

Sustainability Report

We specialise in electrical, heating & plumbing, ventilation and cooling systems. We offer system design, installation and service & maintenance of buildings and facilities in Sweden, Norway and Finland. Our climate-smart, sustainable installations help lower energy use.

At Instalco, sustainability means running operations responsibly and applying a holistic approach to the economic, environmental and social aspects. We strive to, each day, contribute to a sustainable world through our local presence and by offering technical, efficient solutions in all disciplines. Providing safe, sustainable installations that help generate benefits to society is a high priority for us. We also put much emphasis on having a safe, stimulating work environment. Each day, in collaboration with customers and employees, Instalco generates benefits to society.

Each day, throughout the Nordic region, we design and install electrical, heating & plumbing, ventilation and cooling solutions at properties, industries and plants.

Our climate-smart installations lower energy and resource consumption to help future-proof society. We want to create a sustainable society by contributing what we know best. Our installations benefit schools & preschools, hospitals, nursing homes and other critical public services, helping them function optimally, every day, year round.

Instalco's sustainability contribution

Instalco's contribution to a sustainable society involves, for example, designing and installing photovoltaic systems and more energy-efficient, environmentally-friendly heat pumps, geothermal heating systems, heat exchangers, LED lighting, charging stations and sprinkler systems. We also take part in a variety of air and water purification projects. New installations are more energy efficient and energy saving than older systems and installations.

We help the end clients of construction projects apply a holistic approach to sustainability, at all stages, providing them with more knowledge of what is possible, from an environmental perspective, when undertaking new construction or renovation.

The Group has a shared Code of Conduct, along with policies and guidelines for the environment, sustainability and work environment, along with a Code of Conduct for Suppliers, which are reviewed annually and decided by the Board of Directors. The Group CEO is ultimately responsible for ensuring that all subsidiaries act in accordance with the Group-wide policies and initiatives. The CEO of each subsidiary is responsible for implementing these policies at their company, with support from the Head of Division or Business Area Manager. All companies within the Group work proactively to reduce their negative environmental impact. In addition, each specific company is able to take its own initiative and set its own goals that benefit local society and create attractive workplaces.

Sustainable Instalco Project

A key component of the sustainability work is our classification system, "Sustainable Instalco Project". The purpose of certification is to be able to offer our customers a guarantee that we have considered the important sustainability issues in all parts of the project's implementation. The criteria for a project obtaining classification includes questions about work safety, transports and deliveries, climate benefit, waste sorting and recycling, service via sustainability agreements and that the suppliers are expected to sign a Code of Conduct that covers certain values, like equality and anti-discrimination. The certification must be applied to projects corresponding to at least 1 percent of the subsidiaries' sales and to obtain that, at least six criteria must be fulfilled.

Certification as a Sustainable Instalco Project serves as a stamp of quality for the project, customer, the Instalco subsidiary that executed the assignment and its employees.

In 2022, we adapted the criteria for certification as a Sustainable Instalco Project for the technical consulting and industrial business areas.



Main areas of the sustainability programme

Instalco's Sustainable Installations programme aims to raise the bar even higher for the Group's sustainability work in order to be able to deliver world-class sustainable installations. We aim to, every single day, generate benefits to society via climate-smart, energy-efficient installations that lead to lower consumption of resources and thus a more sustainable planet.

The sustainability programme has three focus areas:

1. Safe and modern work environment

- Vision of zero occupational injuries
- Happiness, health and safety
- Development opportunities

2. Sustainable installations

- Sustainable Instalco Project
- Benefits to society
- Customer satisfaction

3. Mature leadership

- Business ethics
- Social responsibility

Please read more about it at instalco.se

1.

Instalco's environmental efforts

All companies within Instalco are required to select materials and choose work methods that result in a lower impact on the internal and external environment. Instalco shall:

- Cooperate with customers and planners to lower the negative environmental impact
- Increase employee knowledge of the environmental aspects of our work
- Comply with laws and other environmental requirements established by the Group

Instalco is an environmentally conscious company, where all employees are responsible for giving as much consideration as possible to the environmental aspects in their everyday work. Work with environmental issues occurs in all areas of the Group's operations: from the selection of products and suppliers, via purchasing and logistic flows to the final offering with installations, operations and service. Active environmental efforts are an important success factor for Instalco's growth.

- Instalco participates in many projects where clients will seek Miljöbyggnad certification, which is a system set up by Sweden Green Building. To achieve such certification, the environmental efforts and the building's environmental performance are evaluated by a third party.
- Instalco is also often involved in BREEAM projects (BRE Environmental Assessment Method). It is the world's leading sustainability assessment method, set up and administered by Building Research Establishment (BRE). Sweden Green Building Council has adapted BREEAM to the Swedish market and prerequisites.
- We also participate in projects carried out in accordance with WELL Building Standard.
- And, we have our own certification system as well, Sustainable Instalco Project.

Instalco's core business is helping its customers reduce their energy consumption and environmental impact through resource & energy-efficient installations. The Group also strives to continually lower its environmental impact from travel, purchasing, waste management and the handling of hazardous substances. Management has assessed that Instalco's most significant environmental impact is its carbon dioxide emissions. One prioritised area is to take stock of the Group's vehicles and how they are used. The car fleet is gradually being made more efficient with the goal of lowering fuel-related carbon dioxide emissions on an annual basis. At present, we do not measure the Group's total carbon dioxide emissions. We have, however, implemented measures for lowering our carbon dioxide emissions by, for example, continuously increasing the car fleet of electric and hybrid cars, introducing delivery plans and increasing the use of transport hubs to coordinate transports to building sites. The total percentage of electric and hybrid cars in the Group is 33 percent.

Purchasing

Because purchasing of materials and services for installations is a core part of Instalco's business, it is also important to focus on this as part of the overall sustainability effort. The core of Instalco's supplier base is suppliers that Instalco has collaborated with for many years and together, we discuss ways of developing the sustainability aspect. It covers such things as good product choices from a sustainability perspective and smarter logistics. All of Instalco's main suppliers run their own proactive sustainability efforts and it is a key issue throughout the entire value chain. Nearly all of the suppliers that Instalco has signed central contracts with have signed the Code of Conduct, which is also a requirement for being the supplier of a Sustainable Instalco Project.

Close collaboration with suppliers is the key to effectively ensuring that Instalco's companies continuously have the information needed for mak-



Sustainable Instalco Project

In 2022, we conducted and certified 95 Sustainable Instalco Projects (see the example on page 42). In order for a project to become classified as a Sustainable Instalco Project, it must meet six specific sustainability indicators:

1. It must meet the requirements on occupational health and safety via the programme, "Safe Employee".
2. Suppliers are required to have signed the "Instalco Code of Conduct for Suppliers".
3. The project must meet the "climate smart" criteria established by Instalco.
4. It must have an established delivery plan with detailed transport and ordering procedures.
5. There must be adherence to the established routines for waste management and sorting at the source.
6. The customer must be offered a sustainability contract upon completion of the project.

ing the right product and material choices, and guiding customers and clients in that area. It's particularly important since customer requirements, at least in part, determine which products are used in installation projects. With the new EU Taxonomy Regulation, which classifies many of Instalco's relevant product groups, and the pending requirements on environmental product declarations (EPDs) for installation products, we anticipate a more rapid shift to a higher percentage of sustainable products in installation projects.

2.

Instalco's social responsibility

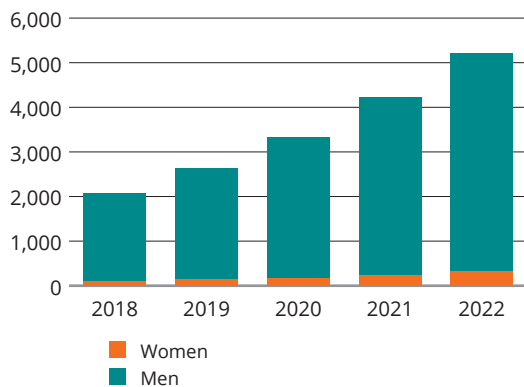
Transports

There are significant transport flows associated with running Instalco's operations. For this reason, we work with companies that offer efficient, environmentally conscious logistics solutions. We are also lowering our environmental impact via efficient planning and execution of internal logistics. One requirement for classifying projects as Sustainable Instalco Projects is for there to be a delivery plan right from the project start, along with goals for minimising material deliveries.

Employees

Instalco strives to be an attractive employer that offers interesting assignments, competent leaders, short decision paths and plenty of opportunities to make an impact and develop one's talent. There should be an open atmosphere that stimulates creativity and new ways of thinking that are in line with Instalco's values. Continual training is also important, along with sharing of expertise in order to promote best practice throughout the organisation.

AVERAGE NUMBER OF EMPLOYEES



Instalco is striving to recruit employees from a wide spectrum of society. Regardless of gender, age, ethnicity, religion or other beliefs, we shall offer the same opportunities for career and skill development to everyone.

Instalco's employees must respect and support the UN Declaration of Human Rights and comply with international agreements on child labour. We are actively striving to ensure that no employee or job applicant ever encounters discrimination. Instalco has zero tolerance for all forms of offensive behaviour, lack of respect or sexual harassment.

One of the ways that we monitor this is through the annual employee survey that is sent out to all employees of the Group. The response rate for the 2022 survey was 62 percent, of which 65 percent were assemblers and 35 percent were professionals. The results from parts of the survey are reported on page 42. The main channel for information flow within the Company is the Instalco intranet, which has 4,100 users who are employees of the Group.

Gender equality is given priority at all times, with a particular focus on it during recruitment efforts, skill development and setting salaries. Since Instalco operates in what has been a traditionally male dominated industry, we cooperate with schools, employer organisations and vocational committees to increase the percentage of women in the field. In 2022, the percentage of women working at the Group was slightly more than 6 percent. Six subsidiaries have female CEOs.

The Instalco Club

Instalco Club is aimed at stimulating and prioritising activities that promote social interaction and the health/well-being of the Group's employees. It is a fund that exists within the company for employee-driven activities. Activities encourage and funded by Instalco Club should be initiated and executed by employees and everyone working at the subsidiary should be invited to participate. The activities may be social, cultural or physical, which is decided by the one(s) applying for resources from the fund.

74
of the 81
applications received
were approved

Apprenticeship programme

As a leader in the installation sector, Instalco has great social responsibility. Societal responsibility is also one of our sustainability goals and we measure it via the number of apprentices in our industry-unique apprenticeship programme.

Apprenticeship programme is an important part of Instalco's existing operations and a way of ensuring the long-term supply of talent to the organisation. Instalco strives to have close collaboration with high schools and vocational schools to ensure that students learn relevant subjects that are consistent with the latest technology, while also obtaining hands-on experience.

Our goal is to continuously have at least 200 apprentices working at the Group and in 2022, the number was 369.

2.



Instalco Club is now up and running at a normal level. In 2021, its activities were hampered by the pandemic and its restrictions. In 2022, we received 81 applications, of which 74 were approved. Approximately 1,400 employees participated in Instalco Club activities during the year.

Code of Conduct with whistleblower function

Instalco's Code of Conduct describes our shared values. It communicates the ethical values and guidelines on professional behaviour to all employees, customers, suppliers, other business partners and owners, along with providing them with guidance for carrying out their daily tasks. Areas covered include conflicts of interest, gifts, bribery, anti-corruption and entertainment. The Code of Conduct has been adopted by Instalco's Board of Directors. The Group CEO has delegated responsibility to the head of each subsidiary in order to ensure that the Code has been implemented and is being followed.

Instalco never accepts any form of discrimination. One basic requirement is that everyone complies with the applicable laws and regulations. Instalco also takes responsibility for applying the highest ethical standards and business morale in all of its business dealings and activities.

We are striving to run Instalco in a long-term, sustainable way that is consistent with our values and code of conduct. We are therefore intent on dealing with any irregularities that could seriously damage the business, our employees or others by making sure that they are identified, investigated and remedied as quickly as possible. Information about any such suspected irregularities can be submitted via our Whistleblower function. The whistleblower function is part of Instalco's preventive efforts against corruption, improprieties and wrongdoing. In 2021, we opened up an internal, digital whistleblower function managed by an external party and in 2022, it was also made available externally. In 2022, one case was reported via our whistleblower function. It was not a report having to do with violation of our Code of Conduct.



Safe Employee

Work environment issues are an integral part of operations and the Group conscientiously and systematically strives to ensure that it offers a good physical and psychosocial work environment. The overall goal is to offer a secure, safe, healthy workplace that helps our employees and the company thrive. Instalco fosters an environment where it is natural and easy for employees and managers alike to bring up and discuss any matters related to the work environment.

Instalco shall have a good work environment that encourages cooperation and counters both bullying and harassment. Furthermore, defining characteristics of the workplace should be respect for, and understanding of, each other and our differences. We shall cooperate, care about and help each other whenever problems or crises arise.

As part of the new sustainability programme, managers are required to go through the Safe Employee introduction course with their employees at the start of each new project that is going to be certified as a Sustainable Instalco Project. Safe Employee covers the social perspective and psychosocial workplace, thereby supplementing the rules and routines for avoiding physical injury and accidents in the workplace. During the year, we made a video about the Safe Employee programme, which will be launched in 2023.

All companies belonging to the Instalco Group have collective agreements in place and they comply with national labour laws, which includes the right of association. All employees are entitled to join and participate in trade unions.

2.

Code of Conduct for Suppliers

Instalco's Code of Conduct for Suppliers provides them with clear guidelines on how they are expected to act and behave in our joint projects. The Code of Conduct for Suppliers applies to all suppliers with whom Instalco has a central contract, with no exception. At the end of 2022, all suppliers who had been asked had signed the Code of Conduct. If there is suspicion that the Code of Conduct has been violated, an investigation will be carried out.

Instalco's Code of Conduct for Suppliers is based on the UN Declaration of Human Rights, the UN Convention on the Rights of the Child, the UN Convention against Corruption, and the eight fundamental Conventions of the ILO. Instalco's operations should promote sustainable development, which is why it is so essential that our suppliers meet the requirements that the products they deliver to us have been produced under sustainable and responsible conditions. In 2022, special efforts were expended on ensuring that Instalco's suppliers are in compliance with the EU sanctions imposed on Russia and Belarus.

Group-wide policies

Instalco has several overall policies that apply to the entire Group. The Group CEO is responsible for ensuring that there is compliance with all of the policies along with reviewing those policies each year. The CEO of each subsidiary has that same responsibility for ensuring that the company they are in charge of complies with the policies. All employees shall be informed of the policies in force and any changes that are made to them. New employees shall be informed of Instalco's policies in connection with starting their employment.

Instalco's Group-wide policies are detailed on page 62.

Work environment

Instalco shall offer a safe, secure workplace that is healthy, promotes good health and is drug-free. Work environment issues shall be considered during ongoing and planned operations, and in conjunction with any changes that are being planned. The Group's employees are jointly responsible for ensuring that no employee is exposed to risks that could lead to serious physical or psychological injury. The Safe Employee programme clarifies that it is important to report irregularities in the work environment to the manager. We work conscientiously and systematically to achieve a good physical and psychosocial work environment.

Instalco has a vision of zero workplace accidents. In 2022, the number of reported occupational injuries was 210, which corresponds to 3.9 percent of the total number of employees. There were no serious personal injuries or deaths in the workplace during the year. For occupational injuries, there are established routines that are followed.

UN Global Compact

As part of the new sustainability programme, Instalco has become a signatory of the UN Global Compact, which is the world's largest corporate sustainability initiative. Signatories pledge to actively work with sustainability based on the Ten Principles of the UN Global Compact, which have been derived from international conventions.

Håll Nollan

Instalco is a member of the building sector's zero vision for occupational injuries. It is called "Håll Nollan". As a member, we are part of the effort to improve safety at construction sites and, together with the other members, gather our existing knowledge, develop and share it with each other. It is important that we identify any knowledge gaps and fill them as regards the work environment and safety during all phases of a construction project.

Håll Nollan's vision is zero injuries at construction sites.



Instalco shall offer a stimulating work environment and opportunities for personal development. One of the ways we achieve that is through Instalco Academy, where we train future leaders and create opportunities for career growth within the Group. For example, we have the stated desire to recruit new CEOs for our subsidiaries from within the Group. It is a philosophy that also applies to project managers and leading assemblers. Another goal is to ensure that all Instalco employees have the right expertise for being able to deliver in their respective roles.

Leading assemblers are offered training in project collaboration, communication, leadership and contractual law.

Project managers are offered more comprehensive training in areas like project management, project accounting, procurement, negotiation and presentation techniques.

Senior executives are offered training in such areas as in-depth leadership, customer relations, sustainability, work environment and sales.

Service managers are offered training in behavioural change, business economics, personal development, planning, sales and added value to the customer.

Accounting managers are offered training in financial calculations, best practice, calculation of KPIs, income statements and balance sheets, profitability and financial concepts.

We are continuously working to develop the curriculum of Instalco Academy. In total, 382 employees participated in trainings offered via Instalco Academy in 2022.

3.

Instalco's responsibility for financial and governance issues

Sustainable growth

Property owners of both newly constructed and older buildings are currently focusing more on investments in resource & energy efficient installations aimed at lowering operating costs and meeting the ever-increasing sustainability and energy-saving demands of the market and customers. This is why Instalco is convinced that energy-efficient and environmentally-smart services will strengthen the Group's competitiveness and fuel long-term growth.

Quality and customer satisfaction

Instalco runs its operations in close collaboration with customers during the design and installation of future-safe, energy-efficient systems. Proposed technical solutions are reliable, energy efficient and environmentally friendly, with low life cycle costs, a high level of personal safety and high quality. Instalco has established long relationships with its customers, many of whom are repeat customers. Customer satisfaction is one of Instalco's eight sustainability indicators in the sustainability programme (page 36).

Continual improvement efforts

IFOKUS was set up as a programme for promoting continual improvement within the Group. The programme uses several strategic tools to highlight and develop improvement areas. It also ensures that all Subsidiaries participate in the Group's development. The initiative should not, however, infringe on any subsidiary's autonomy.

The point of departure could be either existing challenges or opportunities. There are several internal forums, across various organisational functions and levels, for identifying challenges and opportunities for improvement. A strong company culture that encourages suggestions and ideas is key to continual improvement efforts. Opportunities for improvement that impact more than just one company are elevated to the business area or central level so that decisions can be made on

implementing improvements on a wider scale. A working group with the relevant expertise will be set up in such instances to plan and implement the initiative. Improvement initiatives might lead to structural changes, new working methods, training or knowledge-sharing, for example.

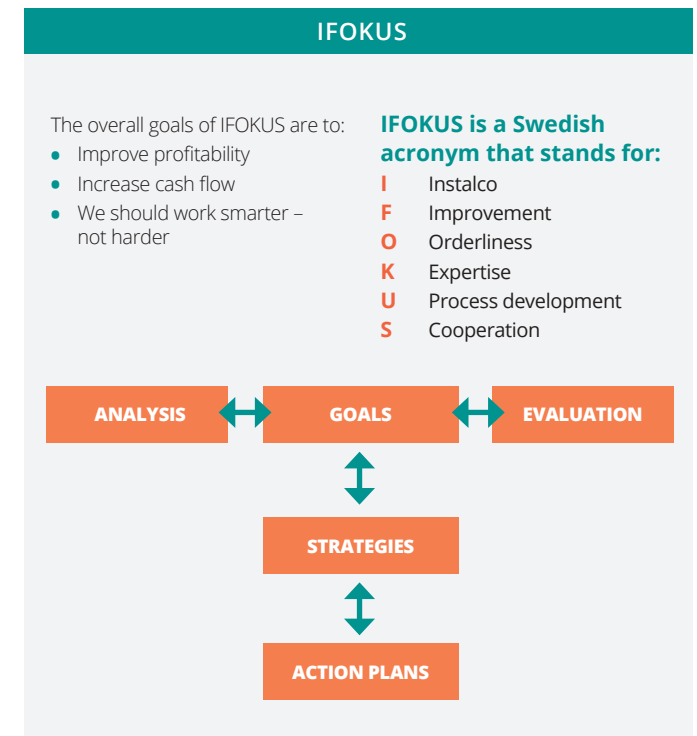
Structure for internal meetings, follow-up and control

Instalco's routines for internal control, monitoring and evaluation are clearly regulated and described in the Policy for Internal Control. Twice per year, each subsidiary reviews its risk profile at a meeting of its Board of Directors. Each month, the subsidiary CEOs review projects with their project managers, business area managers and heads of division. Three times per year, the head of each division and business area meets with their companies to review the forecasts and each quarter, the CEO of each subsidiary must provide written confirmation that project reviews and reporting have been carried out in accordance with the instructions. The heads of division and business area managers are responsible for supporting and coaching the CEOs of the subsidiaries in their area.

Other formalised meetings at Instalco are: Group management team meetings, monthly meetings that the Group CEO has with all of the CEOs of subsidiaries, meetings for the heads of divisions and business area managers, and leadership meetings (between the CEOs of subsidiaries and the business area managers or division heads). There are also segment conferences for each area of technology and strategy meetings where the Group management team, head offices, CEOs and Deputy CEOs of all subsidiaries meet.

COVID-19

During the pandemic, our primary focus was on the health and safety of our employees. During January and February of 2022, our absenteeism was higher than it had ever been during the entire pandemic due to the wave of illness from the Omnicron variant. At the beginning of the year, a higher than normal percentage of our staff worked from home to



care for their sick children or because the preschools and schools were closed due to the spread of infection.

During the pandemic, we have followed the recommendations concerning COVID-19 and together with our customers, have made adaptations enabling us to run the business essentially as usual.



Results from the Employee Survey 2022

- 89%** Like their job
- 86%** Responded that there is no bullying or offensive behaviour
- 93%** Responded that they have not been bullied or subjected to offensive behaviour
- 98%** Responded that they have not been subjected to sexual harassment
- 97%** Responded that they have not been subjected to threats or violence
- 63%** Stated that they were offered a performance review
- 86%** Responded that it is possible to contribute suggestions for improvement and experience
- 85%** Stated that they would recommend the company
- 84%** Are satisfied with their work situation overall

Examples of Sustainable Instalco Projects

- Intec designed all of the installations for Kristiansborgsbadet (pool, spa, gym and water park) in Västerås. The outdated, inefficient lighting was replaced with LED lighting, a system for reuse of wastewater was introduced and the indoor climate system was replaced.
- As part of project MS Belysning, Romerike Elektro installed charging boxes for electric and plug-in hybrid cars and LED lighting at the property. The end customer is Östlandske Bygg og Betong.
- Sprinklerbolaget installed the complete sprinkler system at Heby Nursing Home for the customer, Veitech. The sprinkler system protects the building from total destruction by fire so that it can be salvaged, rather than needing to be totally rebuilt.
- Klimatrör has been engaged by Vasakronan in project HGA02 to install a new office cooling system optimised for more efficient energy consumption. A new tap water system was also installed, optimally adjusted for more efficient energy consumption.
- OTK Klimatinstallationer was contracted by Svenskt Tenn to install a new, energy-optimised ventilation system at the renovated Carl Malmsten store in Stockholm.
- Mesab installed a BWT system on the vessel, MS Pride of Hull. The project contributes to cleaner seas and more protected ecosystems by treating ballast water on the vessel. The customer was P&O North Sea Ferries.



Collaboration initiative

Universeum

Within the scope of its Sustainability Program, Instalco will be collaborating with Universeum, which is the national science centre of Sweden, located in Gothenburg. The purpose of the collaboration is knowledge development in the area of sustainability.

Instalco will support Universeum with its mission of strengthening Sweden's talent management and innovative abilities, along with contributing to sustainable urban development.

"One of the sub-goals of our sustainability efforts at Instalco is to generate benefits to society. We do that each day through our climate-smart, energy-efficient installations. We also do that through collaboration with various organisations focused on improv-

ing society and making it more sustainable. We want to create a better environment by contributing what we can, which is why this collaboration with Universeum is such a great fit," says Robin Boheman CEO at Instalco.

Instalco has aided Universeum in its efforts to sustainably develop Sweden in:

- talent management, competitiveness and innovation
- research, development and general education

- drive for sustainability within the scope of 17 SDGs of Agenda 2030
- The collaboration will raise the importance of sustainability from many different perspectives and contribute to knowledge development for several target groups for a sustainable societal development.

Instalco and Universeum will initially collaborate for three years.



Svenska Bussarna

During the year, Instalco supported Svenska Bussarna with its efforts to provide assistance to Ukraine. The project has helped many people and a country in need.

Svenska Bussarna is a non-profit organisation where Swedish volunteers have used buses to transport equipment and necessities from Sweden to Ukraine.

Svenska Bussarna has collaborated with local aid organisations and authorities. Its activities have also been sponsored by companies and individuals. Instalco provided financial support and funded the working hours of one of its employees, who is an initiator of the project. Many within the Instalco Group also donated private funds to the effort.

"When I first heard about the project, I knew that Instalco and its employees would want to support it. We sponsored the time our employees have devoted to

this and funded one of the buses and a refrigeration truck. We also funded some of the overhead that made this great project possible. I'm so proud to have been a part of it and of our employees' willingness to help where it matters the most," says Robin Boheman, CEO of Instalco.

Besides delivering materials Svenska Bussarna and its volunteers have helped families, women and children who have fled from Ukraine to settle at safer places in Europe.



Wayout Water

Instalco and Wayout Water are collaborating on a sustainability project to increase access to clean water in vulnerable areas of the world.

For many people around the world, clean drinking water is a scarce resource. Wayout Water offers turnkey micro-purification factories for local production and distribution of clean drinking water. They are distributed to vulnerable areas around the world. The collaboration makes it possible for Wayout Water to intensify its efforts with development, production and distribution of micro-purification factories to areas in the world where there is a shortage of clean drinking water.

Swedish Society for Nature Conservation

The Baltic Sea is the heart of future generations in Sweden. That's why Instalco is collaborating with the Swedish Society for Nature Conservation to clean up the Baltic Sea.

The presence of pharmaceuticals in water is a global problem. Pollution from pharmaceuticals in nature can have many detrimental effects, such as inhibiting reproduction, affecting the behaviour of aquatic species and other toxic effects. To ensure a healthy aquatic ecosystem and clean drinking water, Instalco is collaborating with the Swedish Society for Nature Conservation on Sweden's vital water sources. Together, we work on water purification and reduction of pharmaceutical emissions.

Materiality analysis

Instalco's materiality analysis is based on engagement with stakeholders, world trends and the company's strategic priorities. The analysis serves as the basis for our sustainability work and the strategic priorities that we have set.

<ul style="list-style-type: none"> • Human rights • Equality • Acquisition • Benefits to society • Social responsibility • Customer satisfaction 	<ul style="list-style-type: none"> • Work environment • Skill development • Energy and environmental efficiency • Happiness, health and safety 	<ul style="list-style-type: none"> • Business ethics • Safety • Quality
Priority		High priority

Stakeholders

Instalco's operations impact, and are impacted by, a variety of stakeholders. The main stakeholder groups are customers, current employees, future employees, acquisition candidates, suppliers, subcontractors, owners, investors, analysts and the media. End-users are also impacted by Instalco's operations because they either live or work in buildings where Instalco has performed installation work. Instalco regularly engages in dialogue with its main stakeholders.

Stakeholder group	Forms of engagement	Main issues in 2022
Customers <ul style="list-style-type: none"> • Existing customers • Future customers 	<ul style="list-style-type: none"> • Sales meetings • Construction meetings, in-person and digital • Ongoing dialogue during projects • Evaluation meetings • Tenders 	<ul style="list-style-type: none"> • Energy and environmental efficiency • Energy saving • Sustainable Instalco Project • Design, planning and technical solutions • Quality and specialisation • Multi-disciplinary offering
Other business partners <ul style="list-style-type: none"> • Developers • Collaborating contractors • Subcontractors • Suppliers 	<ul style="list-style-type: none"> • In-person and digital meetings • Ongoing dialogue during projects • Evaluation meetings 	<ul style="list-style-type: none"> • Energy optimisation • Prices of materials and raw materials • Multi-disciplinary activities • Work environment and safety • Code of Conduct for Suppliers • Business ethics
Capital market and the media <ul style="list-style-type: none"> • Shareholders • Investors • Analysts • Journalists 	<ul style="list-style-type: none"> • Individual meetings and interviews • Presentations, seminars, road shows • Annual General Meeting • Press releases • Quarterly reports and annual report • Website • Social media 	<ul style="list-style-type: none"> • Energy efficiency • Expansion of the industrial and technical consulting segments • Expansion in Norway and Finland • Sustainability programme • Growth strategy • Macroeconomic situation • Acquisition and new projects
Employees <ul style="list-style-type: none"> • CEOs at subsidiaries • Existing employees • Future employees 	<ul style="list-style-type: none"> • Meetings and conferences • Intranet • Employee survey • Business area meetings • Meetings within the disciplines • Instalco Academy and internal trainings • Performance appraisals 	<ul style="list-style-type: none"> • Price increases for materials • The Instalco Club • Work environment and safety • Sustainability programme • Spreading best practice throughout the Group • Profitability-enhancing activities and IFOKUS • Work with the new vision and roadmap to 2027
<ul style="list-style-type: none"> • Acquisition candidates 	<ul style="list-style-type: none"> • Individual meetings and discussions 	<ul style="list-style-type: none"> • The Instalco model • Profitability • Best practice and local leadership







UN Sustainable Development Goals (SDGs)

The 2030 Agenda for Sustainable Development is an action plan for people, planet and prosperity. Participating countries are committed to achieving the goals in order to secure fundamental freedoms, welfare and a healthy environment for future generations. It is a concrete plan, consisting of 17 global sustainability goals which are integrated and indivisible, balancing the three dimensions of sustainable development. It acknowledges a shared responsibility for ensuring that the goals are achieved by 2030. The SDGs are used as a framework for formulating national plans, setting international agendas and establishing priorities and targets within the private sector. Instalco has determined that UN Sustainable Development Goals 5-7, 9, 11 and 17 are most material to the business.



THE GLOBAL GOALS For Sustainable Development

Instalco has assessed that it can make the most significant contribution to UN Sustainable Development Goals 5-7, 9, 11 and 17.

		Examples of solutions from Instalco		Examples of solutions from Instalco
	<p>Instalco runs the business via value-based leadership that promotes equal rights and opportunities for all employees. We contribute to SDG 5 by ensuring that all employees, regardless of gender or ethnicity, sexual orientation or disability, have access to development opportunities, via further education, apprenticeships and similar initiatives. Our values are summarised in our Code of Conduct.</p>	<p>Instalco Academy is run as a company-internal school aimed at promoting individual development and training future leaders. Another purpose of the Academy is to ensure that everyone working at Instalco has the right skills and expertise for being able to deliver in their respective roles, based on our fundamental values. Instalco also runs an extensive apprenticeship programme.</p>		<p>Through our values and installations, we contribute to sustainable industry, innovation and infrastructure. We contribute to SDG 9 by enabling more efficient use of resources and promoting the use of environmentally friendly technologies in installations. Industrial is one of our six technology areas, where we focus on sustainable technical installations for industry.</p>
	<p>Our core business includes air and water purification, water consumption and lower energy use. Through our resource-saving installations, we contribute to United Nation's SDG 6, Clean Water & Sanitation, by making water consumption more efficient, safeguarding the water supply, improving sewage systems and more reuse/recycling.</p>	<p>Instalco offers technical consulting services such as system design and planning, through our subsidiary, Intec. Intec offers design and project planning to the installation sector aimed at offering customers the most sustainable and energy-efficient technical solutions.</p> <p>The proposed solutions are then installed by Instalco's subsidiaries. In the area of heating & plumbing, Instalco offers installation of heat pumps and wastewater heat exchangers. In the Electrical area, Instalco offers energy optimisation via integrated building automation and solar cells, as well as installation of charging posts and charging stations for electric and hybrid cars. Within the heating & plumbing discipline, Instalco installs energy-saving cooling and ventilation systems, for example.</p>		<p>Each day, we install systems that purify air and water, while saving energy. Our installations contribute to SDG 11 about sustainable cities and communities. Climate-smart, sustainable installations help reduce energy use in society.</p>
	<p>Our core business is based on making both air and water cleaner, along with saving energy. Through our installations, we contribute to the United Nation's SDG 7, Affordable and Clean Energy, via access to electricity supply and modern energy, a higher percentage of renewable energy and Target 7.3 on higher rate of improvement in energy efficiency.</p>			<p>We believe that change is most easily achieved via cooperation. We therefore believe that partnerships and collaboration with other stakeholders in society (SDG 17) is the best way to contribute to the United Nation's SDGs 5, 6, 7, 9 and 11.</p>
				<p>Instalco is a member of the building sector's zero vision for occupational injuries. It is called "Håll Nollan". We are also a signatory of the UN Global Compact. In 2022, new collaborations got underway with Universeum and Svenska Bussarna. We also continued pursuing our collaborations with the Swedish Society for Nature Conservation and Wayout Water to increase access to clean water.</p>

EU Taxonomy Regulation

EU Taxonomy Regulation

Instalco is obligated to submit a statutory sustainability report and report under the EU Taxonomy Regulation. It is a classification system for identifying sustainable economic activities, the aim of which is to help investors identify and compare sustainable investments. It is also an important tool for achieving the EU's environmental goals and goals of the Paris Agreement.

Instalco is in favour of the EU Taxonomy as a tool for harmonising industries in their sustainability reporting. It is another way of highlighting the sustainable work we carry out, and helping Instalco and its customers make better decisions about sustainability in the future.

Sales

Instalco has reported its sales for the entire Group in accordance with the Taxonomy. Sales are reported both for activities covered by the Taxonomy and Taxonomy-eligible activities, for each activity selected. The NACE codes have been used to select the Taxonomy activities that Instalco has reported. Instalco's main activities can be linked to the NACE codes, F43 (Specialised construction activities) and M71 (Architectural and engineering activities; technical testing and analysis). For the amount pertaining to activities covered by the Taxonomy in the numerator, it includes the sales that can be classified in one of the selected activities and in the denominator the company's total sales. For the amount pertaining to Taxonomy-eligible activities in the numerator, it includes sales that meet the criteria listed for each activity selected and the denominator is the company's total sales.

Operating expenses (Opex)

Operating expenses relevant to the Taxonomy are assets and economic activities that generate sales, and it includes all direct development costs to operate the asset that could be distinguished from the others. Salary costs for employees who perform repairs, maintenance and service on the relevant fixed assets are not included. The amount in the denominator includes the Group's total short-term leasing agreements (according to IFRS 16) as well as other materials and services in connection with operations and maintenance. The distribution of Taxonomy-relevant operating expenses (numerator) is determined based on the external sales that are generated. The relevant operating expenses have primarily been allocated in proportion to the Taxonomy-relevant operating expenses. Instalco's business model is easily accessible and it does not require large-scale operating expenses to meet the EU Taxonomy Regulation. Expenditure is distributed evenly based on sales between the selected activities.

Capital expenditure (Capex)

Capital expenditure relevant to the Taxonomy are assets and economic activities that generate sales, projects where sales are expected in the coming years or activities that limit or adapt to climate change by reducing greenhouse gas emissions. The denominator is the Group's total investments in 2022 as reported in the appendices. Instalco's investments primarily pertain to acquisitions of companies that do not fall under the scope of the Taxonomy. The relevant capital expenditure has been allocated in proportion to the Taxonomy-relevant investments. Instalco's business model is easily accessible and it does not require large-scale investments to meet the EU Taxonomy Regulation. Expenditure is distributed evenly based on sales between the selected activities.

Taxonomy compatible activities

Below is a list of the activities that Instalco included in the Taxonomy calculation, as well as a brief description of the boundaries and approach:

7.3 Installation, maintenance and repair of energy efficiency equipment

For Instalco, it includes energy-efficient light sources (according to the EU standard energy-rated light sources, not luminaires or light sources integrated in luminaires), air conditioning systems (according to the EU standard energy-rated units for homes), water heating systems (according to the EU standard energy-rated water heaters and storage tanks, not peripheral equipment), kitchen and bathroom faucets. Calculations are based on sales related to the installation of individual included products. Products in the category of light sources, air conditioning systems and water heating systems that are not energy classified according to the EU standard have not been included in the data.

7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)

For Instalco, it includes all projects and parts of projects where charging stations for electric vehicles have been installed. Calculations are based on sales related to charging boxes and the related materials/services for these.

7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings

For Instalco, it includes all projects and parts of projects having to do with automation, measurement, regulation and control of energy-affecting equipment. Calculation is based on sales related to all relevant products linked to these categories.

7.6 Installation, maintenance and repair of renewable energy technologies

For Instalco, it includes all projects and parts of projects involving installation of solar systems, solar panels and heat pumps. Calculations are based on sales related to all relevant products from the mentioned categories and the associated materials/services.

9.3 Professional services related to energy performance of buildings

For Instalco, it includes all sales of consulting services for projects directly related to a building's energy performance (such as energy consultation, energy simulations and energy measurements). Other technical consultation with an indirect connection to the energy performance of buildings has not been included.

Interpretation of which activities are relevant for Instalco, how the guidelines on these activities should be interpreted, and how Taxonomy values should be calculated has been done through internal and joint industry working groups. Most categories have been governed by specific product choices in defined product categories (such as energy-efficient light sources), while others are more general types of installation projects (such as solar cell systems). The information per activity in the Taxonomy is not always so clear, complete or comprehensive, which leaves considerable room for interpretation. Because of this, and the fact that the Taxonomy is still evolving, the figures reported by Instalco could significantly change (upwards and downwards) in the coming years, even if the underlying business does not change. Changes in the interpretations, to more cautious and conservative levels are another reason why Instalco has a significantly lower percentage of sales covered by the Taxonomy in total for 2022 compared to what was reported for the 2021 financial year. This has happened despite the fact that the business has not significantly changed between 2021 and 2022.

	Total SEK million	Percentage of environmentally sustainable activities that are Taxonomy-eligible		Percentage of activities covered by the Taxonomy		Percentage of economic activities not covered by the Taxonomy	
		%	SEK m	%	SEK m	%	SEK m
Net sales	12,063	5.5	663	5.9	712	94.1	11,351
Operating expenses (Opex)	403	0.7	3	0.8	3.2	99.2	400
Capital expenditure (Capex)	382	2.9	11	2.9	11.1	97.1	371

The complete Taxonomy tables are provided on pages 104-106.

Risks and uncertainties

A business is always associated with risks. Instalco's earnings and financial position, as well as its strategic position, are affected by a number of internal factors that Instalco has control over, as well as a number of external factors where the ability to impact the outcome is limited.

Risk management

An effective risk assessment unifies Instalco's business opportunities and earnings with the requirements of shareholders and other stakeholders on stable, long-term value growth and control. When assessing Instalco's future growth, it is thus important to, in addition to the opportunities for growth, also consider the various risks. For obvious reasons, it is not possible to describe all risk factors, which is why an overall evaluation must also include a general assessment of the surrounding world.

Instalco works with risk management at both the strategic and operational levels. Risk management involves identifying, measuring and preventing risks from arising, along with continuously making improvements to minimise the future risks. Instalco has the policies, instructions and a management system for preventing and counteracting risks. The risk level in the business is systematically monitored at Board meetings by identifying deviations or risks and taking necessary action.

Uncertainty factors

Business risks and financial risks are the most significant risks and uncertainty factors affecting the Group. In recent years, the world economy, financial

markets and societies have been greatly affected by COVID-19. Just as the world was slowly recovering from the pandemic, uncertainty dramatically spiked with the changed geopolitical situation following Russia's invasion of Ukraine. How it all develops, with enormous suffering for people and society as well as stricter sanctions could have a major impact on the world economy. In addition, challenges in the supply chain, energy shortages, other geopolitical tensions, inflation and interest rate increases are other uncertainty factors that have also recently contributed to increased volatility in the financial markets.

Instalco does not have any direct exposure to Ukraine and Russia with either sales or purchasing. Instalco's assessment is that the indirect effects are currently limited, although disruptions in logistics chains and higher prices for raw materials where we are not able to compensate with a corresponding increase in our own prices impacts some of the Group's subsidiaries. Instalco is monitoring developments carefully but it is currently difficult to assess what future consequences the conflict could have on the economic situation in Europe. These uncertainties could have a significant negative impact on the Instalco Group's business activities and financial situation.

Business risks	Management
<p>Projects</p> <p>The business is primarily project-based. Approximately 46 percent of Instalco's projects are run as fixed-price projects, approximately 33 percent as partnering projects and the remainder is other types of collaboration and payment forms, such as service assignments. There is a risk that errors in the cost calculations for fixed projects could negatively impact the margins.</p>	<p>The Group primarily focuses on medium-sized projects, where there is less competition than the larger projects and where competitive advantages come in the form of work quality, long customer relations and short lead times, rather than price.</p> <p>For major projects or ones that are very complex, steering committees are set up. The steering committee's task is to conduct risk analyses, monitor the project, share experiences and, as required, initiate concrete action plans and allocate the right resources. Larger projects are typically run as partnering projects with a cost-plus model, to further limit the risk.</p> <p>The risk of miscalculation is limited via a clear delegation of authority.</p>
<p>Customers and suppliers</p> <p>In order to be able to deliver the Group's services, suppliers must fulfil their contractual obligations, regarding, for example, volume, quality and delivery time. Erroneous, delayed or cancelled deliveries could have a negative impact on the Group's financial position and earnings.</p> <p>Agreements with customers vary in terms of their length, guarantees and limitations on liability for damages.</p> <p>Interaction with customers or suppliers without an underlying agreement could result in legal or financial uncertainty.</p>	<p>Customer relations are typically long and they are established through the local units. The main customer groups are construction companies, real estate companies, industrial companies and public operations. Construction companies are the single largest customer group. Instalco has more than 1,000 customers and the three largest customers account for approximately 14 percent of revenue.</p> <p>Instalco has a good risk spread as regards geographic presence and customer segments.</p> <p>Supplier agreements are typically long and the Group has a central purchasing function that supports the units with their supplier agreements. It is something that boosts our competitiveness.</p>
<p>Attracting and retaining skilled employees</p> <p>Instalco's success very much depends on its ability to recruit, develop, motivate and retain skilled employees.</p>	<p>The Group's ambition is to offer a competitive overall compensation package, a workplace with interesting tasks, good leaders, short decision paths, as well as opportunities to make an impact and develop one's talent.</p> <p>Skills development is prioritised and via Instalco Academy, we are able to attract and maintain talent, along with training future leaders. The Group also has an apprentice system, as well as courses and programmes for certification and other necessary expertise.</p> <p>The Group's regular employee surveys are aimed at investigating how employees feel about their employer, work situation and what can be improved and developed.</p>
<p>Liability, product liability and damages</p> <p>Risks in the area of liability, product liability and damages are associated with Instalco's projects and customer assignments.</p>	<p>Instalco has a general insurance policy covering the core business. The insurance covers, for example, damage to the company's contracts, property damage, business interruptions, damage to third party property and product liability.</p>

Business risks	Management
<p>Structural changes Globalisation, digitisation and rapid technological development are driving structural change in the customer sector. The trends that we see in new construction projects are a rising occurrence of technical systems and applications of digital technology such as online IT systems, alarm & security systems and more efficient use of energy. Accordingly, the installations themselves have become more complex. If the Group is unable to adapt to the structural changes, there is a risk that its financial performance weakens over time.</p>	<p>Structural changes benefit companies like Instalco, which have broad technical expertise. Our units keep up with the latest developments in their respective technology areas. Instalco strives to share the most successful concepts (best practice) throughout the Group. The Instalco model enables us to offer multidisciplinary expertise in coordinated projects covering several areas of technical expertise, which makes things easier for the client. Through our Technical Consulting business area, we are able to offer customers a leading supplier, integration of project planning, technical execution and service.</p>
<p>Cyber and information security risks Cyber and information security risks are becoming a more serious operational risk and the threat of this is constantly changing. Security incidents, cyber attacks, data breaches and information leaks could have a direct impact on the business operations of the Group.</p>	<p>To ensure that the IT environments are stable and prevent incidents, Instalco is continuously evaluating the risks, performing maintenance and reviewing IT security. With a large number of decentralised units with local IT environments, the Group is less sensitive to cyber and information security risk.</p>
<p>Acquisitions and goodwill In this area, the risk is that acquired companies do not live up to expectations on earnings. There are also risks associated with the acquired company's relationships with customers, suppliers and key personnel. If companies with significant problems are acquired, for example regarding financial earning capacity or important sustainability aspects, the Group's reputation or financial development may be jeopardised. There is a risk of goodwill becoming impaired if a segment underperforms in relation to the assumptions made upon valuation and impairment of goodwill could have a negative impact on the Group's financial position and earnings. Additional risks associated with acquisitions are integration risks and exposure to unknown obligations.</p>	<p>Over the years, Instalco has carried out a large number of acquisitions and has solid experience in acquiring and pricing companies. All potential acquisitions and their operations are carefully reviewed with regard to both legal, financial and sustainability aspects before the acquisition is carried out. There are well-established processes and structures for pricing and executing acquisitions, as well as integrating them into the Group. In contracts, emphasis is put on making sure that they contain certain guarantees that limit the risk of unknown obligations. Because Instalco has such a large number of subsidiaries, there is substantial risk diversification. Instalco has a unique model that makes it possible for the acquired companies and their entrepreneurs to run their operations in a larger context, where they can benefit from the economies of scale available to a larger Group of affiliated companies. The CEO of each company retains a great deal of autonomy as regards management of projects, employees and customers. Acquired companies maintain their entrepreneurial spirit and identity, while benefiting from having a central organisation, shared purchasing agreements, cross-selling, sharing of resources, spreading of best practice and access to Instalco's business development function. Being a part of Instalco also means that the new unit can develop and participate in the kinds of multi-disciplinary projects that they would not have been able to execute on their own.</p>

Market risks, macroeconomics and geopolitical instability	Management
<p>Macroeconomy and business cycle Fluctuations in the economy, inflation, interest rates, changes in demand for new residential/office construction as well as investments from industry and public activities affect the installation industry. Disruptions in logistics chains and higher prices for raw material that cannot be compensated by own price increases could affect the Group. Political decisions and instability affect the ability and propensity of existing and potential customers to invest. Demand for installation services is also affected by macroeconomic factors, outbreaks of pandemics and Russia's invasion of Ukraine, which are beyond the Group's control.</p>	<p>Instalco does business in the Nordic countries and it has a decentralised structure. Instalco's subsidiaries are focused on a wide variety of niche markets and there are opportunities for upselling of technical service, support and consumables. Because of that, the Group is less sensitive to economic fluctuations in specific industries or geographical areas. The business model limits the aggregated business and financial risks. The market for technical installations and services is, in relation to the construction market, relatively less affected by the general economy. A large portion of revenue comes from repeat assignments and larger companies typically are not so dependent on individual customers or contracts. Contracts for installation services are usually entered into early in the development phase of a project, which makes it possible to get a good overview and plan operations well in advance. Instalco is carefully monitoring events that could have negative consequences via macroeconomic and political factors that impact the market and economic situation. Instalco works continuously with continuity planning for the business based on the potential consequences of various scenarios. By continuously acquiring companies in new niche markets, the Group can reduce market risks and better counter economic fluctuations. Instalco does not have any direct exposure to Ukraine and Russia with either sales or purchasing. Instalco's assessment is that the indirect effects are currently limited, although disruptions in logistics chains and higher prices for raw materials where we are not able to compensate with a corresponding increase in our own prices impacts some of units within the Group. Instalco is monitoring developments carefully but it is currently difficult to assess what future consequences the conflict could have on the economic situation in Europe.</p>
<p>Competitors Most of the Group's units are active in industries that are exposed to competition. Consolidation in the industry could also put pressure on prices. Future competitive opportunities depend on the ability to be at the forefront and act quickly on new market needs. Increased competition, a reduced ability to meet new market needs or component shortages and long lead times could have a negative impact on the Group's financial position and earnings.</p>	<p>Instalco offers project planning and design, technical installation services, service and maintenance of buildings and facilities in Sweden, Norway and Finland, providing complete electrical, heating & plumbing, ventilation, cooling, industrial and technical consulting. The Group primarily focuses on medium-sized projects, where there is less competition than the larger projects and where competitive advantages come in the form of work quality, long customer relations and short lead times, rather than price. By working closely with customers and in partnership, we continuously develop our know-how and competitiveness. In order to reduce the competitive risk, the Group works continuously to ensure that cooperation with our units is the most profitable sales strategy.</p>

Financial risks	Management
<p>Liquidity risk Liquidity risk is the risk of not being able to fully meet the company's payment obligations or only being able to do so on significantly disadvantageous terms due to a lack of liquid funds.</p>	<p>The Parent Company has central responsibility for the Group's financial transactions and risks and it follows the Financial Policy established by the Board. Ensuring payment readiness must be through agreed credit commitments. Excess liquidity is primarily used to repay outstanding loans.</p>
<p>Financing risk Financing risk is the risk that financing of the Group's capital needs and refinancing of outstanding loans will become more difficult or expensive.</p>	<p>Financing consists of long-term credit agreements that ensure financing of the business. In order to limit refinancing risk, negotiations of long-term credit commitments must be initiated no later than nine months prior to when the credit commitment falls due. Instalco's goal over time is for net debt in relation to EBITDA not to exceed 2.5 times. A well-balanced net debt/EBITDA indicates the ability to make new acquisitions primarily with own funds.</p>
<p>Interest rate risk Interest rate risk is the risk of changes in market interest rates that impact the Group's net interest income/expense and cash flow.</p>	<p>Instalco is primarily exposed to interest rate risk in its debt portfolio. The debt portfolio consists of bank overdraft and outstanding external loans. Financing is long term and the interest is linked to reference rates that reflect the confidence between the banks.</p>
<p>Currency risk Currency risk is the risk that changes in currency rates will have a negative impact on the income statement, balance sheet and cash flow.</p>	<p>Instalco's policy is that it does not engage in hedging as a way of lowering its currency exposure. Financing occurs in SEK, NOK and EUR.</p>
<p>Credit and counterparty risk Credit risk is the risk that the counterparty in a transaction does not fulfil their financial obligations and that any collateral that has been provided does not cover the Company's claim.</p>	<p>Credit checks are run on all new major customers. For installation projects, Instalco offers payment plans.</p>

Sustainability risks	Management
<p>Sustainable services Sustainable installation services are in increasingly high demand by property owners and clients. It is an important component of Instalco's competitiveness.</p>	<p>Instalco's quality policy states that the company's proposed solutions must be highly reliable, resource & energy efficient and environmentally friendly. In cooperation with the property developer and other contractors, Instalco engages in project planning and installs future-proof, energy-efficient systems in all types of buildings, which helps lower the climate impact.</p>
<p>Compliance The installation sector is subject to extensive regulations and it is of utmost importance to Instalco's reputation in the market that the work is carried out in accordance with applicable laws and best practices.</p>	<p>One basic requirement is that all Instalco employees comply with the applicable environmental legislation, competition rules, labour law, tax legislation, safety requirements and other provisions that set the framework for the business. Besides compliance with laws and regulations, Instalco is responsible for ensuring that all of its employees act in accordance with the company's high standards of good business ethics. This is described in the Instalco Code of Conduct. The whistleblower function has been set up to deal with deviations from the Code of Conduct.</p>
<p>Health and safety A high level of safety in the workplace is of the utmost importance so that Instalco's employees are able to carry out their assigned tasks without the risk of injury or accidents.</p>	<p>Instalco's goal is to ensure that none of its employees are exposed to risks that could cause physical or psychological injury. Preventive measures are continually being implemented to ensure that no employees are exposed to risks in their work environment. Technical equipment including work protection is designed based on the requirements of each employee.</p>
<p>Work conditions Instalco's companies must comply with current labour laws and offer attractive workplaces to ensure employee well-being as well as Instalco's reputation in the market.</p>	<p>Work environment issues are an integral part of Instalco's operations. The company provides a stimulating work environment that promotes skill development based on the needs of the organisation. Managers have primary responsibility for creating a good work environment.</p>
<p>Corruption Instalco shall win assignments having complied with the applicable procurement regulations and based on sound business ethics.</p>	<p>Instalco's Code of Conduct stipulates that the company's employees must never, directly or indirectly, offer, give or accept gifts, benefits or other forms of compensation for unauthorised purposes. Furthermore, Instalco's employees must follow the business code established by the Swedish Anti-Corruption Institute, which supplements Swedish legislation. Subsidiaries are required to sign the Code of Conduct each year.</p>
<p>Suppliers and subcontractors Instalco requires its suppliers and subcontractors to comply with the Instalco Code of Conduct and other applicable legislation.</p>	<p>In conjunction with the supplier evaluation, Instalco's suppliers and subcontractors must themselves have a code of conduct that has been accepted by Instalco. Alternatively, they must accept the principles contained in Instalco's Code of Conduct. A supplier who violates the Code risks a termination of the business relationship with Instalco. Instalco also has a special Code of Conduct for Suppliers and they are required to sign it in order for a project to be certified as a Sustainable Instalco Project.</p>
<p>Climate and environment Changes in the climate and environment from global warming could involve risks and negatively impact Instalco. Physical risks include such things as flooding from extreme weather and natural disasters. Economic risks include such things as lack of resources, changed environmental legislation and taxes as well as increased prices for materials and energy.</p>	<p>Instalco runs operations and services that have a limited direct environmental impact, except for the Group's need of transports. Awareness of employees, customers and suppliers is increasing and we are working to meet the growing requirements and expectations on responsible and sustainable solutions. Our assessment is that changes in the climate and environment do not pose a threat in the short term, but could over the long term.</p>

Auditor's report on the statutory sustainability report

To the general meeting of the shareholders in Instalco AB (publ), corporate identity number 559015-8944

Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2022 on pages 6, 8, 36-46, 50, 104-106 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 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.

Stockholm, date of digital signature
Grant Thornton Sweden AB

Camilla Nilsson

Authorized Public Accountant