

SUSTAINABILITY REPORT 2022

Elanders' sustainability work is integrated into the Group's business and decision-making. Elanders' Sustainability Report for the calendar year 2022 is part of the Group's combined Annual Report. It chronicles the details in Elanders' strategic sustainability work and the progress that has been made during the year.

SCOPE OF THE SUSTAINABILITY REPORT

Elanders' Sustainability Report is published annually and is an integrated part of the Annual Report. The Sustainability Report comprises the companies that belonged to the Group during the year. The acquisitions made during the year have not affected the scope of reporting.

Preparation of this Sustainability Report has included guidance from the Global Reporting Initiative (GRI), the Greenhouse Gas Protocol

and other established principles for sustainability reporting. These have, among other things, been used as tools for establishing stakeholder and materiality analysis and determining the content of the reporting. The report has been prepared in accordance with EU's directive on non-financial reporting (NFRD) through the Swedish statutory requirements on sustainability reporting in the annual report.

FEEDBACK

As part of the continuous development and improvement of Elanders' Sustainability Report, readers are invited to comment on it. Comments and suggestions are gladly received at: sustainability@elanders.com.

➔ For further information, visit: www.elanders.com/sustainability/

WE SUPPORT



Key ratios – sustainability

Scope 1 & 2 – emissions

38

thousand tons CO₂e (2021: 41)

Percentage female supervisors

37

percent (2021: 29%)

Percentage renewable electricity

53

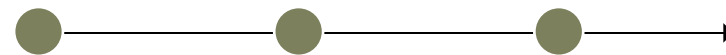
percent (2021: 51%)

Average number of employees

7,248

persons (2021: 6,288)

Climate targets



2030

Reduce GHG emissions within scope 1 and 2 respectively scope 3 by 50 respectively 30 percent. The target for scope 3 is related to our own operations.

2040

Reduce GHG emissions within scope 1 and 2 by 75 percent.

2050

Achieve net zero GHG emissions over the entire value chain.

STRATEGY AND MATERIALITY ANALYSIS

Since the beginning of the 21st century Elanders has gone through an enormous transition from a pure print company with most of its business in Sweden to a global logistic group with operations on four continents. There have been a slew of new enterprises and acquisitions along the way that have spread the business into new markets, customer segments and services. This expansion has made Elanders more stable and resilient because diversifying into new industries and geographies is a strength in a world characterized by growing insecurity.

Elanders’ materiality analysis considers risks, uncertainties and changes. It concerns both the physical environment characterized by climate change, changes in natural resource assets and disturbances in global value chains as well as the social environment where a transition to a more circular economy with lower carbon emissions is taking place. This entails making an adjustment to more sustainable company governance overall, along with different external expectations and demands. All these factors are weighed into the analysis and the compiled view of the risks the Group faces, and then taken into account in Elanders’ overriding business strategy.

As a global logistics company the Group has a citizen’s responsibility to work actively with social, ethical and environmentally-related issues. Within the Group, this work is based on clearly formulated principles and targets, and the compliance and fulfillment of them is

ensured and monitored. In the long run, solid sustainability work creates greater shareholder value and added-value for all the company’s stakeholders – for customers as well as investors and society.

Elanders has chosen to structure both its sustainability work and reporting based on an ESG perspective (Environment, Social and Governance). The company believes this will help further clarify communication to its stakeholders such as customers, suppliers, employees and shareholders. This report uses the concepts sustainability and ESG interchangeably.

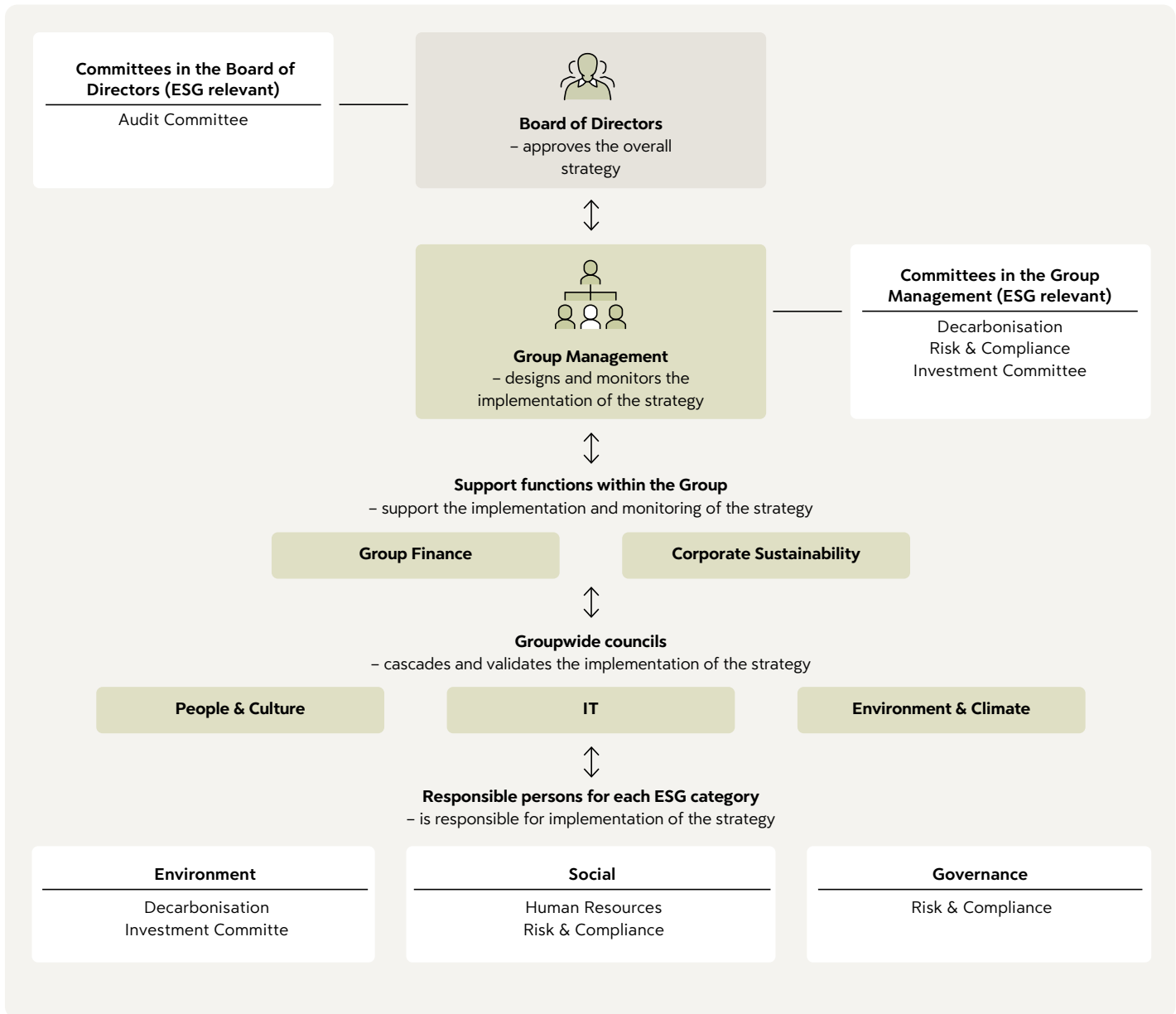
Elanders’ ESG framework consists of eleven categories; “Greenhouse gas emissions”, “Material and waste”, “Health and safety”, “Employee relations”, “Diversity, equity and inclusion”, “Human rights”, “Business ethics”, “Data ethics”, “Sustainable procurement”, “Responsible taxpayer” and “Society”.



Sustainability within the supply chain is important to us and is very much a central part of my work.

QUOTE FROM AN INTERVIEW WITH A CUSTOMER

Target	Environment	Social	Governance
	Elanders will take an active role in logistics decarbonization and help customers meet their obligations to reduce carbon emissions in their supply chains.	Elanders will ensure that Group employees have job satisfaction by providing a safe and inspiring workplace. This will be achieved by: <ul style="list-style-type: none"> • creating an engaging environment for everyone. • ensuring a plethora of perspectives. • ensuring all employees come home safe and sound by preventing deadly and life-changing incidents. 	Elanders and its employees will support responsible business methods by ensuring: <ul style="list-style-type: none"> • compliance with Elanders’ Code of Conduct in the Group. • sustainable purchasing • that data is protected and handled with respect.



Governing sustainability and ESG issues is the domain of Elanders’ Board of Directors and group management. Ownership and agency to drive measures within the eleven ESG categories are embedded in Elanders’ organization in order to ensure adjustments in operations’ priorities and long-term ESG work.

Several ESG categories connected to compliance are integrated into Elanders’ central governance framework. ESG compli-

ance by all employees is defined in Elanders’ Code of Conduct, which is available on Elanders’ website.

Elanders has a whistleblower function through which all stakeholders can report any violations of laws or regulations at Elanders, for example in IT security, data confidentiality, corruption, human rights, discrimination or financial fraud. The person reporting is guaranteed anonymity and complete confidentiality.

To ensure that an ESG perspective permeates governance of all subsidiaries and that they take the necessary steps within the eleven ESG categories, Elanders has three joint Group councils in addition to group management. There is an IT Council, People & Culture Council, and an Environment & Climate Council. The members of these councils, which meet regularly, are relevant representatives of the subsidiaries as well as Group staff.

MATERIALITY ANALYSIS

During 2022, work began to renew Elanders’ materiality analysis. The purpose of the materiality analysis is to get a better understanding for which sustainability matters are most important for Elanders’ various stakeholders such as customers, shareholders, employees and investors. The materiality analysis is also a requirement when preparing a sustainability report in accordance with the GRI Standards (Global Reporting Initiative Standards). The result of the materiality analysis is used to create a basis and structure for future sustainability work.

It is fundamental to Elanders’ sustainability agenda that the analysis reflects the areas where the Group has the greatest impact. Both how Elanders impacts the environment and the world around Elanders, as well as how the environment and external circumstances affect Elanders must be taken into account. What is important to Elanders’ stakeholder groups is key, and their interests guide the Group’s overall priorities over time. The prioritized areas are regularly reviewed to ensure that the

sustainability reporting aligns with developments in the Group and the world around it.

To achieve this, Elanders maintains continuous dialogues with five stakeholder groups: shareholders and investors, customers, employees, suppliers and society. The groups have been identified based on their dependence on Elanders and the impact they have on Elanders’ operations and strategic direction. The prioritized areas for sustainability reporting have also been selected through continuous dialogue with the Board of Directors and group management. External factors have also been taken into account, such as political developments with upcoming regulations for sustainability reporting and sector-specific trends.






As a first step in the work to renew the materiality analysis interviews have been conducted with some of Elanders’ largest customers and an employee survey is currently being carried out in the Group. More in-depth stakeholder dialogues will be held in 2023.



We need all our suppliers to be part of this journey and align with our goals.

QUOTE FROM AN INTERVIEW WITH A CUSTOMER

Elanders’ five stakeholder groups and the main channels of communication for each group.

Stakeholder group	Communication with the stakeholder group
Shareholders and investors 	Financial reports Annual General Meeting Investor meetings Website Press releases
Suppliers 	Ongoing dialogue Procurements and purchase negotiations
Employees 	Employee surveys / performance appraisals Intranet / other internal communication channels Dialogue with trade union organizations
Customers 	Ongoing dialogue Customer surveys Interviews
Society 	Local partnerships Participation in networks Internships and student papers

ENVIRONMENT

There are a number of crises and challenges in the world and society related to climate change and other environmental issues today. These challenges require robust, comprehensive solutions to drive the needed transition to a balanced living environment that meets international climate and environmental targets. The logistics sector and Elanders plays an important role in this.



The section “Environment” in this Sustainability Report has been divided into two parts; “Greenhouse gas emissions” and “Material and waste”. Associated sustainability data for these parts can be found in the Sustainability Report notes.

GREENHOUSE GAS EMISSIONS

As a supplier of end-to-end solutions, Elanders has a unique position to drive changes throughout the entire value chain. Along the way, opportunities are created in particular for Elanders’ customers to reduce emissions. In 2022, the Group raised its ambitions concerning controlling and reducing emissions and participating in the development of resilient and long-lasting sustainable global logistic chains.

A great deal of progress has been made within Elanders. In line with external developments the Group has set ambitious climate targets that reflect stakeholders’ expectations and following the science. During 2022,

the goal has been a thorough examination of the direct and indirect emissions generated by Elanders’ own operations. In addition, the Group has shouldered its responsibility as a global player and initiated a long-term plan to map and reduce emissions in its value chain. In the beginning of 2023, the Group announced its climate targets. The first step is to reduce Group GHG emissions from our own operations (scope 1 and 2) by 50 percent and value chain emissions (scope 3) related to our own operations by 30 percent by 2030. With these steps, Elanders has become part of the general business society’s journey towards a sustainable economy and with the goal of achieving the 1.5-degree target by 2030. The baseline for the targets is the year 2021, when emissions measured 27 respective 14 thousand tons CO₂e (carbon dioxide equivalents) in scope 1 and scope 2. To ensure that reporting of Group emissions aligns with best practice, Elanders has adopted the definitions from the international calculation standard *Greenhouse Gas Protocol*.



During 2022, the goal has been a thorough examination of the direct and indirect emissions generated by Elanders’ own operations.

2022

Mapping of scope 1 and scope 2 emissions completed.

2023

Climate targets set for the Group and externally communicated.

Elanders signs on to the United Nations Global Compact.

Commitment letter is sent to Science Based Target initiative

Preparations for the new EU directive, CSRD, the Corporate Sustainability Reporting Directive.

Mapping of the entire Group's value chain emissions (scope 3) and preparation of an action plan to reduce emissions.

2030

Operations aligned with the 1.5 degree target according to the Paris Agreement.

Scope 1 and scope 2 emissions have been reduced by 50%.

Scope 3 emissions related to our own operations have been reduced by 30%.

2024

Application is sent to the Science Based Targets initiative to get Elanders' climate targets scientifically validated.

Implementation of the new EU directive for sustainability reporting.

2040

Scope 1 and scope 2 emissions have been reduced by 75%.

2050

The Group will have achieved net zero emissions over the entire value chain.

The targets for emissions in scope 1 (direct) and scope 2 (indirect) comprise emissions from the facilities and vehicles that Elanders controls, including both rented and owned facilities and vehicles.

The reduction target for year 2030 for scope 3 (value chain) does not include freight services performed by a third party and purchased by Elanders on behalf of customers (buy and sell activities) to transport customers' finished products.

During 2023, Elanders will continue to map the entire Group's value chain emissions (scope 3) and draw up an action plan to reduce emissions. Elanders' ambition is to present the total amount of CO₂e emissions generated by the Group when mapping is completed. The currently adopted climate targets are aligned with the targets of several of the Group's major customers.

Elanders strives to reduce climate impact in its own operations and in the solutions the company offers to customers. The focus in 2022 has been to get control over the sources of emissions within Elanders own operations.

Elanders is now taking on a greater responsibility as a value chain actor in order to meet external expectations on transparent reporting and on ambitious climate targets and measures.

Direct and indirect GHG emissions – scope 1 and 2

The most apparent development in 2022 regarding reporting the Group's GHG emissions has been the work on compiling and transparently presenting all the relevant direct emissions (scope 1) and indirect emissions (scope 2) in the Group. In 2022, Elanders' climate footprint in scope 1 and scope 2 was 25 and 13 thousand tons CO₂e respectively. This is a reduction by more than nine percent from last year. The decrease in the Group's direct emissions can partly be explained by the fact that the fossil-fueled road transports has become fewer. In addition, the use of natural gas in facilities has decreased. In terms of indirect energy-related emissions, the change is partly due to the continued transition to renewable electricity, which has contributed to lower emissions. Another major contributing factor that has been particularly distinctive in 2022 is the initiatives and investments made with the aim of reducing and streamlining energy use in the operations. As part of this, both cost and energy savings have been found.

Transportation

Elanders' direct GHG emissions largely consist of carbon dioxide and are primarily generated from transportation by its own vehicles in business area Supply Chain Solutions. The Group owned a fleet of 270 trucks and more than 370 company cars during the year.

Elanders continues to develop energy and cost-efficient transportation solutions for customers, in part by continuously updating its fleet of trucks, through new technology and training programs for drivers that enables better driving from an environmental perspective as well as optimizing customer transportation.

In 2022, all Group trucks met the Euro-6 norm with nitrogen oxide emissions (NOx) no higher than 80 mg/km and minimized emissions of particles. Elanders also monitors the average carbon emissions from its truck fleet, which is believed to give a fair view over time. In 2022, emissions were on the same level as the year before, which is presented in the Sustainability Report note on energy consumption.

The automotive industry is going through a massive transition stemming from the development of alternative fuels. Electric vehicles are in the forefront of this process. Elanders continues to consider every opportunity to phase out fossil fuel driven vehicles in the Group since this is a big step in achieving its climate targets. At the same time, the company is well aware that the transition to electric vehicles comes with its own challenges such as higher electricity consumption and indirect emissions in the production chain.

Elanders reports emissions for vehicles divided into the truck fleet and other company vehicles.



Facilities

In addition to transportation, a smaller portion of the direct emissions are generated in some of the facilities where Elanders operates. These stem from burning fuel for heating. The indirect energy-related emissions come from purchased electricity consumed in running machines and equipment, lighting, and heating and cooling facilities.

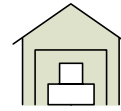
Elanders' target is to increase the portion of renewable electricity every year. By renewable electricity Elanders means energy sources such as hydropower, wind power, solar energy and bioenergy. In 2022, the portion of purchased renewable electricity increased from 51 percent to 53 percent.

Energy consumption and the cost of energy is regularly monitored to see if the target is achieved and if measures are continuously being taken to conserve energy. Further energy-saving measures were taken at Elanders' facilities in 2022.



EXAMPLE:

Transition to reach climate targets



An important example that paves the way for the Group to meet its climate targets is one of its logistics facilities in Dordrecht, Holland. As of January 2022, when the 10,000 m² building was opened, it has been possible to provide the storage area and offices with 100 percent renewable electricity generated by solar panels on its roof and shared wind power from the local industrial park. The goal is to only use electric vehicles, and charging stations have been installed to support this. In order to be more resilient to extreme weather, water barrels were placed on the roof to gather rainwater, which contributes to reducing the pressure on the public wastewater system. In addition, the building's exterior areas have been arranged with plants and bee hotels to attract birds and insects promoting biodiversity. On top of the measures to reduce emissions and contribute to a more sustainable community, the facility is now evaluating the suppliers and material used in operations to incorporate sustainability into every aspect.

Elanders reports energy consumption, emissions and the portion of renewable electricity for most of the buildings and offices where the Group operates. This comprises everything from warehousing to administration, in both owned and rented facilities.

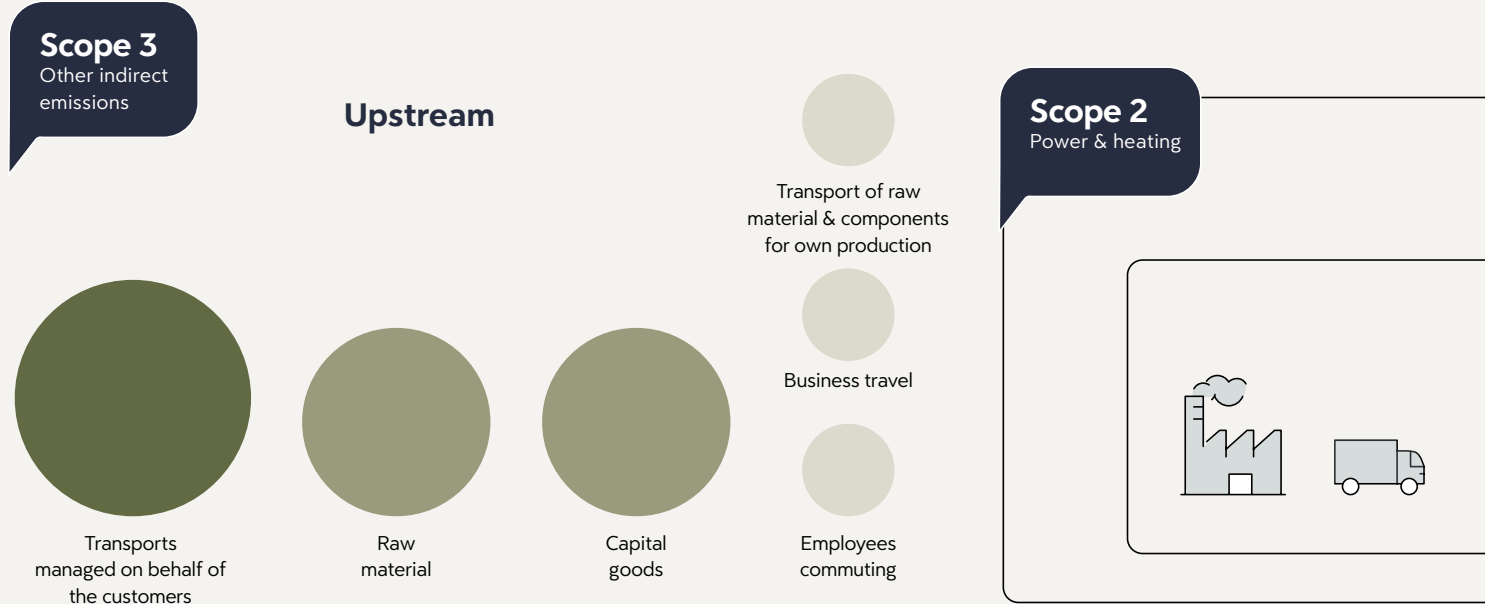
GHG emissions in the value chain – scope 3

Value chain emissions, scope 3, will represent a majority of the Group's total greenhouse gas emissions. The category that is expected to stand out is the freight (air, sea, and road transport), that Elanders purchases on behalf of customers from a third party for transportation of the customer's finished products. This part of emissions is hard to impact since customers decide on the amount of freight and how it will be forwarded.

In the spring of 2023, all the categories in scope 3 will be examined. The goal is a comprehensive mapping of the most significant value chain emissions throughout the Group by the autumn of 2023.

There are many difficulties in accessing data and calculating value chain emissions, but Elanders considers this an opportunity to get better control over its own value chains and the emission and cost reductions that can be realized there. As a responsible and solution-oriented global supplier of, above all, logistic services, Elanders also helps its customers to achieve their climate targets.

Greenhouse gas emissions within the Group



The size of the circles indicates the amount of carbon dioxide emissions related to this activity at Elanders. The larger the circle, the higher the amount of carbon dioxide emissions.

Circular solutions

As a separate leg of the Group, Life Cycle Management contributes to more circular material flows and reductions of GHG emissions. Within its growing operations it restores obsolete IT equipment extending the life of, for example, laptops, cell phones, monitors and servers. This helps customers to lower their environmental impact and contribute to a more circular economy. During 2022, Life Cycle Management handled over 85,000 units within the operations in Sweden and Germany. All in all, this is estimated to have resulted in emissions savings of around 24.5 thousand tons CO₂e.¹⁾ This is an improvement from last year by about 7.5 thousand tons CO₂e. To illustrate this, the total savings correspond to the entire GHG emissions that the whole Group generates within scope 1.

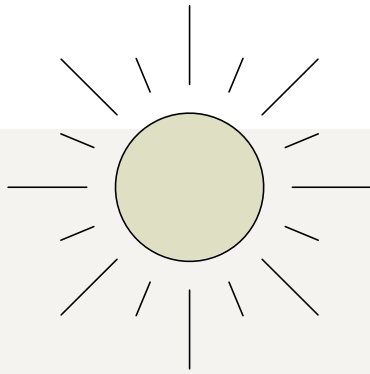
¹⁾ The CO₂ savings in CO₂ equivalents have been calculated in accordance with the principles set out in the report "Analys av återbrukade IT-produkter" (Eng: "Analysis of recycled IT products"), produced by the research institute RISE in collaboration with Elanders.

MATERIAL AND WASTE

A vital component in Elanders' ambition to counteract climate change through lower emissions and a shift to renewable energy is resource utilization. The Group is committed to higher material efficiency and improved waste management. With this comes more circular and sustainable resource flows, while new cost savings are found.

Material

Elanders is primarily a service supplier and the material purchases within the Group's operations are not particularly extensive. Business area Supply Chain Solutions mostly consumes packaging and pallet material used for storage, packing, handling and distribution. Print & Packaging Solutions consumes paper and ink for printed matter produced for customers. The transition to digital printing presses has continued during the year. It has enabled greater material efficiency and reduced energy consumption. Since the new presses only use water-based pigment colors, no ozone emissions are created. This has also reduced the emissions of volatile organic compounds (VOCs) considerably. For many years now Elanders has followed the principle of eliminating the use of aromatic solvents since they have a negative effect on both health and the environment.



Buildings and vehicles operated by Elanders

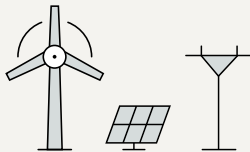
Scope 3
Other indirect emissions

Scope 2
Power & heating

Downstream

Scope 1
Own operations

Use of fuel etc.



Use of electricity



Transports managed on behalf of the customers



Transports of by Elanders manufactured products

At this point in time, Elanders does not have any definitive goals concerning material consumption and resource efficiency but is currently improving the quality of its data in this area in order to present key ratios for resource utilization in the Group. At the same time, value chain emissions from consumables and purchased equipment is being reviewed as an important step in identifying indirect impact and creating sustainable flows in every aspect.



Waste

In terms of volume, most of the Group’s waste is generated in business area Print & Packaging Solutions and consist mainly of paper and cardboard. A smaller portion of hazardous waste also consists of worn-out electronic equipment and waste in the form of alcohol and solvents. The latter is used mainly in cleaning the printing presses and plates. Elanders has recycling procedures to minimize the amount of waste that goes to landfill. How the waste is removed depends on the local waste removal system which varies widely in the Group. Steps are being taken locally to increase the amount of waste that is recycled as

well as preventative measures to improve resource efficiency and increase the portion of sustainable material selection through certifications like FSC® (Forest Stewardship Council), the Nordic Swan ecolabel and CGP (Certified Graphic Production). The Group also runs innovative projects where material is circulated within Elanders’ operations. A typical example is when used pallets are renovated or rebuilt and given new uses as furniture.

Elanders intends to increase transparency in how waste is managed and has in a pilot project collected waste data during 2021–2022. This data will be followed up in 2023 to reinforce monitoring and identify measures for the entire Group.

Each individual company in the Group is responsible for its own environmental and quality work aimed at compliance with local regulations and the quality and environmental audits initiated by Elanders’ customers.





Elanders' subsidiary Mentor Media works with the Swedish Chamber of Commerce in Singapore in a mentorship program for certain female managers. The women participate in a six-month leadership development program together with business leaders.

SOCIAL

Elanders' employees are its greatest asset, and their health and safety are of highest priority. A healthy and secure work environment leads to healthy employees who work safely. In addition to the intrinsic value of the wellbeing of employees, this contributes to society at large.

The section “Social Responsibility” in this Sustainability Report has been divided into four parts; “Health and safety”, “Employee relations”, “Diversity, equity and inclusion” and “Human rights”. Associated sustainability data for these parts can be found in the Sustainability Report notes.

HEALTH AND SAFETY

Elanders' work environment policy is found in the Group's Code of Conduct where guidelines concerning identifying, managing and preventing potential safety risks and emergency situations are provided. The goal is to promote a good work environment and reduce the risk for work-related injuries and illness. Management for each company is responsible for ensuring compliance with the Code of Conduct through further guidelines and policies that suit their specific operations.

Elanders' operations continuously strive to create conditions for safe workplaces with as little absence

due to illness and as few accidents as possible. This includes identifying improvement measures in the work environment, such as automation in production and ergonomic workplaces. Most work-related injuries occur in production and the most common are minor cuts or wounds from falling. Elanders has a zero vision concerning injuries at the workplace and works continuously on reducing risks that can lead to serious injuries.

0.04

Accident rate for serious injuries within the Group per 200,000 hours worked

AMBITIONS 2023

- Zero vision for workplace accidents.
- Working actively with information and education regarding health and safety at subsidiaries.



During the pandemic Elanders' subsidiaries quickly took steps to protect their employees, which in some cases has led to long-lasting health projects. For instance, the occupational health bus that Elanders' subsidiaries LGI and ITG invested in to offer vaccinations against COVID-19 has now become an integrated part of occupational healthcare in these companies.

EMPLOYEE RELATIONS

Elanders' ambition is to create attractive, inclusive and sustainable work environments where employees are engaged, develop and deliver results. Elanders believes in authentic leadership characterized by courage, engagement and sustainability. For this reason, Elanders invests heavily in constantly developing and improving the systematic work with the employees' work environment, working conditions, and training and education.

Employees

Because the Group is growing globally Elanders continues to create new jobs. Currently the Group has more than 7,000 employees, spread out among some 20 countries on four continents. For the most part subsidiaries are governed by the laws and regulations in their respective countries and regions. However, Elanders considers it the Group's responsibility to ensure a culture marked by honesty, integrity, personal responsibility, sincerity, loyalty and respect for both fellow human beings and the natural environment. These principles are stipulated in Elanders' Code of Conduct. Every two years, a digital training is conducted to educate all white-collar workers in the Group regarding the Code of Conduct.

Actively working with employee issues is fundamental for Elanders. Healthy, happy and motivated employees contribute, together with diversity and sustainable workplaces, to the Group's development and success on every level. This also provides even better conditions to keep the right talent and attract the younger generation. Every year the Group implements initiatives to promote competence development, health and wellbeing, as well as more equal workplaces.

The People and Culture Council was created in 2021, a council of HR managers from several subsidiaries. Its purpose is to stay updated on the latest laws and incoming reporting requirements concerning employees' working conditions and human rights, exchange experiences and develop the general social sustainability work for the organization. The Council is led by the Group Sustainability Director and it reports to Elanders' group management.

Safe conditions

Elanders has a continuous and constructive dialogue with employee representatives. A global business like Elanders goes through many changes that require information and consultation with employee representatives in the company. Regular meetings take place between management and employee organizations on different levels to communicate and discuss these matters. One such area is the European Works Council (EWC), a council that consists of employee representatives from every country in Europe that Elanders operates in. When a company is of a certain size, establishing this council is an EU requirement. The representatives meet physically once a year and Elanders' CEO participates. These meetings are intended to promote employees' rights to information and consultation in joint European matters. Elanders also has three employee representatives in the Board of Directors. One of the representatives is a deputy member.

Ethics and social responsibility

Elanders has a responsibility to set up parameters to ensure that all business in the Group is performed in an ethically and socially responsible manner. The Code of Conduct and Elanders' Anti-Corruption Policy comprise all employees and contain guidelines and rules on the way Group employees should relate to other employees, customers and suppliers as well as the communities Elanders operates in. Social responsibility includes promoting human rights and fair working conditions and counteracting corruption. Management for each Group company is responsible for ensuring compliance by formulating and communicating further guidelines and policies that suit their specific operations.

An extensive employee survey throughout the Group was initiated in 2022 as part of an updated materiality analysis. Its purpose is in part to identify how employees experience Elanders' sustainability work and in part gain better knowledge regarding which issues are considered important and engage employees. Together with the other stakeholder dialogues, the result will be a vital part of Elanders' strategy work going forward.

Elanders respects fundamental labor rights and follows internationally accepted frameworks from the UN and OECD as well as follows local laws where it operates.



Elanders' ambition is to create attractive, inclusive and sustainable work environments where employees are engaged, develop and deliver results.

AMBITIONS 2023

- Increase the portion of Elanders' employees that have taken the course on Elanders' Code of Conduct.



DIVERSITY, EQUITY AND INCLUSION

Elanders has developed considerably in recent years. Major acquisitions have given the Group a new structure and significantly extended it geographically. However, Elanders continues to believe that long-lasting competitiveness can only be achieved if the workplace is characterized by diversity, equal opportunities and inclusion. Among other things, this means that all employees should have the same opportunity for a career. During the year, work continued on developing a formal, group-wide gender equality plan that will be evaluated regularly by Elanders’ group management and Board of Directors.

Every Elanders subsidiary has its own projects that they run to promote their work on diversity, equality and inclusion, for example by broadening recruitment and integration projects. There is also a council that covers the entire Group, the People and Culture Council, that consists of HR managers from the subsidiaries along with the Group Sustainability Director. Council members exchange experiences and develop social sustainability work throughout the organization. It is also charged with staying updated on the latest laws concerning employees’ working conditions and rights as well as incoming reporting requirements on, among other things, human rights.

AMBITIONS 2023

- Increase the portion of women in leading positions.
- Increase diversity in leading positions.



HUMAN RIGHTS

As a global group, Elanders intends to be amongst the best when it comes to social responsibility and corporate commitment in all areas where the company is involved. Elanders has committed to respecting human rights, in line with the UN Guiding Principles on Business and Human Rights (UNGPs) and the UN Convention on the Rights of the Child.

Elanders’ values regarding fair conditions are established in the Code of Conduct which stipulates that Elanders should work to protect international human rights. The Code of Conduct strictly prohibits any kind of forced labor, human trafficking and child labor. It is self-evident for Elanders to work for children’s right to education and to protect children from economic exploitation and dangerous or harmful jobs.

Elanders’ Code of Conduct also contains prohibition of any kind of harassment or discrimination. Everyone shall

be offered the same opportunities and is treated with respect. Elanders actively supports freedom of speech, freedom of movement and religious freedom, within the framework of applicable legislation, and the Group does not tolerate human rights violations. In addition to this, Elanders provides fair working conditions at the same time as national and local laws are respected in the countries where operations are run. All Elanders employees have the right to a written employment contract.

Human rights in the value chain

Elanders’ Code of Conduct also comprises suppliers and business partners to ensure the Code of Conduct permeates every part of the value chain. Elanders has therefore produced a “Suppliers Code of Conduct”, which is communicated to suppliers and business partners. Each company is currently responsible for making sure that suppliers also comply with the Code of Conduct where considered relevant. In the same way that Elanders monitors its suppliers, Elanders is often reviewed by customers to make sure fair social conditions are used in the business and production.

These measures serve to strengthen Elanders work on human rights in accordance with the UN Guiding Principles. They also prepare the Group for the coming laws in EU’s new regulations on sustainable financing, corporate reporting and obligatory due diligence in value chains.

During 2023, Elanders will continue its efforts to communicate its Code of Conduct to employees, suppliers and business partners. Elanders is also developing quantitative key ratios to reinforce the reporting on its work with human rights and fair conditions.

In addition, the Group has a number of different projects going that enable the company to take a greater social responsibility in the communities where Elanders is active. Each subsidiary decides themselves which projects they want to be involved in and support through, for instance, donations and support to regional and local organizations such as schools and orphanages.

AMBITIONS 2023

- Develop action plans that manage the risks identified in the assessment of human rights in the value chain for the entire Group.



GOVERNANCE

Business ethics, responsibility and morals are core values for Elanders and a key part of its sustainability strategy. This includes working for, and supporting, the communities where Elanders is active, and promoting sustainable commerce. The Group hopes that this will in turn lead to a more sustainable Elanders and a better community to operate in. While this permeates all governance of the Group it is also necessary to take into account all current opportunities and threats.



In this Sustainability Report, the section “Governance” has been divided into five parts; “Business ethics”, “Data ethics”, “Sustainable procurement”, “Responsible taxpayer” and “Society”.

BUSINESS ETHICS

Elanders’ reputation, ethical behavior, and trustworthiness are highly valued by the Group and its stakeholders such as investors, customers and suppliers. Any kind of corruption could impact the Group’s image very negatively. Elanders follows applicable laws and regulations locally and internationally regarding both ethical rules and corruption.

Code of Conduct

Elanders’ Code of Conduct comprises all employees, the Board of Directors and other people who act on behalf of Elanders. It stipulates that both the company’s and its employees’ actions and behavior should be marked

by honesty, integrity, personal responsibility, sincerity, loyalty and respect for other human beings as well as the environment. The Code of Conduct is based on international principles such as the UN Universal Declaration of Human Rights, the UN Global Compact, ILO Declaration on Fundamental Principles and Rights in Working Life and the OECD guidelines for multinational companies. Elanders’ Code of Conduct also comprises suppliers and business partners to ensure the Code of Conduct permeates every part of the value chain.

All business in Elanders shall be conducted socially responsibly and ethically. Social responsibility includes promoting human rights and fair working conditions and counteracting corruption. Management for each Group company is responsible for ensuring compliance by formulating and communicating further guidelines and policies that suit their specific operations.

“

Elanders’ reputation, ethical behavior, and trustworthiness are highly valued by the Group and its stakeholders such as investors, customers and suppliers.

Anti-corruption

The Group's Anti-Corruption Policy "*Anti-Corruption, Anti-Fraud and Anti-Money Laundering Policy*" contains guidelines for handling corruption, fraud and money laundering. It describes the way Group employees should relate to customers, suppliers, other stakeholders and all the communities where Elanders is active. It clearly states that Elanders has absolutely zero tolerance for any kind of fraud, bribes or other actions that create unfair advantages, and which transgress against Elanders' policy, local laws and regulations, industry standards and ethics codes in the countries the Group is active in.

Employees may not accept, be promised, demand or swindle any kind of advantages in connection with their position in the company. The policy also states that all employees are obliged to comport themselves with integrity and ensure that they understand and follow Group guidelines. The policy also contains instructions on how to report any irregularities or deviations from the policy.

Education

The updated Anti-Corruption Policy and Code of Conduct was communicated at the end of 2019 to all the companies in the Group together with digital courses in each area for Group white-collar workers. Education of employees have ongoing since then and will continue in 2023, when also classroom trainings is planned to be carried out, after being postponed due to COVID-19. In 2021, a total of 81 (77) percent of all white-collar workers at Elanders completed the courses on the Anti-Corruption Policy and Code of Conduct. The training is conducted every second year. Education of Group employees is an ongoing process. Central monitoring takes place every other year and continuously by each company to ensure that the Code of Conduct has been communicated to all employees. Monitoring takes place annually to ensure that all employees in the Group have taken the Anti-Corruption Policy course.

Whistleblower function

Elanders' Anti-Corruption Policy and Code of Conduct also contain instructions for reporting deviations, i.e. a whistleblower function. The whistleblower function policy was updated in 2022. No material incidents of fraud, corruption, bribes, or money laundering have been reported in 2022.

AMBITIONS 2023

- Increase the portion of Elanders' employees that have taken the course in Elanders' Code of Conduct.



DATA ETHICS

Elanders' approach to data ethics takes into consideration the individual's right to integrity regarding data, ethical use of artificial intelligence and careful handling of confidential information. Clear guidelines must be given regarding handling data in connection with more comprehensive use of technology and corresponding amounts of data. For Elanders it is extremely important to handle the data of all stakeholders in such a way that their trust remains intact.

GDPR became law in 2018 and is intended to protect individuals' basic rights, which is a human right. At the end of 2019, Elanders therefore produced a training to ensure that employees are knowledgeable about, and act in accordance with, the stipulations of GDPR and other relevant data protection regulations out in the world. In 2021, a total of 81 (75) percent of all white-collar workers at Elanders completed the training. The training is conducted every second year. As with the anti-corruption education, classroom courses will hopefully commence in 2023 after postponement due to COVID-19. There will be regular follow-ups to ensure that all Group employees have been taught data ethics.

In the beginning of 2021, Elanders' Binding Corporate Rules (BCR) were approved by the Swedish Authority for Privacy Protection (IMY), as the third company in Sweden. These rules regulate how Elanders handles personal data to ensure that data protection regulations are followed when transferring personal data to Group companies outside the EU/EES. Approval was received after an exhaustive review by IMY and other co-reviewer European data protection authorities as well as an opinion from the European Data Protection Board, EDPB.

AMBITIONS 2023

- Increase the portion of Elanders' employees that have taken the course in Elanders' Code of Conduct.



SUSTAINABLE PROCUREMENT

Elanders primarily provides services to its customers. In some cases, the Group uses subcontractors appointed by the customers themselves. Elanders' Code of Conduct for suppliers defines the fundamental demands the Group makes on these suppliers and the responsibility they should take for their stakeholders and for the financial, environmental and social impact of their activities.

Elanders' current and future suppliers must follow national laws and regulations in the countries where they operate in all their businesses. In cases where local, national or international laws and regulations are stricter than Elanders' Code of Conduct they go first and must be complied with.

As the pressure from a growing number of regulations on responsible management of supply chains intensifies, in combination with customers' demands for sustainable logistic solutions, increasingly higher demands are made on how supply chains are handled.

Monitoring/Compliance

Elanders evaluates compliance with its Code of Conduct through annual audits, self-assessments and documentation reviews. In applicable cases suppliers are encouraged to remedy gaps in their implementation of the demands in the Code of Conduct through an action plan with a timeline prepared together with Elanders.



RESPONSIBLE TAXPAYER

A well-functioning tax system, locally and internationally, contributes to financing education, health-care, transportation, infrastructure and other public services that support sustainable development, local communities, businesses and commerce. It is obvious that companies need to support the local economies where they do their business.

As a global logistics actor, Elanders generates profits from serving many international customers worldwide with various services. Elanders operates in some twenty countries through more than 80 legal entities and the business in the Group is structured according to commercial and financial needs. Taxes are paid where value is created, within legal parameters, and according to relevant guidelines from authorities. The Group tries to be tax efficient which includes avoiding double taxation, interest expenses and tax fees. Tax is paid when it is due.

All operations in the Group are subject to normal company tax regulations and income tax is paid in the country the operations are run, according to the tax rates in the country. Elanders acts responsibly and with integrity in all tax matters and ensures it fully complies in all jurisdictions worldwide. The Group works closely with tax agencies to ensure that all relevant information is made public and that the right amount of tax is paid while maintaining a balance with its obligations to Group shareholders. EU's list of non-cooperative jurisdictions for tax purposes for 2022 is comprised of nine countries. Elanders does not operate in any of these countries.

Elanders' total tax expense in 2022 was MSEK 180 compared to MSEK 151 in 2021. This corresponded to an effective tax rate of 27.0 (31.3) percent.

Complete reporting

Every year Elanders provides complete country-for-country reporting to the Swedish Tax Agency according to statutory requirements. The reporting entity is Carl Bennet AB, parent company to Elanders, and the report comprises the business in the Elanders Group.



SOCIETY

Based on its core values, Elanders actively takes responsibility in supporting the communities it operates in. The company has a long tradition of cooperation, global partnership and local initiatives in this area.

Partnership and cooperation

By collaborating with organizations that share Elanders' ambitions to spread knowledge about sustainability at all levels, a greater impact is achieved. Elanders has both global and local collaborations where the focus is on certain prioritized areas:

- Education for youths and children
- Spreading knowledge
- Innovation and research
- Health
- Life Cycle Management

Three partnerships that Elanders is involved in on a Group level



The 2022 WIN WIN Award went to Swedish Gårdsfisk which runs land-based fish farming with the vision to produce the world's most sustainable fish. By breeding new species on land in recirculating systems, Gårdsfisk is a pioneer in the future of sustainable food systems.

WIN WIN Gothenburg Sustainability Award

Since 2000, Elanders is one of thirteen organizations that contribute to the prize sum of one million Swedish kronor for the *WIN WIN Gothenburg Sustainability Award* (previously The Gothenburg Award for Sustainable Development). Today the WIN WIN organization is a recognized catalyst for regional, national and global sustainable development. The *WIN WIN Youth Award* was instituted in 2018. The awards spotlight groundbreaking work on annual and alternating themes for a more sustainable world.

By participating in the WIN WIN Award's international network, and by drawing attention to award winners, Elanders helps to spread knowledge about vital social issues, both externally and internally in the organization.



The WIN WIN Award is one of the absolute finest prizes you can receive in sustainability and we are extremely proud to have been honored with winning in the theme Sustainable Aquaculture! The idea behind Gårdsfisk was to breed the world's most sustainable fish without compromising. Awards like this boost us with energy to continue our work on driving changes so that we can have an impact on global aquaculture.

GÅRDSFISK



The WIN WIN Youth Award went to scientist Sara Gutierrez Plata that develops sustainable aquaculture in Mexico by restoring damaged coral reefs with the help of Caribbean King Crabs that effectively free the reefs from suffocating macroalgae.



Universeum

To reinforce Elanders' work in Life Cycle Management, a partnership with Universeum was initiated at the end of 2020. Universeum is Sweden's national science center and a powerful arena for academic and popular education in science, technology and sustainable development. The collaboration is focused on reusing electronics, thereby increasing the lifetime of these products, which leads to considerable environmental gains. In the spring of 2022, a public event spotlighting reusing electronics was held at Universeum. The program was a collaboration with Chalmers University of Technology and was fueled by a common desire to reduce the amount of electronic debris.

Pratham Education Foundation

Together with around ten other Swedish companies, Elanders initiated a collaboration with the innovative Indian educational organization *Pratham Education Foundation* in 2017. The foundation was started in 1995 to improve the quality of education in India. Pratham has become one of the largest charitable organizations in the world today. Its founding principle is to help as many children as possible to achieve higher levels of knowledge through education programs that take into consideration the gaps in the Indian educational system. Pratham's educational methods have been formed and developed together with the researchers Esther Duflo, Ahijit Banerjee and Michael Kremer, who were awarded the Swedish National Banks Prize in Economic Sciences in Memory of Alfred Nobel, in 2019.

During 2022, the project has slowly begun to return to normal after the COVID-19 pandemic and the school closures that have lasted for almost two years. In March, Pratham started up its physical educational activities in the schools in both Assam and West Bengal. Therefore, focus during the year has been on registering children back into school and ensuring that they are ready to go to school. Pratham reached more than 27,000 children in more than 400 villages in 2022.



Local initiatives/programs

In addition to partnerships on Group level, all Elanders companies are in different ways engaged in local initiatives that support special community groups and contribute to greater health, security and inclusion. Social responsibility is self-evident for Elanders. By contributing to positive community development, Elanders is part of creating the right conditions for a more inclusive and peaceful society. Here are a few examples of what is being done locally.

Elanders and Social Bee

Social Bee is Germany's number one service supplier of diversity. As a leading expert in successful and sustainable integration on the labor market it creates new opportunities every day – for both people and companies. It has an entrepreneurial approach to integration and realize it in nationwide, comprehensive projects. In this way, they promote diversity at workplaces and strengthen their customers from the inside out with experienced diversity.

It is powered by giving socially vulnerable people real opportunities and the chance to participate in the community. Social Bee has become one of the Elanders' subsidiary LGF's recruitment platforms, and in the beginning of 2022 a pilot project "Logistics Bootcamp" was launched. Through the project, ten immigrants went through an eight-week course on integrating into the work force.

Humanitarian aid

Every year Elanders' subsidiaries contribute to specific local humanitarian aid projects. In 2022, several such contributions have been for food donations to, for instance, homeless people as well as healthcare personnel in connection to their intensive work with COVID vaccinations. In addition to reaching out directly to the people in communities where Elanders operates, annual donations are made to a number of charities.

NOTES TO THE SUSTAINABILITY REPORT

NOTE 1 – Accounting principles

General information

The main activities of the Elanders Group are described in the Board of Directors' report in this Annual Report. The Sustainability Report and related data refer to the financial year ended 31 December 2022. The Sustainability Report is issued annually as part of Elanders AB's Annual Report, but has not undergone any external review.

Accounting principles

Accounting

In preparing the Sustainability Report Elanders has based its work on established international frameworks. The report is prepared in accordance with the EU taxonomy for sustainable investments. The accounting of greenhouse gas emissions has been guided by the principles and definitions of the Greenhouse Gas Protocol. The Global Reporting Initiative's (GRI) guidelines have also to some extent influenced the report. Elanders intends to report ESG data in line with established sustainability frameworks and is in a preparatory process to report in accordance with the EU's upcoming standard for sustainability reporting, ESRS. Read more

about accounting principles and estimates made for each area in the associated note.

There is continuous work to develop the data collection in order to be able to present robust and transparent sustainability data to Elanders' stakeholders. The content presented in the report is based on principles of materiality, reliability and clarity. Elanders is still in the early stages of reporting ESG data. In 2022, the focus has been on establishing processes and routines around reporting and defining materiality limits to handle the complex flows of activities that fit within the ESG area.

Consolidation

The sustainability report covers the companies in which Elanders AB has direct or indirect control. Acquired companies are normally included in the sustainability report from the date on which Elanders acquires control of the company. One exception is the acquisition of Bergen Shippers Corp. ("Bergen") that Elanders completed in November 2021. To achieve comparability between the years, data for Bergen has been included for the entire financial year 2021.

NOTE 2 – Environment – Greenhouse gas emissions

Accounting principles

Calculations and disclosure of greenhouse gas emissions are based on the definitions in the global standard Greenhouse Gas Protocol (GHG Protocol) and supported by its guidelines. Elanders reports emissions from activities of which the Group has financial control.

The GHG Protocol divides greenhouse gas emissions into scopes 1, 2 and 3. For Elanders, the different categories refer to the following:

Scope 1

Scope 1 emissions cover direct emissions from assets owned or controlled by Elanders. This category includes on-site energy, such as natural gas and fuel, refrigerants and emissions from combustion in owned or controlled boilers, and emissions from fleets (for example, cars, vans, trucks, etc.).

Scope 2

Scope 2 emissions cover indirect greenhouse gas emissions from purchased or procured energy, such as electricity, steam, heating or cooling, produced off-site and consumed by Elanders. One example is electricity purchased from electricity companies. Since the electricity is produced outside the plant, it is considered to give rise to indirect emissions.

Scope 3

Scope 3 covers all indirect emissions that occur in Elanders' value chain and is divided into upstream or downstream emissions. Upstream emissions include the indirect greenhouse gas emissions within Elanders' value chain that are linked to purchased or procured goods and services. Downstream emissions include the indirect greenhouse gas emissions within the Elanders' value chain that are linked to goods and services sold and occur after manufacturing.

The emission calculations cover the gases carbon dioxide (CO₂), methane (CH₄) and nitrous dioxide (N₂O) which are reported as carbon dioxide equivalents (CO₂e). Reported numbers are based on activity- and consumption data from the last available annual account. Applied emission factors are specified under each scope and are based on latest available published information.

Elanders has tracked greenhouse gas emissions since the base year 2021. The Group policy states that in the event of major acquisitions or divestments, or if applied calculation or disclosure principles change significantly, the base year shall be reviewed for possible restatement.

The value chain emissions in scope 3 will constitute a majority of the Group's total greenhouse gas emissions. The category here that is expected to stand out is the freight (air, sea and road transportation), which Elanders purchases on behalf of the customer from third parties and which relates to the transport of the customer's products. This part of the emissions is difficult to influence, as it is the customer who decides how much is transported and how it should be transported.

The focus in 2022 has been on the inventory of greenhouse gas emissions within scopes 1 and 2. During 2023, a complete survey of scope 3 emissions will be carried out. The goal is to be able to present the results of this survey in the annual report for 2023.

NOTE 2 – Environment – Greenhouse gas emissions (cont.)**Estimations and assessments****Scope 1***Facilities*

Direct emissions within facilities are based on reported consumption data for natural gas and fuel oil, and calculated with emission factors from the Swedish trade association Swedenergy. The smaller proportion of emissions derived from refrigerant leakage in cooling and heating systems are included in the total emissions for facilities. These are calculated based on volumes of refilled refrigerants and emission factors from the Swedish Environmental Protection Agency.

Company vehicles

Direct emissions for company vehicles include travels and transports for commercial purposes. The own truck fleet is reported separately as the calculation method is based on fuel consumption data. To calculate emissions from other company operated vehicles distance data was used with emission factors from the Swedish Environmental Protection Agency. Estimations have been made when exact activity data is missing. Elanders intends to improve the quality of the reporting of emissions from company vehicles through more consistent calculation method.

Scope 2*Electricity*

Electricity includes the electricity consumption in the facilities that are used within the Group. To calculate indirect emissions from electricity consumption, for European countries, emission factors for residual mix from the Association of Issuing Bodies (AIB) are applied and corresponding from the International Energy Agency (IEA) for other countries. The reporting of renewable electricity from the power grid is based on own assessments of approved contract instruments. These are electricity contracts and certificates considered to certify the origin and share of renewable energy for consumed electricity. To calculate emissions from renewable energy sources, published factors from the Swedish company Vattenfall are used.

The electric vehicles are typically charged on-site and the electricity consumption for this is included in the total electricity consumption for the facilities. Electricity for electric vehicles that are charged outside the facilities are excluded, due to lack of data.

District heating

Energy-related emissions from district heating are included in Elanders' scope 2 and calculations are based on emission factors from Swedenergy for Sweden and corresponding AIB factors for other countries.

GREENHOUSE GAS EMISSIONS FROM OWN OPERATIONS (SCOPE 1 AND 2)

Tons CO ₂ equivalent	2022	2021
Scope 1 – direct greenhouse gas emissions		
Facilities	7,320	8,214
Truck fleet	16,306	17,892
Other company vehicles	1,125	1,085
Total – scope 1	24,750	27,192
Scope 2 – indirect energy-related greenhouse gas emissions		
Electricity	10,929	11,899
District heating	1,937	2,277
Total – scope 2	12,866	14,176
Total – scope 1 & 2	37,616	41,368

In the reporting of total emissions in scope 1 and 2, market-based method has been used. With this method, total emissions within these scopes are 37,616 (41,368) tons of CO₂e. If location-based method is used instead, the corresponding emissions are 45,993 (49,377) tons of CO₂e.

NOTE 3 – Environment – Energy consumption

Accounting principles

Elanders reports total energy consumption for owned and leased facilities and the own truck fleet. The table below presents figures per energy source based on reported consumption data.

Estimations and assessment

For energy consumption in facilities, general conversion factors from supplier data are applied. When these are not available, published factors from The Swedish Energy Agency are used. For vehicles, conversion factor from The Swedish Gas Association is used. For natural gas corresponding factor is derived from Drivkraft Sverige. Energy consumption for company vehicles apart from the truck fleet has been excluded in the total fuel consumption due to insufficient data. Renewable electricity consumption includes purchased electricity from the grid and does not take into account self-generated renewable electricity.

ENERGY CONSUMPTION IN OWN OPERATIONS, MWH

	2022	2021
Vehicles		
Diesel	83,215	91,608
Liquified natural gas (LNG)	1,243	1,008
Total	84,458	92,616
Facilities		
Natural gas	34,840	39,930
Fuel oil	51	52
Electricity	53,091	53,212
District heating	3,977	3,773
Total	91,958	96,968

TYPE OF ELECTRICITY

	2022	2021
Electricity from renewable sources, MWh	28,105	27,313
Electricity from non-renewable sources, MWh	24,986	25,899
Share of renewable electricity from the power grid	0.53	0.51

ENERGY INTENSITY – TRUCK FLEET

	2022	2021
Average carbon dioxide emissions per 100 kilometers, tons	0.074	0.073

NOTE 4 – Social – Employees in the Group**Accounting principles**

Elanders reports data for employees who have been employed in the Group at year-end. For further information regarding employees, please see Note 5 in the Group's financial statements.

Estimations and assessments

For the reporting of gender division among employees, assessments have been made by those responsible at each company, taking into account privacy reasons.

NUMBER OF EMPLOYEES AT YEAR-END

	2022
Full-time employees	6,962
– of which women	2,707
– of which men	4,255
Part-time employees	572
– of which women	383
– of which men	190
Total	7,534
Total converted to FTE	7,248

EMPLOYEE TURNOVER, %

	2022
The Group as a whole	17
– of which women	19
– of which men	16

The Group's large proportion of temporary and seasonal employees is the reason for the relatively high employee turnover.

AGE DISTRIBUTION EMPLOYEES, FTE

	Female	Male	Total
<30 years	520	673	1,193
30–39 years	771	1,090	1,861
40–49 years	806	1,153	1,959
50–59 years	584	1,061	1,645
>60 years	192	398	590
Total	2,873	4,375	7,248

SHARE OF WOMEN, %

	2022
Share of women, all employees	40
Share of women, Board of Directors	44
Share of women, Group Management	–
Share of women, management positions	37

Management position refers to group manager or more senior position.

NOTE 5 – Social – Work-related injuries**Accounting principles**

Elanders reports work-related injuries that occur as a result of exposure to hazards and risks at work. All employees have been included, including permanent and temporary employees. High-consequence injuries refer to accidents from which the employee has not recovered, or is expected to recover, within six months.

Estimations and assessments

The accident rate has been calculated based on number of accident per 200,000 hours worked. The total number of hours worked is based on the average number of employees in the Group, which has been multiplied by normal working hours in the country where Elanders has most employees.

Responsible persons at each company make the assessment of the type of injury and the categorization of this.

NUMBER OF ACCIDENTS

	2022
Fatalities	-
High-consequence injuries	3
Total number of injuries	236
Total number of hours worked, in thousands	13,336
Frequencies	
Fatal injury frequency rate	-
High-consequence injury frequency rate	0.04
Accident rate	3.54

No workplace accidents have resulted in fatalities.

The most common type of reported injuries are laceration, bruises, fractures and muscle injuries. The identified work-related hazards with the potential to cause injury are mainly due to ergonomics and manual handling.

NOTE 6 – Social – Training hours**Accounting principles**

The reporting covers training offered to permanent employees in the Group and includes both external and internal training. The reporting excludes on-site supervision. For a specification of the number of employees (FTE) per category, please see note 5 in the Group's financial statements.

Estimations and assessments

Estimations and assessments have been made by those responsible at each company. In cases where exact number of training hours has not been available, reasonable estimations have been made.

TRAINING HOURS

Average hours/FTE	2022
All employees	7.1
Women	6.6
Men	7.3

AUDITOR'S REPORT ON THE STATUTORY SUSTAINABILITY REPORT

*To the general meeting of the shareholders in Elanders AB (publ),
corporate identity number 556008-1621*

ENGAGEMENT AND RESPONSIBILITY

It is the board of directors who is responsible for the statutory sustainability report for the year 2022 on pages 112–136 and 138–139 and that it has been prepared in accordance with the Annual Accounts Act.

THE SCOPE OF THE AUDIT

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 *The auditor's opinion regarding the statutory sustainability report*. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

OPINION

A statutory sustainability report has been prepared.

Möln dal, 17 March 2023

PricewaterhouseCoopers AB

Eric Salander
*Authorised Public Accountant
Auditor in charge*

Daniel Körner Rask
Authorised Public Accountant

EU TAXONOMY

The EU Taxonomy is a classification system to help define environmentally sustainable economic activities to support the transition to an economy consistent with the EU's environmental objectives. In accordance with the Taxonomy regulation ((EU) 2020/852) and its delegated acts, companies should identify the economic activities that are environmentally sustainable based on technical audit criteria. For a certain economic activity to be classified as environmentally sustainable, there are three criteria that must be met: it must materially contribute to one, or several of six defined environmental objectives, not cause significant damage to any of the objectives as well as abide by fundamental labor law conventions and human rights.

Elanders has concluded that the Group financial operation that this reporting encompasses are services regarding road transportation (Annex 1, EU Taxonomy 6.6 *Freight transport services by road*) under Elanders' auspices. These services are supplied by business area Supply Chain Solutions. Road transportation is carried out either with owned or leased trucks. The truck fleet consists of approximately 300 trucks, all of which meet the Euro 6 emission standard for heavy vehicles. At the same time, Elanders follows the technological development in the transport sector and reviews opportunities to switch from fossil-powered vehicles. The type of vehicle used is decided through dialogue with customers. Based on the customers' requirements, Elanders works continually to ensure that transportation is as environmentally friendly as possible, using as the most cost- and energy-efficient solutions as possible while optimizing customers' transportation.

Elanders continuously works to reduce energy consumption and improve energy efficiency in all operations as well as use as much renewable electricity as possible where it is available. There are plans to invest in solar panels on buildings and in own solar panel parks. According to section 1.1.2.2 in the delegated act (2021)/4987 (c), the capital expenditure for solar installations may become taxonomy-eligible under activity 4.1 *Electricity generation using solar photovoltaic technology* and 7.6 *Installation, maintenance and repair of renewable energy technologies*.

Elanders continuously monitors the updates that take place in the drafting of the Taxonomy Regulation and will likely be covered to a greater extent in the future, when more of the EU's environmental targets and more kinds of activities and products are included.

In 2022, three key financial ratios will be reported that show how much of the business comes under taxonomy's technical audit criteria regarding climate change (taxonomy-eligible). The reporting must also show to what extent the economic activities meet the technical audit criteria, and are thus considered to be environmentally sustainable (taxonomy-aligned).

The outcome of the review of Elanders' economic activities for 2022 in accordance with the EU taxonomy regulation is shown in the table. Since only one economic activity has been identified as taxonomy-eligible, information on all key figures is available in the same table. The economic activity road transportation only take place within one business area, therefore no double counting should be possible.

Accounting principles

In accordance with the taxonomy regulation, companies are required to disclose the extent to which the company's economic activities are sustainable through three key financial ratios: turnover, capital expenditure and operating expenses. In the context of accounting in line with the EU Taxonomy, turnover, capital expenditure and operating expenses are defined as per below. The definition of capital expenditure and operating expenses differs here compared to our regular financial reporting.

Turnover

The presentation of total sales includes the Group's total external net sales for 2022 as reported in the income statement on page 52. See note 3 for accounting principles for the Group's revenue. Sales related to the economic activity included in the taxonomy regulation refers to revenues from road transportation in the business area Supply Chain Solutions.

Capital expenditure

Total capital expenditure refers to additions to tangible and intangible assets during the year and additions to right-of-use assets. This also includes corresponding assets from business combinations, but not goodwill, customer relationships and trademarks with indefinite useful life. See details in note 13 Intangible Assets, note 14 Tangible Assets and note 15 Right-of-use assets. Capital expenditure related to the economic activity road transportation refers to acquired trucks and new right-of-use assets relating to trucks.

Operating expenses

The accounting of operating expenses within the framework of the EU taxonomy includes the Group's direct costs related to research and development, building renovations, short-term leases and maintenance and repairs as well as other direct costs for maintaining the fixed assets covered by the taxonomy regulations. Operating expenses related to the economic activity road transportation refers to operating expenses related to trucks, such as maintenance and repair costs.

	Total (MSEK)	Share of taxonomy- eligible activities (%)	Taxonomy- aligned proportion (%)	Share of non-taxonomy- eligible activities (%)
Turnover	14,974	3	0	97
Capital expenditure	1,439	1	0	99
Operating expenses	347	3	0	97