024. - Extrapolation of emissions has been carried out for Polen, Estonia, Lithuania, Latvia and subsidiaries.
Use of sold products	- Product kWh per lifetime - Purchase value	- Emission factor from IVL/Swedish Environmental Protection Agency (average 2016-2018). - Extrapolation kWh/SEK is made for products where kWh per lifetime is missing.
End-of-life treatment of sold products	- Product weight - Purchase value	- Emissions factor come from DEFRA (2024) - Extrapolation is made for products where weight data is missing.

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Climate impact 2024

– Results and analysis

We have achieved decreases in scope 1 and 2, whereas scope three emissions remains at comparable level as last year.

Expanding the scope and calculating emissions for all relevant scope 3 categories has given us a good idea of our largest footprints. We are now working to develop more detailed action plans and a transition plan to achieve our SBTi goals. At the same time we continue working to improve our data quality and in some cases develop better calculation methods to be able to calculate emissions even more precisely.

In the table to the right detailed emissions per category and totals are reported. As well as variations in emissions between the last two years and the current year and the baseline.

* Activity data correction due to human error. Change in emissions with correct activity data resulted in -40.5 tonnes CO₂e compared to previously reported emissions in 2023.

** Activity data correction due to human error. Change in emissions with correct activity data resulted in -2.85 tonnes CO₂e compared to previously reported emissions in 2023.

*** This category includes extrapolation of emissions based on SPEND for subsidiaries that did not report activity data for scope 1 for that reporting year.

**** This category includes extrapolation of emissions based on SPEND for subsidiaries that did not report activity data for scope 2 for that reporting year.

***** New method 2024. Recalculated for 2022 and 2023.

***** New method and expanded scope. Recalculated for 2022 and 2023.

***** New method for 2024. 2022 and 2023 are not recalculated due to data unavailability.

Notes

Ahlsell Greenhouse gas emissions 2022-2024 Emissions (tCO₂e)

Ahlsell - Climate impact	2022 (baseline)	2023	2024	Variation 2023/2024 %	Variation 2022/2024 %
Scope 1					
Company cars	3 677	3 468*	2 566	-26	-30
Business and service vehicles	405	339**	656	93	62
Work machinery	358	273	306	12	-14
Stationary heating	692	564	568	1	-18
Fugitive emissions	1	99	91	-8	6 281
Uncategorized scope 1 ***	230	226	13	-94	-94
Total, Scope 1	5 363	4 969	4 200	-15	-22
Scope 2					
District heating	1 687	1 643	1 219	-26	-28
District cooling	0	0	0	0	0
Electricity	871	1 483	576	-61	-34
Business and service vehicles	0	0	0,04	100	100
Business travel - electric company cars	0	44	51	16	100
Uncategorized scope****	115	151	6	-96	-95
Total scope 2 (market-based)	2 673	3 322	1 852	-44	-31
Scope 3					
Purchased goods and services*****	2 062 530	1 987 569	2 037 735	3	-1
Capital goods*****	30 085	69 124	53 939	-22	79
Fuel- and energy-related activities	2 319	2 865	2 950	3	27
Upstream Transportation and Distribution	21 122	16 195	13 429	-17	-36
Waste generated in operations	205	254	150	-41	-27
Business travel	1 936	2 186	2 031	-7	5
Employee commuting*****	15 482	16 110	6 232	-61	-60
Use of sold products	508 133	703 214	702 374	-0.12	38
End-of-life treatment of sold products	10 914	10 882	9 876	-9	-10
Total, Scope 3	2 652 726	2 808 398	2 828 715	0.72	6.63
Total emissions – scope 1 and 2	8 036	8 291	6 052	-27	-25
Total amount of emissions - 1,2 and 3	2 660 762	2 816 689	2 834 767	0.64	6.14
Location-based Scope 2 emissions	3 142	3 855	2 509	-35	-20

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Energy consumption

Ahlsell Sverige AB, Ahlsell Danmark and Ahlsell Finland are covered by the EED (Energy Efficiency Directive) and the law on energy audits in large companies. The law aims to identify cost-effective energy efficiency measures and promote their implementation in areas such as transport, travel, ventilation, lighting, water and sewage.

Total energy consumption for Ahlsell (MWh) with renewable proportion

Type of energy	Total consumption (MWh)	Renewable proportion (%)
Electricity	50 982	98
Of which self-generated solar electricity	1 204	100
District heating	35 358	31
District cooling	82	100
Diesel for work machinery	5 126	77
Oil for heating	670	85
Natural gas for heating	2 645	0
Pellets for heating	104	100
Energy from own business vehicles	2 958	7
Energy from company cars	12 818	10
Total	110 742	61

Waste management

In 2024, Ahlsell adopted a new group wide waste and recycling target with 2022 as the baseline.

- Reduction of total amount of waste generated [tonnes]:
By 2030 reduce the amount of waste by 20%.
- Recycling rate: 80% by 2030

Following the targets waste statistics on the amounts of waste and the sorting rate for material recycling are obtained from waste operators engaged. Data is reported for the total volume of waste, both non-hazardous and hazardous, and for the type of recovery operations. This information is used to calculate the sorting rate for material recycling. Tempcold Poland is excluded from waste metrics since data was unavailable

Waste recycling rate.

In 2024, the sorting rate for material recycling measured by weight was 57%. This includes waste that is prepared for reuse and recycled waste, excluding incineration with energy recovery. If incineration with energy recovery is included as waste diverted from disposal the recycling rate is 91%.

The total amount of waste in 2024 was 12 984 tonnes. Among the fractions measured, hazardous waste corresponded to 159 tonnes.

Along with the new waste target a new KPI "recycling rate" has been developed. It is not comparable with previously reported KPI "sorting rate". Furthermore, the scope for waste data collection has increased from last year.

Financing

In the end of 2024 Ahlsell was refinanced. Therefore, the sustainability KPI from previous year is no longer tested. In the new financing structure Ahlsell has chosen three new sustainability KPIs. Each one of them gives a 2.5 bps decrease or increase in the interest rate depending on if the annual target for each KPI was met. The annual targets are based on and are in line with the short-term SBTi target for the group.

The condition for the interest rate decreases or increase are based on the following three goals:

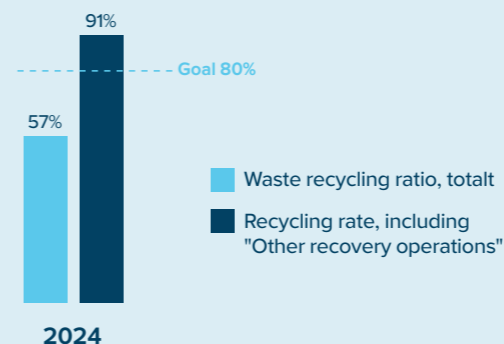
- Annual reduction in GHG emissions Scope 1 and 2, measured in metric tonnes.
- Annual reduction of hazardous and non-hazardous waste, measured in metric tonnes.
- Annual increase of the portion of female managers.

The new financing structure Ahlsell has a possibility to adjust for:

- Remove or take account of the impact of any acquisitions.
- improvements in the quality of its ESG reporting stated in its sustainability Report.

The first test of the KPIs will be upon delivery of the sustainability report for 2025 and the sustainability investment period will start on delivery of the 2026 sustainability report until delivery of the same 2027. The sustainability investment amount will be the saving amount of any interest rate reduction in from the date of delivery of the 2025 sustainability report until delivery of the same 2026.

RECYCLING RATIO, TOTAL (%)



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NOTE 5

Sustainable business development

Description of the area

Ahlsell's environmental work covers the entire value chain, with goals and measures in areas where we have the greatest authority and opportunity to influence, and through dialogue and collaboration where our impact and influence are more indirect. In terms of our whole value chain, most of the climate and environmental impact comes from the manufacturing and use of the products we sell. When it comes to the environmental impact of Ahlsell's own operations, the work focuses on three areas: transport, waste and energy consumption.

Sustainability governance

Product quality and product safety

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

Customer product complaints are made to each store, service centre, or salesperson, and are then handled according to a specific procedure: internally if it concerns our private labels, or via our partners if it concerns other branded products. All complaints about our private labels are documented to learn from experiences, rectify deficiencies and avoid similar defects in the future. Deviations regarding health and safety are handled with particular care.

Sustainable products and services

Our overarching goal in sustainable business development is to increase sales from sustainable products and services. As one measurable target we strive to increase the number of third-party certified EPDs (Environmental Product Declarations) for our private label products. The information in the EPDs is made available to our customers for them to make a more informed choice including information regarding the environmental performance of a product based on its life cycle.

Data and calculation methods

Product quality

The C2 system is used to manage private label product claims.

Sustainable products and services

Defined KPI: Number of EPDs for private label products.

Outcome

Customer complaints are made to each store or salesperson and are then handled internally if they concern our private labels,

and via our partners if they concern other branded products. All complaints are documented and complaints regarding health and safety are handled with particular care.

In the end of 2024 the total number of produced EPDs for the Private Label assortment was 34.

NOTE 6

Responsible sourcing

Description of the area

Purchasing and supplier relationships are central to Ahlsell's operations as a multi-specialist distributor. We depend on our suppliers and their performance for our business, as well as their impact on human rights and the environment. With a total of approximately 20 000 suppliers, including both direct and indirect procurement, covering a wide range of sectors and industries, Ahlsell relies on many complex supply chains that carry risks of negative impacts on people, the environment, and society.

Ahlsell can play a significant role in indirectly shaping society and the environment through its supply chain. Advocating for a responsible value chain is a key component of Ahlsell's sustainability strategy, which defines our company's commitment to fostering a future that is both environmentally and socially sustainable.

Most of Ahlsell's suppliers are based in nearby regions within the Nordics and the European Union, where generally strict laws and regulations are in place. Over 70% of our direct suppliers and their manufacturing is based with the European Union.

However, we still rely on globally manufactured products, components, raw material and supply chains. Our value chain spans a diverse array of geographies, bringing specific sustainability risks that vary based on the countries of origin of our products.

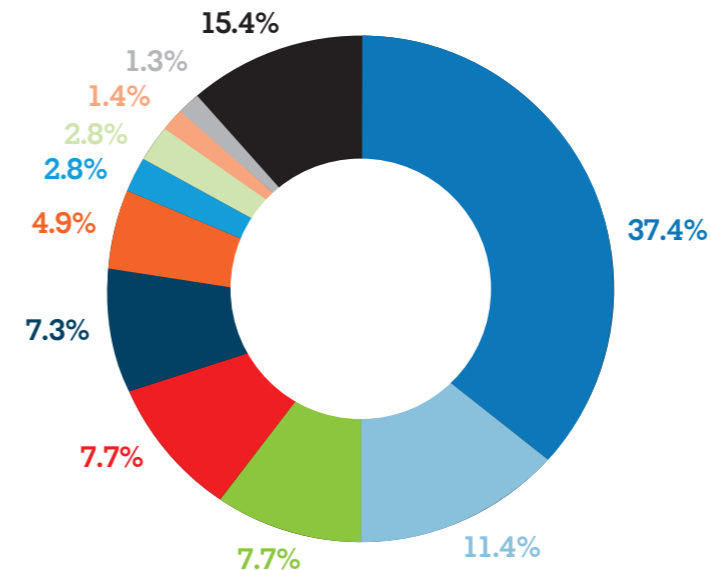
Even though many of our suppliers are local, much of the manufacturing of the products is located across various regions. The chart to the right shows the countries of origin for where most of our products are sourced.

Sustainability risks in our supply chain

Nonetheless, Ahlsell's sourcing activities encompass components, products, and services from sectors and regions that pose inherent risks to workers' rights, local communities and the environment.

Different risks of adverse impacts on workers and the environment can arise at various stages of our supply chains.

TOP 10 COUNTRIES OF ORIGIN COVERS 85% OF DIRECT PURCHASING



* Definition of country of origin: Country of origin is where the goods were made, processed, or assembled.

Environmental Impacts

Type of value chain workers

Environmental Impacts

Human Rights Issues



- Miners
- Agricultural and forestry workers
- Chemical plant operators

- Deforestation
- Pollution to air, water and land
- High carbon emissions

- Labor exploitation
- Child labour
- Health risks



- Factory workers
- Engineers
- Assemblers
- Warehouse workers

- Chemical waste
- Emissions to air, land & water
- High energy consumption
- Resource depletion
- Waste from packaging and handling

- Poor labour conditions
- Unsafe working environments
- Low wages
- Exposure to hazardous substances



- Truck drivers
- Pilots
- Ship crews

- Greenhouse gas emissions
- Risk of oil spills

- Labor exploitation
- Health risks and accidents

List of examples illustrating these impacts across different steps of the value chain, from raw material extraction to manufacturing and transportation.

The products we have in assortment are crucial for the related risks. Ahlsell can positively impact workers indirectly by promoting fair employment opportunities. We do this by upholding high standards and stringent requirements for our suppliers concerning human rights and workers' rights. By actively engaging, influencing, and collaborating with our suppliers, we aim to enhance their commitment to human rights and improve their management practices. In this way, Ahlsell can contribute to individuals securing decent working conditions with their rights upheld.

In addition, concerning environmental impacts, we demand that our suppliers work toward reducing environmental impacts and emissions, ensuring they run their operations with high respect for ecosystems where they operate. By maintaining these high standards, Ahlsell strives to drive significant positive change both socially and environmentally.

Sustainability governance

Ahlsell is in the process of aligning our procurement practices with the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, and the OECD Due Diligence Guidance for Responsible Business Conduct, to build our due diligence framework.

Towards a due diligence process based on risk

One important step is redefining our approach to risk by further incorporating sustainability risk parameters into our existing risk definition, which currently focuses on business risk and spend.

- Size of business: Supplier spend covering our largest suppliers and majority of products
- Context of operation: Sustainability risks related to negative impacts on human rights, the environment, and corruption, which pertain to the country of operation.
- Severity and probability of negative impact: Supplier risk level.

We plan to include additional risk parameters such as industry-specific risks and factors relevant to prioritized product groups and areas.

By structuring our due diligence efforts in this manner, we aim to enhance our commitment to sustainable and responsible business practices while prioritizing the highest risks effectively.

Ahlsell Purchasing Policy

All product range and purchasing activities within Ahlsell must adhere

to the Group's Purchasing Policy, which defines the framework for our purchasing operations and interactions with suppliers. Among other things, the policy stipulates that our purchasing efforts must contribute to a durable and sustainable supply of goods, considering the interests of customers, suppliers, employees, other stakeholders, and the environment.

Supplier relationships should be long-term, and agreements drawn up by the Group should be used as the primary basis for purchasing. The Purchasing Policy also specifies that all Ahlsell's business partners must comply with applicable legislation and adhere to the requirements set out in Ahlsell's Code of Conduct.

Our long term-objective is to develop and implement a robust, company-wide plan to identify, monitor, and mitigate all high risks across our supply chains by 2030. This involves a thorough approach to supplier qualification, risk assessment, and management of suppliers. We are committed to addressing potential adverse impacts while fostering positive transitions and developments in collaboration with our suppliers.

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Supplier Due Diligence Process

The general supplier due diligence process is described below, the process varies depending on the three purchase flows.

1. Supplier qualification

We require our suppliers and partners to comply with the same ethical and social standards as we require of ourselves. Our FPA (Framework Purchasing agreements) always include our basic requirements. Formulated in Ahlsell's Code of Conduct and follow the guidelines set out in the UN Declaration of Human Rights, the UN's Universal Declaration of Human Rights and associated UN conventions such as the UN Convention on the Rights of the Child, the ILO's core conventions on principles for international companies and social policies, the OECD's Guidelines for Multinational Enterprises, the Global Compact, and ISO 9001 and ISO 14001.

Three purchase flows

Ahlsell has three main purchasing flows: **Private label** products for resale to customers, **goods from suppliers for resale** to customers, and **indirect materials and services**, i.e. what we need to keep our internal operations running.

The purchasing processes, and thus also the processes for requirements and follow-up concerning sustainability, are different for these flows, but the main process covers above mentioned steps.

Our around 11 000 direct suppliers make up more than 89% of the supplier spend.

In line with Ahlsell's high ambitions regarding reducing its climate emissions and reduce negative impacts on human rights and the environment we have chosen to focus on the collaboration with our largest suppliers as our targeted suppliers. Our 326 targeted suppliers (suppliers with spend over 15 MSEK) make up for 77% of our direct purchasing spend, excluding our private label suppliers. These suppliers have the most significant impact on our supply chain and thus offer the greatest opportunity for driving meaningful change. We aim to engage closely with them to ensure they

2. Supplier Risk Assessment

The risk level of a supplier is determined by supplier risk assessments considering the following two factors, geography, and severity and probability, of negative impact:

- The geographical context of operations based on recognized international indices for business ethics and environmental and social performance (Transparency International's Corruption Perceptions Index, ITUC's Global Rights Index and Yale University's Environmental Performance Index).
- Severity and probability of negative impact based on the scoring of the answers in the supplier self-assessment questionnaire.

meet our sustainability standards and support them in implementing necessary improvements. Our collaboration with suppliers includes commitments to reducing climate impact, availability of environmental product data and risk management and due diligence practices for supply chains.

1. Private Label

Our private label includes products that are developed and manufactured by existing brand suppliers or by dedicated producers for Ahlsell's own brands. This segment covers 9% of our total direct purchasing spend. For this segment we have the greatest responsibility and the most significant impact when it comes to influencing product standards and sustainable business practices. That's why we also focus most of our resources, to ensure that we can secure sustainably sourced products of high quality and ethical standards.

Ahlsell's private label products must as a minimum maintain the same quality and standard as similar products in the industry, have the necessary certificates and comply with applicable legislation in the country in which they are manufactured and sold. For our private label products, we have a strict producer responsibility

3. Follow-up

All suppliers that we classify as high-risk suppliers should be subject to follow-up. The follow-up actions are determined and prioritized according to the supplier's risk level, considering the severity of the risk and the importance of the supplier to us. At Ahlsell, we engage in two types of follow-up activities: supplier dialogues and supplier audits. Both typically result in a Corrective Action Plan.

Ahlsell's whistleblowing function enables both employees and external stakeholders, such as suppliers and subcontractors, to report irregularities, including non-compliance with Ahlsell's Code of Conduct. Reports can be made anonymously through our externally managed whistle blowing system.

towards both customers and government agencies. We follow up on all product complaints to rectify any faults and deficiencies. All customer feedback is evaluated as a basis for further improvements, stronger supplier partnerships and better products.

Private label suppliers located in EU respective Asia

In 2024, 70% of our private label suppliers came from suppliers in EU and about 30% from Suppliers in Asia, primarily China. China is classified as a high-risk country, and based on external trends and prevailing geopolitical challenges, the direction moving forward is to risk mitigate by increasing the proportion of purchases from countries outside China. All procurements are subject to competition, and we strive to have suppliers from at least two different countries for our private labels. In 2024, we had 160 active suppliers in China, which corresponds to 22% of the Private Label purchasing spend.

Before we start working with a new supplier of private label products, they are evaluated based on our risk assessment model, based on recognized international indices for business ethics and environmental and social performance (Transparency International's

4. Development

At Ahlsell, we cultivate our relationships with suppliers based on mutual trust and long-term collaboration. Our efforts focus on enhancing our suppliers' sustainability practices through various means, including open dialogue, sharing knowledge, innovative approaches, incentives, and supplier development. We are committed to actively discussing and advocating for human and labor rights and needs for environmental improvements. While not adhering to Ahlsell's Code of Conduct could ultimately result in ending the partnership, we prioritize working with our suppliers towards continuous improvement of our supply chain.

Corruption Perceptions Index, ITUC's Global Rights Index and Yale University's Environmental Performance Index). Suppliers based in high-risk geographies are examined by Ahlsell's employees, quality engineers or an independent, authorized agency. If the supplier accepts and satisfies all requirements in Ahlsell's Code of Conduct and the supplier is approved via on-site audit by Ahlsell employees or third-party agency, a collaboration is initiated. During 2024 77% of our Private label suppliers in high risk countries has accepted Ahlsell's Code of Conduct.

To maintain a high level of supplier control, Ahlsell has a sourcing office in Guangzhou, China, with trained, experienced buyers and quality engineers. They conduct on-site audits at local suppliers before contracts are signed and make regular follow-up visits during the term of the contract. The sourcing office is ISO 9001 certified, and our auditors are trained and certified according to the SA8000 standard to ensure that our suppliers maintain fair working conditions.

Suppliers are evaluated after on-site audit on aspects such as quality, material inspection, health and safety, and management of environmental risks. In the event

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of deviations from the requirements, Ahlsell's starting point is always to act primarily to improve and support the supplier, so the first step is to draw up an agreed action plan with corrective measures. If we, together with the supplier, do not achieve the necessary improvements despite an action plan and ongoing dialogue, we will change supplier or not initiate a cooperation.

Follow-up on suppliers of private label products in 2024

During 2024, 128 on-site audits were conducted at our private label suppliers which means that 89% of our private label suppliers in high-risk countries have been followed-up through on-site audits.

A total of 1186 non-compliances were identified during 2024, of which 44% were related to issues in quality process and 56% related to environment, health and safety (EHS), Code of Conduct and Human Rights. 2% of the EHS, CoC and Human Rights non-compliances were categorized with high seriousness. We always follow-up all issues to ensure that they have been corrected. In 2024 we had two suppliers where cooperation were discontinued since they did not meet our expectations.

2. Goods from suppliers for resale

Purchases of goods for resale to our customers are by far Ahlsell's largest purchasing category and accounted for 89% of the total purchase value. For this segment we prioritize to work with suppliers that share our values and ambitions and can prove that they also follow the requirements stipulated in our Code of Conduct, by having a systematic due diligence approach to handle risks related to their supply chains.

In 2024 69% of the purchase value from contracted suppliers who have accepted our Code of Conduct. This percentage is slightly lower than in previous years, and the reasons for this are outlined below.

During 2024, we advanced our digitalization efforts by enhancing data quality in our Supplier Relationship Management (SRM) system. To ensure accurate tracking and verification of this metric, we have systematically reviewed our supplier contracts. To do so, we have systematically investigated our supplier contracts to make sure we have verified documentation digitally available and traceable.

This motivates the lower number of Code of Conduct coverage comparing the result from 2023 with this year result 2024. Our ambition for 2025 is to significantly increase this coverage from the current level.

Systematic dialogue and follow-up

We work systematically with follow-up on compliance with requirements among suppliers. The first step in this is our supplier risk assessments. The risk assessments consist of self-evaluations, which are carried out by the supplier at least every three years.

During 2024 we launched our new digital supplier risk-assessment as part of our SRM system initially covering our operations in Sweden, Norway and Finland. Denmark is not yet onboarded due to different IT-system. We had a goal of carrying out at least 120 assessments, 15 per category. During 2024 we exceeded this target and have carried out 320 covering 48% of our spend.

Out of our targeted suppliers we have covered 45% with a valid Supplier Risk Assessment.

If necessary, documentation and management systems are checked, and audits are conducted on site at suppliers' premises to ensure that the requirements Ahlsell has set for the supplier have been implemented in an appropriate manner in the supplier's operations.

To align with our due diligence strategy, we have shifted or focus regarding follow-up to prioritize supplier dialogue and audits on our suppliers with the highest risk. This work will continue during 2025.

3. Indirect materials and services

For our indirect purchasing we have 8 000 suppliers covering 11% of our total spend. The largest categories in indirect materials and services are transport, rental agreements and IT. Other important procurements are in property management, such as cleaning or surveillance services, waste management, packaging and HR. Purchases are usually made on an ongoing basis by the regions or stores themselves, either with central support or with the help of centrally negotiated agreements. In Sweden, Norway and Finland, so-called agreement loyalty, where purchase has been made based on contractual agreements has been at a level of 85–90% in recent years.

During 2024 the number has been 86% covering only our Swedish operations. This is the first year we are using system support to track agreement loyalty by consolidating data. For verification, we have only tracked spending in Sweden, as several contracts are not yet in our system. Our goal for 2025 is to expand agreement loyalty tracking to include all Nordic countries.

Significant sustainability risks in indirect materials and services have been mapped to ensure this informa-

tion is integrated into decision-making during central negotiations. Starting in 2024, we also measure the percentage of agreements for indirect materials and services that include Ahlsell's Code of Conduct. In this first year, 14% of our measured contracts incorporate the Code of Conduct.

Organisation and responsibilities

In our commitment to sustainable practices, we have established responsibilities across our procurement and sustainability teams to ensure effective supplier management and risk mitigation. The procurement organisation holds ultimate responsibility for contracts and supplier management. Division managers coordinate and ensure supplier risk assessments within their respective divisions.

The product manager is responsible for contact with and terms and conditions for suppliers in each division and country. The attestation procedure for supplier agreements specifies that two people sign according to Ahlsell approval delegation order. Product managers actively communicate with suppliers, distribute risk assessments, engage in supplier dialogues, audits, and ensure suppliers implement corrective actions. The sustainability team assists product managers with follow-up activities, including updating self-assessment questionnaires, managing risk indexes, evaluating risk assessments, and coordinating risk mitigation activities like supplier dialogues, audits, and corrective actions. Digital procurement support maintains the functionality and usability of the Supplier Relationship Management (SRM) system.

Data and calculation methods

Basic data for direct purchasing and suppliers is retrieved from our Supplier Relationship Management (A-SRM) system and Vivaldi business system. Data for indirect materials and services is managed in House of Control and Spendency. This information is synchronized and visualized in Power BI. Supplier and spend data cover Sweden, Norway, Finland, and Denmark. Poland, the Baltic markets, and subsidiaries not integrated in Ahlsell main ERP system Vivaldi (and/or SAP for Denmark) are excluded.

For private label, the data is based on the total purchasing value associated with each supplier for Ahlsell private label operations in Sweden, Norway, Finland, and Denmark. All data related to private label, including Code of Conduct compliance, supplier audits, and audit results, is managed by the Private Label organisation.

For branded products, A-SRM (Ahlsell's Supplier Relationship Management) system has been used for data on supplier agreements and Code of Conduct coverage. For calculating Code of Conduct coverage of branded products, a manual check was conducted for each contract during 2024 in the A-SRM platform. Sample testing was done to check the correctness of the data.

Supplier self-assessments for branded products in A-SRM include data from Sweden, Norway, and Finland. Denmark, Poland, the Baltic markets, and subsidiaries are excluded as they are not yet integrated into our SRM system.

For indirect materials and services, the data regarding agreement loyalty is covering Ahlsell Sverige AB and Prevox and Code of Conduct compliance covers the following operations: Ahlsell AB, Ahlsell Danmark Holding ApS, Ahlsell Norge AS, Ahlsell Oy, Ahlsell Sverige AB, Prevox AB, Proffsmagasinet Svenska AB.

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NOTE 7
Sustainable employeeship

Description of the area

The competence and engagement of our employees is our most important asset and what makes Ahlsell a value-creating company in a changing world. A healthy, safe work environment, an inclusive culture and conscious investments in leadership and skills development are important elements in ensuring that every employee can grow with us.

Sustainability governance

Our work to be an attractive, developmental workplace is based on an ambitious overarching goal: “The best time in your working life”. Strategic work within the framework of our People and Culture strategy focuses on four areas: *Attract, Develop, Diversity & Inclusion and Improve/Innovation.*

Working conditions

All employees in Ahlsell Sweden, Denmark, Norway and Finland are covered by collective agreements. No aggregated information is available for other subsidiaries.

Ahlsell’s People Policy stipulates that wages shall always be higher than the level of the living wage. The annual goal is at least 105 in accordance with the living wage index. Salary surveys are used to check that there are no unreasonable pay differences. A living wage survey was conducted in the Nordic countries including subsidiaries in October 2024 and we pay well above Living wage. An annual survey is conducted in Sweden, in accordance with legal requirements and in collaboration with the trade union organisations. All positions have been reviewed to identify any pay gaps possibly related to gender. The result did not indicate any unjustified differences. In our Norwegian operations, a salary survey is conducted every two years, and Ahlsell Finland participates in an annual industry-wide survey of salary levels.

Occupational health and safety

Health and safety work is run in a systematic, integrated way with the support of processes and procedures implemented in all parts of the business. Ahlsell Norway, Ahlsell Finland and the central warehouse of Ahlsell Denmark’s central warehouse have certified management systems in accordance with ISO 45001. The management system provides support to focus on the most important risks, work preventively and improve continuously. 203 of 287 sites are covered by ISO 45001 certificate.

Ahlsell Finland have during the year improved their health and safety work and has achieved an ISO 45001 certification. Ahlsell Sweden also work in accordance with ISO 45001 and plan for a certification.

Important sub-processes in health and safety work, such as safety inspections, risk assessments and employee appraisals, have been integrated into our overall management system with specified process owners. Ahlsell believes that every employee’s contribution is valuable, and we

therefore strive to achieve an open dialogue on occupational health and safety issues. Health and safety committees are organised in a structured manner to follow up and ensure that work is being carried out as intended. Risk assessments and safety inspections are conducted regarding physical, as well as psychosocial and organisational, aspects of the working environment. Inspections of work equipment and machinery are also conducted at specific intervals. Accidents, incidents and ill health due to work environment are documented and managed in a reporting system, which also documents preventive measures adopted, to ensure that knowledge and lessons learned are shared with others within the business. Regular internal audits of the work on quality, environment, health and safety are conducted.

Occupational health service

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

Organisation and responsibilities

Work on Ahlsell’s overall People & Culture strategy and associated Group-wide focus areas is managed centrally. In 2024, the two most important Group-wide initiatives were the launch of the Future Ready Leadership programme and the continued implementation of the new learning platform House of Learning. Most digital tools are also managed centrally by the company’s Nordic People & Culture function, as well as by the respective product owners in Ahlsell’s digital department.

Data and calculation methods

The My Toolbox HR system and each country’s payroll system are used for data collection. Our purchasing function in China is not included in the employee statistics. The purchasing function in China had an average of (13) employees during the year.

Information about sick leave is retrieved from each respective country’s payroll system. Information about work-related accidents is obtained from each country’s reporting system.

Information about employee engagement, loyalty and the perception of an inclusive culture is obtained from the results of the annual employee surveys.

Information on completed risk assessments, safety inspections and internal audits is compiled from information obtained from each country. Information about the locations included in ISO certificates is obtained from the appendix to the ISO certificates.

The average number of training hours per employee for 2024 includes data from Ahlsell’s training within Sana’s AI-supported House of Learning, covering our operations in the Nordic countries. Throughout 2024, we have collaborated with Sana to enhance the platform’s capability to track progress across self-paced courses, live sessions, and in-person events. While some training activities still occur outside the House of Learning, we are actively working to encourage the organisation to register all ongoing learning activities to ensure a more comprehensive overview of employee development.

Different HR information systems are used for data collection. Because of this, minor differences in scope occur for some of the reported data and KPIs. Where relevant, specification of scope is described next to the reported data. ➔

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Outcome

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

	Number
Administration	769
Purchasing	290
Logistics	1809
Store	1534
Inside salesmen	1552
Sales excluding stores	1519
Total	7 473

Average number of employees, excluding China, by gender and age group

	Number of women	Number of men	Total	Proportion of women by age category %	Proportion of men by age category %	Proportion of women %	Proportion of men %
Under 30	326	607	933	34.9	65.1	15.1	11.1
Aged 30-40	606	1123	1729	35.0	65.0	28.1	20.6
Aged 40-50	502	1354	1856	27.0	73.0	23.3	24.8
Aged 50-60	553	1628	2181	25.4	74.6	25.6	29.8
Over 60	171	746	917	18.6	81.4	7.9	13.7
Total	2 158	5 458	7 616	28.2	71.8	100.0	100.0

Average number of employees, men and women, in total in the Group and by segment

	Sweden	Norway	Finland	Denmark	Estonia	Latvia	Lithuania	Poland	China	Total
Total number of employees	4 024	1500	643	1096	124	104	86	39	13	7 629
Proportion of men %	69	75	78	70	79	84	85	59	62	72
Proportion of women %	31	25	22	30	21	16	15	41	38	28

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

	Number of women	Number of men	Total
Less than 5 years	1 251	2 580	3 831
5-10 years	437	1100	1537
10-15 years	167	650	817
15-25 years	197	676	873
25 years or more	106	452	558
Total	2 158	5 458	7 616

* The difference between the number of employees at year-end compared to year average can be explained by some workforce reductions, in particular in Denmark and Finland.

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

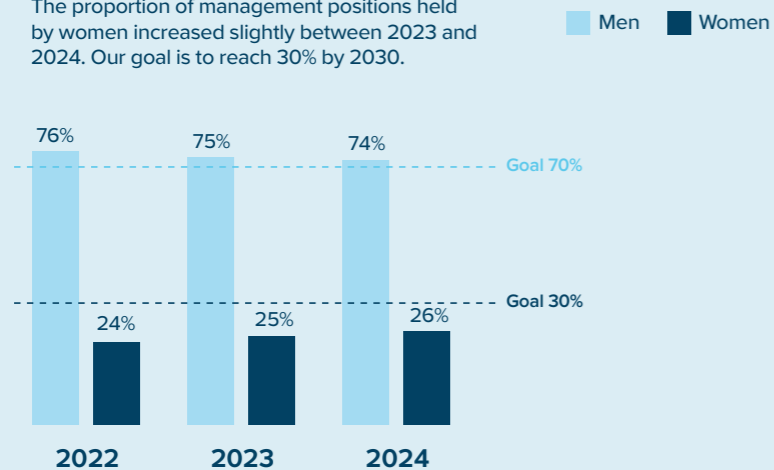
Type of employment	Number of women	Number of men	Total
Permanent	2 078	5 326	7 404
Temporary	80	132	212
Total	2 158	5 458	7 616

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

	Number of women	Number of men	Total
Full-time	2 022	5 323	7 345
Part-time	136	135	271
Total	2 158	5 458	7 616

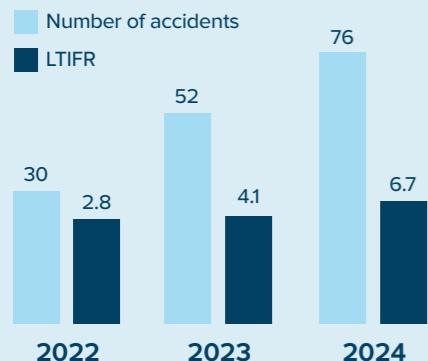
Gender equality, % women in managerial positions*

The proportion of management positions held by women increased slightly between 2023 and 2024. Our goal is to reach 30% by 2030.



*Data coverage: Ahlsell AB, Ahlsell Sverige AB, Prevex AB, Proffsmagasinet AB, Ahlsell Norge AS, Ahlsell Danmark A/S, Ahlsell Oy, SIA Sanistål, UAB Sanistal, AS FEB, Ahlsell Danmark Holding ApS. (Approx. 90% of Group turnover.)

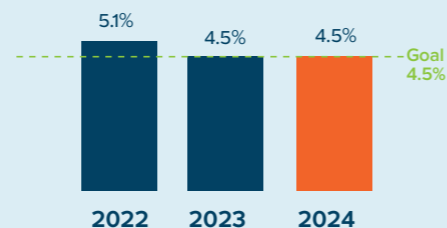
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Number of work-related accidents resulting in at least one day of sick leave

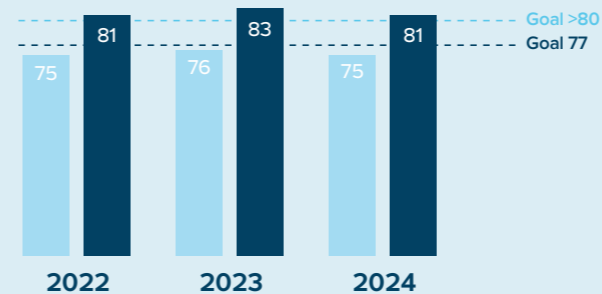
The number of work-related accidents resulting in sick leave in 2024 was 76, which corresponds to 6.7 per million hours worked (Lost Time Injury Frequency Rate, LTIFR). The most common accidents involve collisions and incidents with forklifts.

Data coverage: Ahlsell Sverige, Prevox, Proffsmagasinet, Ahlsell Finland, Ahlsell Danmark, Ahlsell Norge.



Sick leave, % of working hours

Sick leave among our employees has been stable at around 4.5% the last two years. The target of 4.5% corresponds to 11 days' absence during a year for a full-time employee.

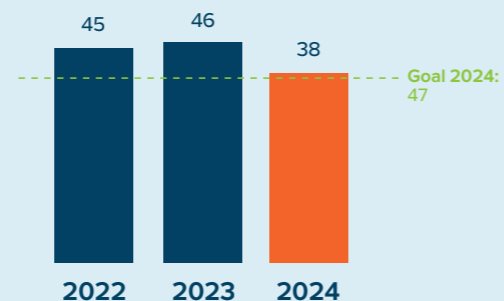


Employeeship and Leadership

Job satisfaction and leadership are measured through our annual employee survey. Both have got good results and show a positive trend in recent years. No survey was conducted in 2020.

Loyalty, eNPS

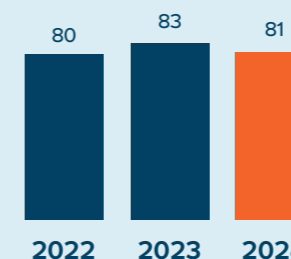
We measure loyalty in the employee survey through the Employee Net Promoter Score (eNPS) metric, an established form of measurement with a scale ranging from -100 to 100. Values above 0 are considered good, values above 20 very good and values above 50 optimal.



**Data coverage. Sweden: Proffsmagasinet, Prevox, Ahlsell Sverige AB. Finland: Ahlsell Oy, Ahlsell Åland. Norway: Ahlsell AS. Denmark: Ahlsell Denmark A/S, Ahlsell Denmark Holding ApS. Group: Ahlsell AB. (90.4% of Group turnover)*

Perception of inclusive culture

We measure the perception of Ahlsell as an inclusive company and workplace through the employee survey. The outcome 2024 was 81, (index where max = 100)



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NOTE 8

Business ethics

Description of the area

Ahlsell's actions must be characterised by respect for its customers, suppliers, other business partners and the local communities in which we operate. The goal is to develop long-term business relationships in which Ahlsell is considered a responsible and professional partner. As a leading actor with many customer and supplier relationships in several countries, compliance with laws in general and anti-corruption & bribery, fair competition and trade sanctions in particular is essential for Ahlsell. Our Code of Conduct complemented with sector specific policies and guidelines serve as the guiding star for our business conduct. The Code of Conduct was updated in 2024 and all employees has been asked to confirm in writing their respective partaking of the Code of Conduct.

Sustainability governance

Zero tolerance of unethical business

We do not tolerate corruption or other unethical business conduct. Neither Ahlsell nor anyone acting on behalf of Ahlsell may grant, offer or promote payments, gifts or other benefits that may influence or be perceived as influencing the objectivity of a business or government agency decision. Similarly, neither Ahlsell nor anyone acting on behalf of Ahlsell may accept, receive or request gifts or other benefits. We shall quite simply convince our business partners with purely commercial arguments.

As a sound business practice is of crucial importance for our development and profitability, we shall never conclude agreements – expressly, implied, verbally or in writing – with a competitor relating to matters infringing competition such as pricing, discounts, campaigns, tenders, terms of sale or partitioning. Nor shall we share sensitive market information with our competitors, either directly or through industry organisations, suppliers or customers. Ahlsell's position regarding business ethics and sound business practice is set out in the Code of Conduct and other sector specific policies and guidelines.

Management of business-ethical risks

The risk of violations of the above principles of business ethics is deemed to be greatest in the purchasing and sales organisations. To mitigate the risks, Ahlsell has adopted detailed procurement, anti-corruption & bribery and competition policies and guidelines as well as established relevant training initiatives focusing on the purchasing and sales organisations.

Business ethics is also included in the course on the Code of Conduct, which applies to all employees. Our work and any deviations are followed up through our systematic work with internal controls. Follow-up also takes place indirectly via Ahlsell's whistleblowing function.

Managing sanctions, etc.

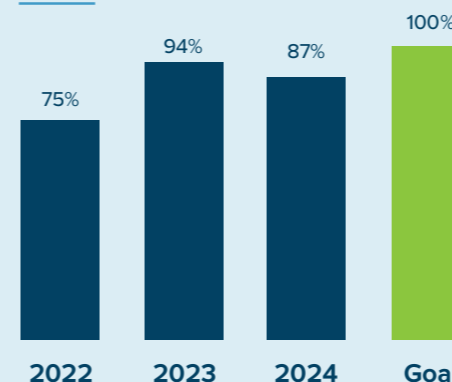
In accordance with Ahlsell's policy for compliance with sanctions and export control rules, we continuously monitor developments and implement relevant measures in relation to new international sanctions that are formalised. In this context, it can be mentioned that Ahlsell closed its operations in Russia as early as 2021, and both exports to and imports from Russia, Belarus and particularly affected areas in Ukraine have been prohibited since February 2022.

Whistleblowing

Ahlsell always follows up on suspected unethical conduct. We also have a whistleblower function that is available to both employees and external parties to use as required. It can be accessed via our intranet, our external website www.ahlsell.com and the local Ahlsell websites in Sweden, Norway, Finland and Denmark. In the Code of Conduct course, employees are also made aware of the existence of the whistleblower function.

Ahlsell collaborates with an independent provider of a whistleblower tool, ensuring the whistleblower's anonymity. Once a report has been registered, it is processed in accordance with Ahlsell's whistleblowing procedure, initially by the independent operator's case officer, who contacts the appropriate Ahlsell contact person from a predetermined list of relevant names. Cases are investigated by an authorised person appointed for each country, who is supported in their work by a whistleblowing committee consisting of the Chief People & Culture, General Counsel and Head of Internal Control & Risk. As a last resort, should a whistleblowing matter relate to for example a member of Group Management, the Chairman of the Board of Directors' Audit Committee will investigate the matter. The cases reported that are not considered to conflict with the Code of Conduct or applicable legislation (e.g. HR-related cases or non-compliance with internal procedures) are referred back to line reporting by the independent operator. At least once a year the whistleblowing committee reports to the Board of Directors' Audit Committee the number and type of cases that have been reported in Ahlsell's whistleblowing channels.

OUTCOME



Code of Conduct signed, proportion of employees*

We train our employees in Ahlsell's Code of Conduct through an interactive, web-based course. The goal is that all employees shall have completed the course, and all new employees also familiarise themselves with the Code of Conduct in connection with their induction. The Code of Conduct was updated in 2024 and all employees has been asked to confirm in writing their respective partaking of the Code of Conduct.

* Data coverage: Ahlsell Sweden, Ahlsell AB, Ahlsell Denmark A/S, Ahlsell Finland, Ahlsell Norway AS, Tempcold Sp. z o.o., AS FEB, SIA Sanistål, UAB Sanistal, AS FEB



Whistleblowing cases, deviations from the Code of Conduct

In 2024 a total of eleven cases were reported in Ahlsell's whistleblowing channels, all of which have been investigated and closed without legal or disciplinary actions. Ahlsell has not been made aware of any case of corruption during this year. Nor have any disputes been brought against Ahlsell or its employees on that basis.

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Sustainability KPIs

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

General	2022	2023	2024	Goal
Total net sales, MSEK	43 971	50 707	50 132	
EcoVadis ratings and points	Platinum, 76	Gold, 77	Platinum, 82	Improvement compared to last year's score
Reduced environmental impacts	2022	2023	2024	Goal
Climate impact, tonnes of CO ₂ e/MSEK sales (Scopes 1 and 2)*	0,156	0,163	0,121	
Climate impact, tonnes of CO ₂ e in absolute terms, Scopes 1, 2 and 3	2 660 762	2 816 689	2 834 767	
Climate impact, tonnes of CO ₂ e, Scope 1	5 363	4 969	4 200	
Climate impact, tonnes of CO ₂ e, Scope 2**	2 673	3 322	1 852	
Climate impact, tonnes of CO ₂ e, Scope 3	2 652 726	2 808 398	2 828 715	
Direct energy consumption, MWh (electricity, heating, work machinery and own electric vehicles)	83 746	103 864	110 742	
Total volume of waste, tonnes***	10 429	11 524	12 984	
Hazardous waste, tonnes	134	165	159	
Recycling rate, total, % ****	-	-	57%	80% to 2030
Number of own addresses with charging points	90	111	138	
Number of own addresses with solar panels	5	10	25	
Responsible sourcing	2022	2023	2024	Goal
Direct contracted suppliers that have accepted Ahlsell's Code of Conduct, %	-	-	69	
Targeted suppliers with a valid risk assessment, %	-	-	45	100% by 2030
Suppliers in risk countries followed-up through onsite audits by share of purchased value, private label, %	-	-	89	100%
Number of suppliers in risk countries followed-up through onsite audits, private label	-	-	128	
Direct procurement within the European Union, %	-	-	72%	
Employees within purchasing organisation trained in sustainability, %	-	-	28%	
Sustainable employees	2022	2023	2024	Goal
Staff turnover, %	11	11	9	
Proportion of employees with collective agreements, %	100	100	100	100%
Proportion of employees that have read and signed the in the Code of Conduct, %	75	94	87	100%

*MSEK sales reflects the same scope as the scope for the climate calculations. See not 4 for details.

**Increased scope in 2024. See note 4 for details.

***Increased scope in 2024. See not 4 for details.

****New KPI recycling rate not comparable with previously reported KPI sorting rate. See not 4 for details.

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Sustainable employeeship	2022	2023	2024	Goal
Proportion of employees who have had employee appraisals, %	94	96	93	100%
Proportion of women among employees at year-end, %	29	28	28	40% by 2030
Proportion of women in managerial positions, %	24	25	26	30% by 2030
Employee survey, engagement index	75	76	75	77 in 2024, 82 in 2030
Employee survey, leadership index	81	83	82	77 in 2024, 85 in 2030
Employee survey, eNPS	45	46	38	47 in 2024
Employee survey, inclusion index	80	83	81	>80
Skills development, training time, hours per employee per year	1.9	1.0	5.8	8 in 2024, 20 by 2027

Health and Safety	2022	2023	2024	Goal
Number om fatalities due to work	0	0	0	Zero vision
Serious accidents (unexpected event with personal injury and at least one day of sick leave), number *	30	52	76	Zero vision. Reduce the number
Minor accidents (unexpected event with personal injury without sick leave), number *	97	205	252	Zero vision
Incidents (unexpected event without personal injury), number *	621	1 334	1 057	
Lost time injury severity rate for direct workforce (number of days lost due to injuries) x 1000 / total hours worked	-	0.03	0.09	Zero vision
Lost Time Injury Frequency Rate (LTIFR) (number of accidents with sick leave per 1 million hours worked, calculated on the last 12-month period)	2.8	4.1	6.7	Zero vision
Number of sick leave days due to serious accidents	-	394	1 033	Zero vision
Sick leave, % of working hours	5	4.5	4.5	4.5
Accidents with serious injury (lasting harm), number	-	-	7	Zero vision
Number of performed risk assessments including safety inspections	-	695	623	
Risk assessment coverage, % of sites			75	
Number of performed internal audits during the year	-	81		

* Accidents and incidents has occurred during work. The numbers does not include travel to/from work.

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GRI Index

Ahlsell has reported the information referred to in this GRI index for the period 1 January - 31 December 2024 with reference to the GRI Standards.

This GRI index contains the general and topic-specific GRI disclosures on which Ahlsell has chosen to report. Regarding *GRI 2: General Disclosures 2021*, 2-8, 2-10, 2-11, 2-15 - 2-21, 2-27 are not reported. GRI 1 version used: GRI 1: Foundation 2021

GRI Standard and disclosure		Page reference/comment	UN Global Compact principle
GRI 2: General Disclosures 2021			
2-1	Organisational details	8-9, 52	
2-2	Entities included in the organisation's sustainability reporting	52	
2-3	Reporting period, frequency and contact point	52	
2-4	Restatements of information	No material changes	
2-5	External assurance	72	
2-6	Activities, value chain and other business relationships	7-12	
2-7	Employees	63-64	3
2-9	Governance structure and composition	43-45. The Board's responsibilities include sustainability reporting. 2-9-c is not reported.	
2-12	Role of the highest governance body in overseeing the management of impacts	18, 43-45	
2-13	Delegation of responsibility for managing impacts	18, 52-54	
2-14	Role of the highest governance body in sustainability reporting	44, 47, 52-54	
2-22	Statement on sustainable development strategy	3-4	
2-23	Policy commitments	14, 17-18, 44, 56	1-10
2-24	Embedding policy commitments	17-18, 50-62	1-10
2-26	Mechanisms for seeking advice and raising concerns	49, 62	1-10
2-28	Membership of associations	53	3, 6
2-29	Approach to stakeholder engagement	53	
2-30	Collective bargaining agreements	67	3, 6

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GRI Standard and disclosure		Page reference/comment	UN Global Compact principle
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	52-53	
3-2	List of material topics	52	
3-3	Management of material topics	See page reference on row for respective subject area.	
GRI 200: Economy			
GRI 205	Anti-corruption 2016	46-47, 66	10
205-1	Operations assessed for risks related to corruption	47, 66. Number and proportion in accordance with 205-1 a are not reported.	
205-2	Communication and training about anti-corruption policies and procedures	46-47, 66. Refers to the implementation of the Code of Conduct and the Supplier Code of Conduct, which includes the Board of Directors and business partners. Data not broken down by region or employee categories.	
205-3	Confirmed incidents of corruption and actions taken	66	
GRI 300: Environment			
GRI 302	Energy 2016	22, 54-57	8-9
302-1	Energy consumption within the organisation	54-57. 302-1 d is not reported.	
GRI 305	Emissions 2016	21-21, 54-56	8-9
305-1	Direct GHG emissions (Scope 1)	54-56. 305-1 c and e are not reported.	
305-2	Indirect energy GHG emissions (Scope 2)	54-56. 305-2 e are not reported.	
305-3	Other indirect GHG emissions (Scope 3)	54-56. 305-3 c and e are not reported.	
305-4	GHG emissions intensity	67	
GRI 306	Waste 2020	23, 57	8-9
306-1 - 306-5	Waste generation and significant waste-related impacts, Management of significant waste-related impacts, Waste generated, Waste diverted from disposal, Waste directed to disposal.	23, 57. Reported data limited to total volume of waste and volume of hazardous waste. In addition to this, "own information" regarding recycling rate.	
Own information	Recycling rate, %	23, 57	
GRI 308	Supplier Environmental Assessment 2016	29-32, 58-61	7
Own information	Suppliers in risk countries followed-up through onsite audits by share of purchased value, %	60, 67, 70	
GRI 400: Social			
GRI 403	Occupational Health and Safety 2018	36-38, 62	2
403-1	Occupational health and safety management system	36, 62, 65. All are included.	
403-2	Hazard identification, risk assessment, and incident investigation	36, 62, 65. 403-2 c is not reported.	
403-3	Occupational health services	37-38, 62	
403-4	Worker participation, consultation, and communication on occupational health and safety	36, 62	
403-5	Worker training on occupational health and safety	36, 62	
403-6	Promotion of worker health	37-38, 62	

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GRI Standard and disclosure		Page reference/comment	UN Global Compact principle
GRI 400: Social			
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	36-38, 62	
403-8	Workers covered by an occupational health and safety management system	36, 62. All workers. 403-8 a i,ii,iii not fully reported.	
403-9	Work-related injuries	36, 62, 65, 68. The total number of hours worked is not reported.	
403-10	Work-related ill health	36-38, 62. 403-10 a and b are not reported.	
GRI 404	Training and Education 2016	39-40, 68	
404-3	Percentage of employees receiving regular performance and career development reviews	68. Distribution by gender and employment category is not reported. Reported data not broken down by gender or employee categories.	
GRI 405	Diversity and Equal Opportunity 2016	41, 43, 45, 63, 68	2, 6
405-1	Diversity of governance bodies and employees	43, 45, 63. Distribution by gender and age of employees and gender distribution of management are reported, not other diversity indicators.	
405-2	Ratio of basic salary and remuneration of women to men	62. Reporting limited to results of salary survey.	
GRI 414	Supplier Social Assessment 2016	29-32, 58-61	1, 6
Own information	Suppliers in risk countries followed-up through onsite audits by share of purchased value, %	60, 67, 70	

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

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

Introduction

We have been engaged by the the Board of Directors and the CEO of Quimper Group Holdings AB to undertake a limited assurance engagement of Quimper Group Holdings ABs Sustainability Report for the year 2024. Quimper Group Holdings AB has defined the scope of the Sustainability Report on page 52, the Statutory Sustainability Report is defined on page 52.

Responsibilities of the Board of Directors and the CEO

The Board of Directors and the CEO are responsible for the preparation of the Sustainability Report including the Statutory Sustainability Report in accordance with applicable criteria and the Annual Accounts Act in accordance with the older wording that applied before 1 July 2024. The criteria are defined on page 52 in the Sustainability Report, that are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed. This responsibility also includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed and to express an opinion regarding the Statutory Sustainability Report. Our responsibility is limited to the historical information reported and thus does not include future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 (Revised) Assurance engagements other than audits

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

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Quimper Group Holdings AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Our procedures are based on the criteria defined by the Board of Directors and the CEO as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusions below.

Conclusions

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

A Statutory Sustainability Report has been prepared.

Stockholm, March 2025

KPMG AB

Joakim Thilstedt

Authorized Public Accountant

Torbjörn Westman

Expert Member of FAR

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With a turnover of approximately SEK 50 billion, almost 8 000 employees, over 300 stores and four central warehouses, we are doing everything we can to fulfil our customer promise: Ahlsell makes it easier to be a professional. For more information visit www.ahlsellgroup.com

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