

SUSTAINABILITY REPORT

Elanders' sustainability work is based on the UN global goals and the focus areas Environment and climate, Employees, Social conditions and human rights and Ethics and anticorruption.

Sustainability is an integrated part of Elanders' business and strategy and Elanders considers it to be both a responsibility and a business opportunity that can provide great opportunities to create value and improve profitability. In 2021, work continued to be focused on the health and safety of employees due to the ongoing pandemic. At the same time the company has continued to invest in sustainability, for instance by recruiting Nathalie Bödtker-Lund as Sustainability Director and by acquiring ReuseIT within Life Cycle Management.

SUSTAINABLE DEVELOPMENT

Since Elanders' listing on the stock market in 1989, the Group has been slowly transforming from being a purely graphic company with operations primarily in Sweden into a global service supplier with operations on four continents. Elanders has always strived to follow current trends like digitalization and globalization, current issues like climate change and shrinking natural resources as well as structural changes in the graphic industry. Along the way, acquisitions have contributed to the company's ability to expand into new markets, customer segments and services.

Elanders believes the success of a company should be measured in more than just numbers and are truly engaged in creating a good balance between building up a successful company and taking responsibility for social, ethical and environmental issues. Elanders is convinced that the best way to reach targeted goals is by having clearly formulated social, ethical and environmental principles, and then making sure they are being complied with. Elanders sees opportunities in working actively with sustainability to create value for the company and stakeholders and at the same time improve profitability through, for instance, greater resource efficiency and reducing costs like those for raw materials, energy and transportation.

The demands regarding CSR made on major, multinational companies are just as high for their partners. Elanders' sustainability work is largely governed by the very high demands made by customers who in their own environmental and quality documentation stipulate requirements that suppliers must meet as well.

Every employee at Elanders is responsible for contributing to positive effects on the environment, improving the work environment, increasing equality, and counter-acting corruption. Elanders works according to guidelines concerning CSR and is intent on contributing to developing society in the countries where the Group operates.

INTEGRATED SUSTAINABILITY

Elanders' sustainability work covers the Group's entire business model and permeates the company at every level. Sustainability matters are an integrated part of operations and decision-making. The goal is to have a positive impact on the environment. Elanders should also contribute to a sustainable social development and be a responsible and attractive employer.

As a way of focusing on developing sustainable and circular solutions Elanders has employed Nathalie Bödtker-Lund as Sustainability Director. The aim is to develop a sustainability strategy that comprises the entire Group and that will generate concrete and comprehensive goals for Elanders.

ABOUT THE SUSTAINABILITY REPORT

This Sustainability Report refers to the financial year 2021 and regards Elanders as the Group appeared at the end of 2021. The acquisitions during the year did not affect the scope of the Sustainability Report. The Sustainability Report includes subsidiaries held by the Group during most of the year.

The report covers the sustainability areas considered material to Elanders and its stakeholders within financial, environmental, and social aspects. The objective of the Sustainability Report is to present a fair image of the sustainability work performed within the Group. The Sustainability Report is published once a year and is integrated in the Annual Report.

Elanders' aim is to further increase the transparency regarding the sustainability work by increasing the collection and analysis of sustainability data as well as increasing the scope of its presentation. The ambition is to be able to present the Sustainability Report in accordance with the GRI Standards onwards.



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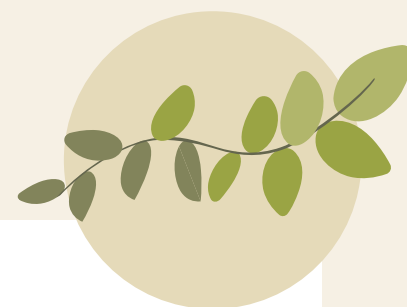
*Stakeholder dialogue and***MATERIALITY ANALYSIS****STAKEHOLDER DIALOGUE**

Elanders maintains a continuous dialogue with stakeholders to ensure that the prioritizations in the business are relevant over time. The five overriding stakeholder groups shown below have been identified as valuable for continuous development and improving Elanders' sustainability work. The continuous dialogues also forms a basis for the Sustainability Report.

MATERIALITY ANALYSIS

Elanders has performed a materiality analysis based on financial, environmental, social, and ethical aspects. The analysis is based on continuous dialogues with different stakeholder groups as well as information from the Board, Group Management, and other leading officers. The materiality analysis resulted in four material areas that Elanders' sustainability work is mainly focused on. Underlying aspects and key ratios linked to these four areas were also identified for Elanders' sustainability work. The main material areas will be reviewed continuously to ensure that Elanders is working with issues relevant to its business and stakeholders, and contributes to development over time.

STAKEHOLDER GROUP	COMMUNICATION WITH STAKEHOLDER GROUPS
Shareholders and investors	Financial reports, Annual General Meeting, Investor meetings, Website, Press releases
Suppliers	Continuous dialogue, Procurements and purchasing negotiations
Employees	Development discussions, Intranet /other internal communication channels, Dialogue with unions
Customers	Continuous dialogue, Customer surveys
Society	Local cooperation, Participation in networks, Trainees and student essays

**Environment and climate**

Historically, Elanders' operations have primarily had a direct impact on the environment through noise and solvent emissions. Since the acquisition of LGI in 2016 Elanders has a fleet of around 280 trucks with trailers. This fleet of trucks has a direct impact on the environment through transportation performed on behalf of customers. The extent of use for these trucks is largely beyond Elanders control, as it depends on the customers' volumes. Transportation adds to noise levels, air pollution, acidification, over fertilization and increased greenhouse effects.

Another aspect of Elanders' climate impact is energy consumption. Energy in Group facilities is mainly used in manufacturing, heating, lighting and cooling.

WHAT ELANDERS DOES

Elanders work to reduce its negative impact on the environment and climate, and the Group places great importance on strictly following legal requirements concerning the environment.

Elanders also strives for driving as environmentally friendly as possible, using transportation solutions that are as cost and energy-efficient as possible, and also optimizing the customers' transportation. Elanders is also evaluating electric trucks as a potential transport solution.

Elanders also works continuously to reduce energy consumption and to increase the proportion of renewable electricity in the operations.

The following areas are considered material for Elanders' environmental work:

- Materials
- Energy consumption
- Emissions

The following key ratios have been identified in the area:

- Percent of renewable electricity
- Emissions from transportation



Employees

The Elanders Group has 7,019 employees in some 20 countries. To actively work with human resources is essential since employees that are healthy and motivated contributes to Group development and success on every level.

WHAT ELANDERS DOES

Work concerning employees is governed by the Group's Code of Conduct. Employees receive training continuously to ensure awareness of the Group's common values. Central monitoring takes place every other year and continually by each company to ensure that the Code of Conduct and Anti-Corruption Policy have been communicated to all employees. Each company is responsible for creating their own procedures and guidelines to ensure conformance with the code.

The following areas are considered material for Elanders' work concerning employees:

- Common values
- Health and safety
- Equality, equal opportunity and diversity

The following key ratios have been identified in the area:

- Personnel turnover
- Absence due to illness
- Gender distribution



Social conditions and human rights

Because Elanders is a global business with operations on several continents, it is imperative to work with social conditions and human rights. Although ensuring fair working conditions on every level is a given, constant focus and follow-up is a necessity. As a globally active and influential group, Elanders intends to be one of the best regarding CSR and corporate engagement in every area the company is engaged in.

WHAT ELANDERS DOES

Elanders' work regarding social conditions and human rights is based on the Group's Code of Conduct. Elanders intends to be one of the best regarding CSR and corporate engagement and all companies in the Group are encouraged to support and get involved in both global as well as regional/local projects where they believe their contributions can make a difference.

The following areas are considered material for Elanders' work concerning social conditions and human rights:

- CSR
- Equal rights



Ethics and anti-corruption

An ethical and transparent approach is fundamental to Elanders reducing the risk for conflicts of interest as well as having a profitable and sustainable business with a strong brand.

WHAT ELANDERS DOES

Elanders follows all applicable laws and regulations, locally and internationally. Elanders has an Anti-Corruption Policy that comprises all employees, the Board and other persons that act in Elanders' name.

The following areas are considered material for Elanders' work concerning ethics and anti-corruption:

- Policies and education

Elanders has zero-tolerance for any type of corruption or bribe, which means the number of incidents concerning corruption is an important key ratio to monitor and the target number is zero.

ELANDERS' CODE OF CONDUCT

Elanders' Code of Conduct stipulates that both Elanders and its employees' actions and behavior must be characterized by honesty, integrity, personal responsibility, sincerity, loyalty and respect for others and the environment. The Code of Conduct comprises all employees, the Board and other people that act on Elanders' behalf. Elanders' Code of Conduct also comprises suppliers and business partners to ensure that the code has an impact throughout the entire value chain.

At the end of 2019, the Code of Conduct and Anti-Corruption Policy was communicated to every company in the Group. Employees have received training during the year and this will continue in 2022 when classroom training, which was postponed due to COVID-19, will hopefully become available in the later part of the fall. Central monitoring takes place every other year and continuously by each company to ensure that the Code of Conduct and Anti-Corruption Policy have been communicated to all employees. In 2021 81 percent of all white-collar workers in Elanders completed the training.

ENVIRONMENT AND CLIMATE

Elanders works systematically to reduce its environmental impact and develop products, services, and processes to achieve optimal quality. The overriding environmental goal is to reduce the Group's environmental impact in every company without lowering quality. Almost all companies are certified according to established quality and environmental standards like ISO 9001 and ISO 14001. The Group places great importance on strictly following legal requirements and compliance with other requirements in the regular environmental reviews performed according to ISO 14001 and in the investigations involved in acquisitions.

During the year, Elanders continued to work on reducing the environmental impact, everything from measures to reduce energy consumption and greenhouse gas emissions to generating less hazardous waste. Each company in the Group is responsible for its own environmental and quality work to meet local regulations and the quality and environmental reviews initiated by Elanders' customers. A previous example that demonstrates good results from this work, and which is still being evalu-

ated, comes from LGI. Together with the customer Porsche, Elanders invested in a completely new electrical truck that daily transports components from Elanders' warehouse in Freiberg, Germany to Porsche's production plant. Changing to an electrical truck reduces emissions by more than 30 tons annually and is a milestone on the road to more environmentally friendly logistics at Elanders.

Material

The connection between quality-assured production and manufacturing with a lower environmental impact is becoming evident to more and more companies. Environmental demands from customers and authorities can vary greatly from one geographic market Elanders operates to another, but the general trend is clear. Offering sustainable production on every level is becoming a prerequisite to be able to compete, particularly in global business.

Paper is a comprehensive part of the material used in production in the business area Print & Packaging Solutions and the Group works on monitoring, analyzing, reducing, and actively dealing with paper waste. When possible, Elanders produces print-on-demand, which reduces the risk of unused editions that will be scrapped at a later date. Elanders has several ecolabels in different operations such as the Swan, FSC® Forest Stewardship Council, Carbon Footprint and Climate Neutral Company.

Energy consumption

Reducing energy consumption and improved energy efficiency is an important focus area at Elanders and part of the continuous improvement work to save energy in operations. Elanders' goal is to reduce energy consumption and use as much renewable electricity as possible on the markets where it is available. Energy consumption and energy costs are regularly monitored to ensure the goal is met and that measures are always being taken to save energy.

Elanders primarily uses electricity and natural gas. When making new investments, Elanders selects the best possible technique from an energy efficiency perspective. For instance, many forklifts in the Group's facilities are electric.

**Elanders' Code of Conduct and Anti-Corruption Policy**

Elanders' Code of Conduct and anti-corruption policy comprises all employees and contains guidelines and regulations for the way Elanders' employees should relate to customers, suppliers and society in general. All business in Elanders is conducted with social responsibility and ethics. Taking social responsibility includes promoting human rights and fair working conditions as well as counteracting corruption. It is the responsibility of each company's management that these rules are followed by formulating and communicating guidelines and policies adapted to their specific company.

Elanders' Code of Conduct also comprises suppliers and business partners to ensure the Code of Conduct permeates in every part of the value chain.

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.

Percentage of renewable electricity	2021	2020	2019
All operations	70	46	40

The percentage of electricity consumed by the Group that comes from renewable sources has increased compared to last year. This is largely due to operations in Supply Chain Solutions replacing most of their energy supply with renewable electricity as of January 1, 2021. At the same time the work to save energy has continued, among other things, through the installation of LED lighting in production space and offices, less energy used in relation to machine hours as well as the implementation of energy efficient electronic equipment and systems for monitoring and controlling energy consumption.

Emissions

Transportation is currently an indisputable necessity to Elanders' current financial and social development. At the same time transportation has a negative effect on people's health and the environment. Elanders' emissions into the air primarily consist of carbon dioxide and are largely generated by transportation.

Progress is continually being made in different areas to reduce the negative effects of transportation in Elanders, particularly in business area Supply Chain Solutions with its fleet of around 280 trucks. Utilization of this fleet is to a large extent steered by customer volumes and the kind of transportation a customer needs. However, Elanders tries to make driving as environmentally friendly as possible, find transportation solutions that are as cost and energy efficient as possible, and to optimize customers' transportation. As a result of continuously upgrading the fleet, Elanders has drastically lowered carbon dioxide emissions. In 2021, all trucks complied with the Euro 6 norm of a maximum of 80 mg/km NOx emissions. A consequence of this high standard has been a dramatic reduction in fuel consumption in the past few years. Elanders also works continuously to streamline transportation, thereby reducing environmental impact. Efficient motors, well-developed GPS systems, driver training, and awarding the most fuel-efficient drivers are all activities that contribute to reducing fuel consumption.

Elanders uses different types of solvent in producing printed matter – mostly vegetable solvents, aliphatic solvents as well as isopropanol. Elanders' goal is to eliminate the use of aromatic solvents since they have a severe negative effect on both health and the environment. The kind of solvents in use are routinely monitored.

According to the Environmental Code in Sweden and corresponding

legislation in other countries, several printing plants are required to have permits or submit reports depending on their total consumption of solvents. Local companies are responsible for making sure they comply with the laws, regulations, and standards valid for their operations and that the necessary measures are taken to meet all requirements.

Using solvents also causes emissions of VOC (Volatile Organic Compounds). Elanders continually looks for ways to reduce the environmental impact of these emissions without affecting product quality negatively, for example through more efficient methods that reduce consumption or by switching to less volatile alternatives. During the year more investments were made in digital presses with new technology which means lower emissions of VOC and ozone as well as significantly lower energy consumption.

Elanders' long-term goal is to reduce direct and indirect emissions of greenhouse gases. The Group's greatest impact comes from carbon dioxide emissions from the transportation fleet.

Emissions	2021	2020	2019
Average carbon dioxide emissions per 100 km, tons	0.073	0.073	0.075
Average fuel consumption per 100 km, liters	27.5	27.8	28.0

Average carbon dioxide emissions per 100 km, tons is on par with the previous year and is considered to provide a fair view of average carbon dioxide emissions from operations over time since it is not linked to the number of trucks in use.

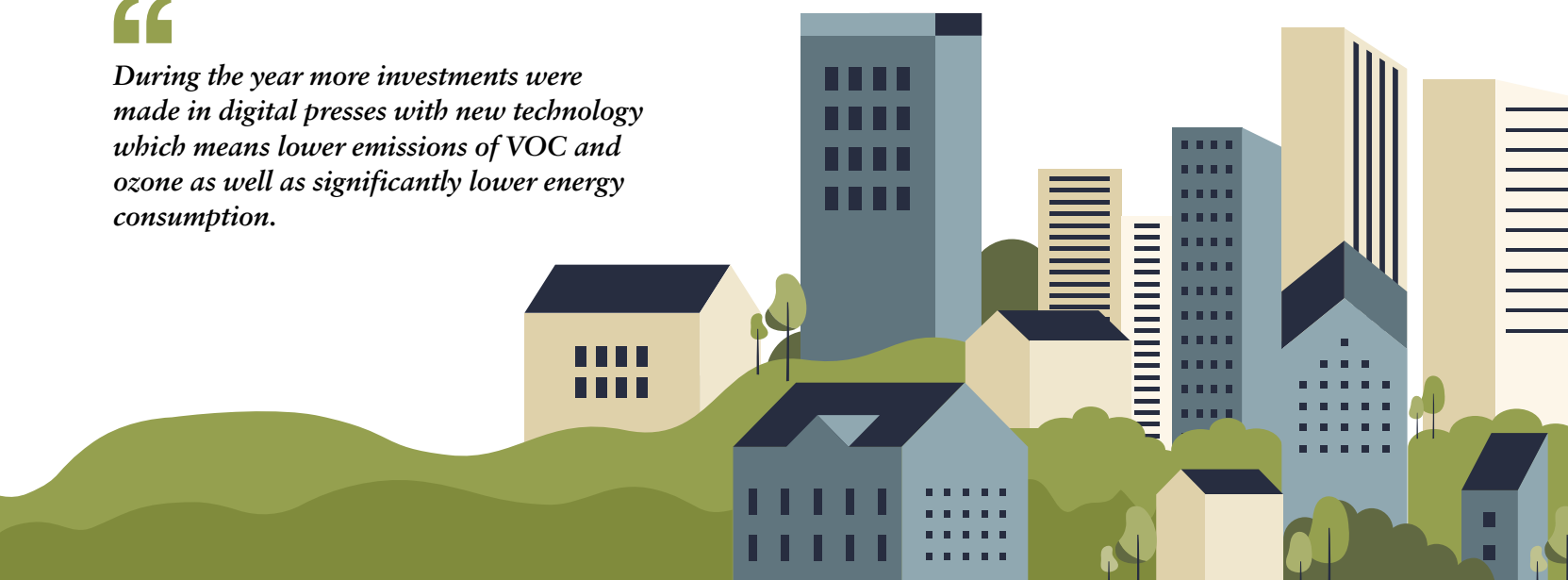
Average fuel consumption for 2020 and 2019 has been adjusted based on more exact calculation methods. In 2021, fuel consumption per 100 km decreased slightly compared to 2020. Measures to reduce fuel consumption are being taken continuously, for instance by the gradual replacement of batteries, individual follow-up and driver training as well as implementing bonus programs connected to fuel consumption. This work is continuous.

THE EU TAXONOMY CLIMATE DELEGATED ACT

In accordance with the Taxonomy regulation ((EU 2020/852) and its delegated acts (the "taxonomy"), companies should identify the economic activities that are environmentally sustainable based on technical audit criteria. For a certain economic activity to be classified as environ-

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mentally sustainable, it should materially contribute to one, or several, of six defined environmental objectives, not cause significant damage to any of the objectives and abide by fundamental labor law conventions and human rights.

In 2021, three key financial ratios will be reported that show how much of the business comes under taxonomy's technical audit criteria regarding climate change. Based on this Elanders has concluded that the Group financial operations that this reporting encompasses are services regarding road transportation (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 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.

The following items linked to the above-mentioned road transport have been included in taxonomic activities; revenues from road transport; capital expenditures relating to acquired trucks and new right-of-use assets relating to trucks; operating costs related to the above trucks, such as maintenance and repair costs. Since this activity only takes place within one business area, no double counting should be possible.

	Total (MSEK)	Share of taxonomy- eligible activities (%)	Share of non-taxonomy- eligible activities (%)
Turnover ¹⁾	11,733	4	96
Capital expenditure ²⁾	2,043	0	100
Operating expenses ³⁾	253	4	96

¹⁾ The Group's total net sales reported according to principle in note 1.

²⁾ Current year's investments in tangible, intangible and 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, 14 and 15.

³⁾ Direct cost for maintaining the fixed assets covered by the taxonomy regulations.

LIFE CYCLE MANAGEMENT

In Life Cycle Management, Elanders has taken the initiative to create more climate friendly services. There is a huge sustainability factor in extending the life of, and reusing, equipment before it is finally recycled, since most of a product's environmental impact comes from producing it. In the service area Renewed Tech for IT equipment, Elanders handles obsolete units like computers, monitors, cell phones, servers and other computer accessories. IT equipment is picked up from the customer and each unit is inspected, refurbished and all data, for example company information and personal data, are wiped. Then the products are sold on the second-hand market. Equipment and parts that cannot be reused are properly recycled. Refurbishing equipment can double the product's lifetime, generating considerable carbon dioxide savings.

By using Elanders' services customers can take a global responsibility for their IT units and reduce their climate impact and thereby contribute to a more circular economy. At the same time, they receive a correct valuation of their equipment which can often be very valuable on the second-hand market today. Customers are also offered full transparency throughout the entire process, which is greatly appreciated.

During the year Elanders strengthened its offer in sustainable services by acquiring ReuseIT that is specialized in purchasing, securely erasing, renovating, reselling and renting out used IT equipment. The acquisition of ReuseIT is another step in Elanders' investments within sustainable services that contribute to a circular economy.

As a further step in Elanders' sustainability work and to actively contribute to a more circular economy, 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 partnership is focused on reusing electronics, thereby increasing the lifetime of these products, which leads to considerable environmental gains.

EMPLOYEES

Through a number of acquisitions around the world, the number of employees has more than quadrupled in recent years. The majority of the increase in employees came through the acquisitions of Mentor Media in 2014 and LGI in 2016. Elanders' companies are to a large degree autonomous and follow the valid laws and regulations in their respective countries and regions. Nonetheless, it is important to have a set of common values within the Group in order to achieve a stable value foundation. These values are communicated to the employees through the Code of Conduct, which was updated in 2019. At the end of the year, 7,019 people were employed in some 20 countries on four continents.

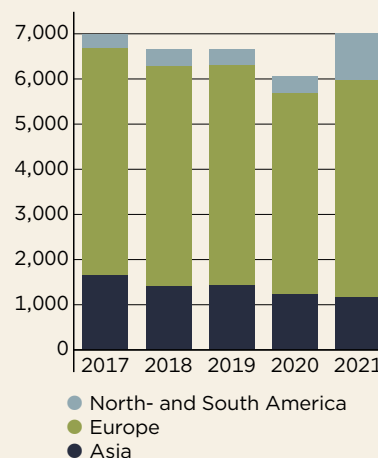
CO₂-SAVINGS



CO₂-savings¹⁾ in thousands of ton
from Elanders' Renewed Tech operations

¹⁾ The CO₂ savings, i.e. the CO₂ equivalent, have been calculated in accordance with the principles stated in *Rapport B 2372 Produktdatabaser: miljöfördelar med återbruk* developed by IVL Svenska Miljöinstitutet in collaboration with Inrego AB.

NUMBER OF EMPLOYEES PER REGION



Personnel turnover %	2021	2020	2019
All employees	16.7	18.5	24.1

The rate of personnel turnover has decreased compared to the previous year due to fewer temporary and seasonal staff. However, temporary and seasonal staff continue to contribute to a relatively high rate of turnover.

Health and safety

Employees are Elanders' greatest asset and their health and safety have the highest priority. A healthy and secure work environment leads to healthy employees that work safely, are more productive, and contribute to society at large. Elanders has a zero vision concerning injuries at the workplace and works continuously on reducing risks that can lead to serious injuries. Elanders' policy concerning the work environment is found in the Group's Code of Conduct, where guidelines concerning the identification, management, and prevention of potential safety risks and emergencies are described in order to promote a good working environment and reduce the risk of injuries and illness. It is the responsibility of each company's management that these rules are followed by formulating and communicating guidelines and policies adapted to their specific work environment.

An important indication of how the work environment functions is absence due to illness and Elanders continuously strives to create conditions for as little absence due to illness as possible. In addition to following the guidelines in the Code of Conduct, Elanders continuously identifies improvement measures for personnel in the work environment, such as automation in production and ergonomic workplaces. Most injuries occur in production and the most common workplace injuries at Elanders are minor cuts or wounds from falling.

In 2021, Elanders continued to be focused on the health and safety of its employees due to the ongoing pandemic. Preventative measures include working from home when possible, measuring temperatures before allowing entrance to offices and plants for both employees and guests, minimizing trips and holding digitalized meetings. Elanders' subsidiaries LGI and ITG also launched a joint occupational health vehicle where the employees could get vaccinated against COVID-19 if they so wished. When the vaccination campaign is over, the truck will become an integrated part of occupational health and will be used for other care purposes when visiting the different locations. Together with all the other measures that Elanders has taken, this is another milestone that contributes to battling the coronavirus pandemic as well as keeping Group employees healthy.



LGI and ITG launched a joint occupational health vehicle during 2021.

Last year, Elanders, via the subsidiary Mentor Media, donated one million surgical masks, and 100,000 face shields and isolation gowns to different hospitals in Singapore. It was part of a joint initiative, SG United Initiative, where Mentor Medias' role was to provide personal protection equipment to the hospitals and other companies provided the logistics around it.

Absence due to illness %	2021	2020	2019
All employees	4.7	5.5	6.2
Short-term absence	3.1	4.0	5.2
Long-term absence	1.6	1.5	1.0

Absence due to illness has dropped compared to last year, primarily due to COVID-19. As in the previous year, the increase in long-term absence is primarily related to COVID-19.

Equality, equal opportunity, and diversity

Because of the development Elanders has gone through in the past few years, partly through major acquisitions, the Group's composition of employees has changed and it is now significantly more spread out geographically. This has not, however, changed Elanders' basic premise that long-lasting profitability can only be reached if there is equality, equal opportunity and diversity in the workplace. Among other things, this means that all employees should have the same opportunities to advance their careers. During the year, the work in this area continued as well as the development of a formal Equal Opportunity Plan for the Group that will be regularly evaluated by Elanders' Board and Group Management. In addition, each company works continuously with matters concerning equality, equal opportunity, and diversity in their respective organizations.

	2021 Men/ women	2020 Men/ women	2019 Men/ women
Gender division, %			
All employees	62/38	65/35	66/34
Middle management	71/29	74/26	74/26
Group Management	100/0	100/0	100/0
Board of Directors	56/44	60/40	60/40

SOCIAL CONDITIONS AND HUMAN RIGHTS CSR

As an active global group, Elanders wants to be among the best regarding CSR and corporate commitment everywhere the company is involved. There are several different projects concerning social responsibility and aid going on in the Group. Each company 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.

One example is how Elanders in the USA has supported *The United Way of the Quad Cities* for many years. The organization helps city residents through activities that improve their health and increase their financial stability, and by providing education. In 2021, as in previous years, Elanders sponsored a campaign where for a week, employees focused on contributing as much as possible to the organization through diverse activities, events, and collections. Another example is support for the program *Rede Cultural Beija-Flor* for vulnerable children in Brazil through financial aid, printed material, and internships to give children a better start and reduce the number of street kids in the area.

Together with around ten other Swedish companies, Elanders initiated a collaboration with the organization *Pratham Education Foundation* in 2017. The innovative education organization 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, which are based on the student's actual level of knowledge, have been formed and developed together with researchers Esther Duflo, Abhijit Banerjee, and Michael Kremer who have carried out several field studies on Pratham's work. They were awarded the Swedish Central Banks Prize in Economic Sciences in Memory of Alfred Nobel 2019 for their work in this area.

The project was severely affected in 2021 by the coronavirus pandemic, which has affected India hard. Pratham has worked intensively to keep in touch with the children and villages to ensure that the students continued to receive an education. The work has largely been online, where children have had homework sent to their parents' or siblings' cell phones and later submitted it or presented it in a video conversation. The aim of the activities implemented during the year was to create the best prerequisites possible for the children when the school opens again and society goes back to normal. In 2021, around 5,000 volunteers were recruited in Assam and West Bengal who enabled more than 400 villages to continue participating in Pratham's activities.

Fair conditions

Elanders' values regarding fair conditions are established in the Code of Conduct which stipulates that Elanders works 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' work is based on the UN Universal Declaration of Human Rights and the UN Convention on the Rights of the Child.

Elanders' Code of Conduct also contains prohibition of any kind of harassment or discrimination. Everyone is 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.

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, Elanders controls its suppliers, Elanders is often reviewed by customers to make sure fair conditions are used in production.

Elanders has not found a relevant, quantitative key ratio for its work on fair conditions. For the time being, Elanders will continue to focus on making sure the Code of Conduct is communicated to all employees as well as suppliers and business partners.

Sustainability initiative

Since 2000 Elanders is one of thirteen organizations that contribute to the prize sum of SEK 1 million for *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, with a particular focus on younger generations. *The WIN WIN Youth Award* was instituted in 2018 and the organization works with alternate annual themes in ecology, economy and social sustainability.

Some of the more well-known laureates are Gro Harlem Brundtland (2002), Al Gore (2008), and Kofi Annan (2011). In 2021 the Icelandic whistleblower Jóhannes Stefánsson was awarded the *WIN WIN Gothenburg Sustainability Award* on the theme anti-corruption for his disclosure of the so-called Fishrot Files, a corruption scandal with its roots on Iceland and in Namibia. The theme for 2022 is *Sustainable Aquaculture*.

ETHICS AND ANTI-CORRUPTION

Elanders' reputation, ethical behavior, and trustworthiness are highly valued by the Group and its customers and 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. The Group's *Anti-Corruption Policy "Anti-Corruption, Anti-Fraud and Anti-Money Laundering Policy"* contains guidelines for handling corruption, fraud and money laundering, describes the way Group employees should relate to customers, suppliers, other stakeholders, and society in general. 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.

The updated Anti-Corruption Policy was communicated at the end of 2019 together with an e-learning training for Group employees. In 2021, a total of 81 (77) percent of all white-collar workers at Elanders completed the course. Education of Group employees is an ongoing process. In 2022 the intention is to produce material for use in classroom training, which was postponed due to COVID-19. There will be annual follow-ups to ensure that all employees in the Group have completed the anti-corruption course. The anti-corruption policy also contains instructions for reporting deviations from the policy, i.e., a whistleblower function. In 2021 one case was reported in the whistleblower function. Actions were taken and the case has now been closed.

No significant incidents of fraud, corruption, bribes, or money laundering have been reported in 2021.

THE EU GENERAL DATA PROTECTION REGULATION (GDPR)

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 course to ensure that employees are knowledgeable about, and act in accordance with, the stipulations of GDPR. In 2021, a total of 81 (75) percent of all white-collar workers at Elanders completed the course. As with the anti-corruption training classroom training will hopefully commence during the latter part of 2022 after a postponement due to COVID-19. There will be annual follow-ups to ensure that all Elanders employees have been trained in GDPR.

In the beginning of 2021, Elanders' Binding Corporate Rules were approved by the Swedish Authority for Privacy Protection (IMY), making it only 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/EEA. 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.

UN's sustainable

DEVELOPMENT GOALS

Agenda 2030, the UN's 17 Sustainable Development Goals were adopted by most of the world leaders in 2015 to promote socially, economically and environmentally sustainable development. Elanders contributes to the goals in varying degrees. The ambition is that Elanders sustainability work will create value for all stakeholders and thereby also contribute to these goals. The following seven goals have been identified as the most material for Elanders' sustainability work:



Ensure an inclusive and equitable education and promote lifelong learning opportunities for all.

Elanders supports several projects that promote raising knowledge levels through education. For example, Elanders works together with around ten other Swedish companies with the organization Pratham Education Foundation that strives to improve the quality of education in India.



Promote sustained, inclusive, and sustainable economic growth, full and productive employment and decent work for all.

Fair working conditions for all employees through a clear Code of Conduct and continuously monitoring the work environment and workers' rights.



Achieve gender equality and empower all women and girls.

Reduce income inequality within and among countries.

Elanders believes all people are equal independent of age, gender, ethnicity, sexual orientation, religious beliefs, etc. The Code of Conduct contains the strict prohibition of any kind of harassment or discrimination.



Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation.

Ensure sustainable consumption and production patterns.



Solutions for streamlining and consolidating material flows and deliveries contribute significantly to reducing Elanders customers' environmental impact. Life Cycle Management is an important part of the offer where Elanders helps customers in every phase of a product's life cycle. For instance, the handling of returns of worn-out IT equipment when delivering new products to the customer, recycling computers, monitors and printers and restoring products for reuse on behalf of customers in a sustainable way.

Constant appraisals to reduce Elanders' environmental impact from emissions of volatile organic compounds (VOC) in print operations without negatively affecting quality, e.g., more efficient methods that reduce consumption or switching to less volatile solvents.



Take urgent action to combat climate change and its impacts.

Reducing energy consumption is fundamental when Elanders makes new investments.

As far as possible, the company uses renewable energy in the markets where it is available. Continuously upgrading the transportation fleet, efficient motors, well-developed GPS systems, continuously training drivers and awarding the most fuel-efficient drivers contribute to reducing fuel consumption.

Elanders creates value through the

SUSTAINABLE VALUE CHAIN

Sustainability is an integrated part of Elanders' offer and Elanders aims to create value by being a resource-efficient and sustainable company.

ORGANIZATION

Sustainability aspects:

- Health and safety
- Equality, equal opportunity, and diversity
- Social conditions, human rights, ethics, and anti-corruption

How Elanders creates value:

- Elanders' Code of Conduct and Anti-corruption Policy comprises all employees, suppliers and business partners. All business in Elanders is conducted with social responsibility and ethically.

Elanders' power to have an impact: HIGH

Employees are Elanders' greatest asset and their health and safety have the highest priority. A healthy and safe work environment leads to healthier employees that work safely, are more productive and contribute to society at large.

PROCUREMENT & INBOUND SERVICES

Sustainability aspects:

- Sustainable resource solutions
- Warehousing efficiency

How Elanders creates value:

- Resource efficiency – products and services delivered efficiently at the right time.
- Elanders helps customers optimize their product flows, warehouse levels and storage space.

Elanders' power to have an impact: MEDIUM

Elanders works together with our partners on a strategic, tactical, and operational level in order to provide a combined purchasing and procurement process which means that redundant or unnecessary costs are minimized by delivering products and services efficiently at the right time.

LIFE CYCLE MANAGEMENT

Sustainability aspects:

- Waste, recycling and reuse
- Carbon dioxide emissions

How Elanders creates value:

- Extending the life of products and less waste from IT equipment means greater resource efficiency and lower carbon dioxide emissions.
- Substantial environmental gains can be achieved by investing in and developing unique solutions in companies within Renewed Tech. With Elanders' global infrastructure these companies can scale up their operations more quickly.

Elanders' power to have an impact: HIGH

Electronics' greatest environmental impact comes from producing them, which is why extending the life of a product as long as possible is so important. Creating solutions for reusing electronics generates environmental gains since the electronic components come to good use instead of being recycled or discarded.

PRODUCTION & ASSEMBLY



Sustainability aspects:

- Materials and chemicals in products
- Energy consumption and energy use
- Social conditions, human rights, ethics, and anti-corruption

How Elanders creates value:

- Our goal is to eliminate the use of aromatic solvents and reduce paper waste through print-on-demand.
- Lower energy consumption and using as much renewable electricity as possible.
- Elanders' Code of Conduct and Anti-corruption Policy comprise all employees, suppliers, and business partners. All business in Elanders is conducted with social responsibility and ethics.

Elanders' power to have an impact: MEDIUM

Elanders works systematically to reduce our environmental impact and develop products, services, and processes in order to achieve optimal quality without compromising on sustainability aspects.

➔ Read more about our Business Model on pages 16-17.

DISTRIBUTION & OUTBOUND SERVICES



Sustainability aspects:

- Carbon dioxide emissions
- Transportation efficiency

How Elanders creates value:

- Lower fuel consumption through efficient motors, well-developed GPS systems and continuous driver training. Using trucks that comply with the Euro 6 norm of a maximum of 80 mg/km NOx emissions.
- Cost-effective transport solutions that optimize customers' transportation.

Elanders' power to have an impact: MEDIUM

Transportation on behalf of customers is out of Elanders' hands since the utilization of our fleet of trucks is steered by customer volumes and the kind of transportation customers need. However, we strive to ensure driving as environmentally friendly as possible, realize the most cost and energy effective transportation solutions possible and optimize our customers' transportation. For example, we already help customers with transport by rail instead of by boat from Asia.