



# Sustainability report

Hedin Mobility Group

# 2021

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HEDIN MOBILITY GROUP

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## A word from our CEO

Sustainability issues are a crucial part of Hedin Mobility Group's ambition to take into account all of the group's interests throughout our business. In 2021, our Quality and Environment function expanded to be able to focus on improving our strategic sustainability work during 2022.

When we summarize 2021, it was a year of continued challenges and circumstances as a result of the COVID-19 pandemic. In spite of this, the group has had the right focus which has brought us good results, efficiency improvements, and development of our business.

Our long-term work with material recycling, waste and energy efficiency improvements continues to generate savings. We can still conclude on large savings, for example in the facilities that actively participate in our energy efficiency program.

I wish to announce my personal gratitude to all employees who have worked hard throughout the year with restrictions, changes, lockdowns and new challenges. Thank you!

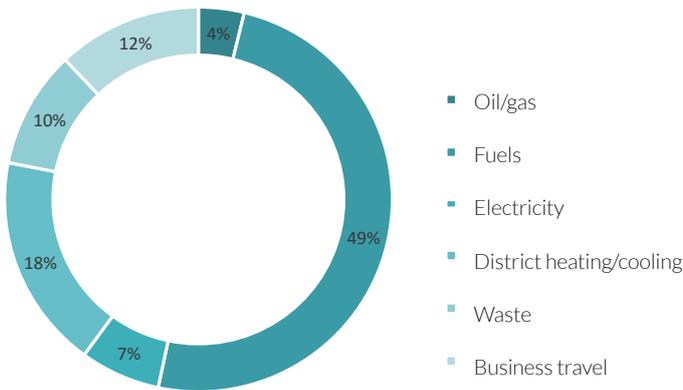


Anders Hedin  
Owner and CEO

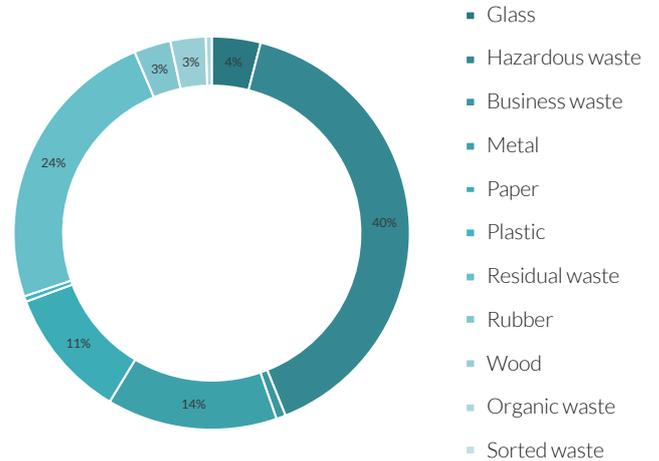
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# THE SUSTAINABILITY REPORT IN SHORT

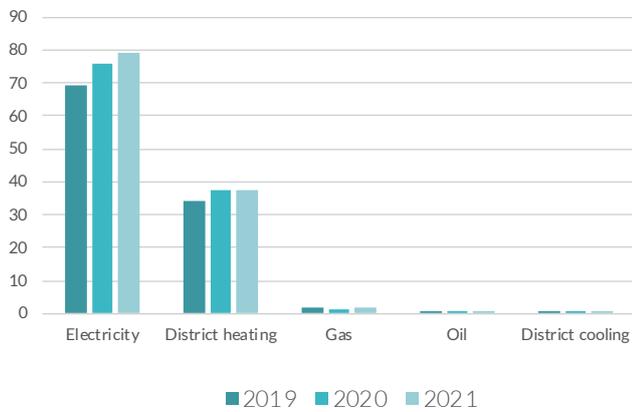
## CO2 emissions (tCO2)



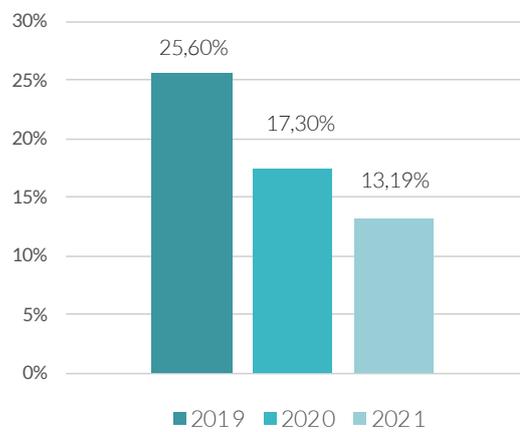
## Waste fractions



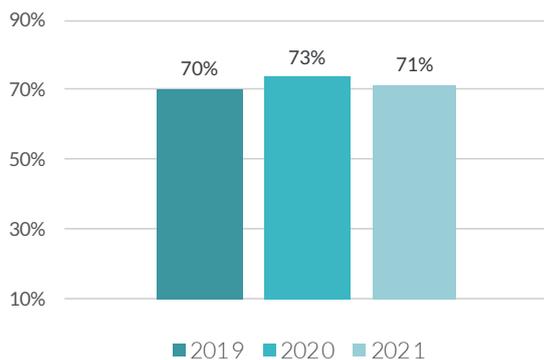
## Energy intensity kWh/m2



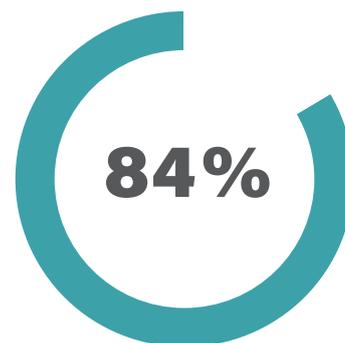
## Employee turnover



## Share of recycled waste



## Employee satisfaction





In our pursuit of developing all parts of the group in a responsible and sustainable way – which takes into consideration both social, environmental and economic factors – Hedin Mobility Group has set targets for energy use and waste minimization and is working towards becoming the employer of the future.

**Anders Hedin, CEO Hedin Group**

**577,844**

Square meters

**8,411**

Ton CO<sub>2</sub>e

**4,441**

Ton waste

**3,569**

Average number of employees



**Our Code of Conduct and our values Credibility, Availability and Trustworthy is the basis for how we conduct our business.**

In 2021 Hedin Mobility Group has continued to acquire and build new dealerships. The ambition is to implement the same sustainability guidelines to the newly added facilities. In order ensure a long-term sustainability approach, the group work actively to create conditions for systematic sustainability work and to reduce our environmental impact, based on the environmental aspects that are identified as significant.

Energy efficiency and waste minimization are an ongoing improvement work. We have, through external collaborations, been able to focus on optimizations in both energy consumption in our properties and our waste flows, where we create the conditions for increased material recycling.

To strengthen our brands as employers, we continue our focus on developing leadership within the group. We work with training initiatives for our managers and employees to meet new technologies and digital trends. Our digital training system helps us to ensure a structured introduction for new employees, which we believe creates a large employee engagement and gives the the right conditions to cope with their new profession and to quickly enter their tasks. Our goal is, that through these efforts we create an organization where employees are characterized by well-being and competence in their professional roles.

In our sustainability work going forward, we aim for Agenda 2030 and international frameworks for sustainability reporting.

# ABOUT THE GROUP

Hedin Mobility Group consists of a collective group of businesses in Europe with great experience within the vehicle industry. We unite an innovative business model with a geographical width and a comprehensive product assortment which stretches across the whole value chain. This provides an efficient collaboration internally and to our customers.

The group handles both new and used personal and transport vehicles, as well as trucks. Our holistic concept offers financing, service agreements, tire hotels and insurance. The ambition is to be a full-service business with an all-in-one offer for private as well as corporate clients.

Our vision is to become the leading car business in the industry and providing the best products services. As retailers with more than 30 brands and an assortment of more than 50 chargeable models, we have something for everyone. In order to offer our customers a simple life with their vehicle - both before, during and after the purchase - we work together with a number of partners. Some of them are companies within the group and others are companies with whom we have long-term collaborations. Together, we strive to give our customers added value - from large to small.

During the autumn of 2021, a restructuring of Hedin Group AB was conducted, and all vehicle related companies was transferred to I.A. Hedin Bil Aktiebolag (publ). Simultaneously, the group was renamed to Hedin Mobility Group AB (publ.). Due to the change in structure, the business areas of Mobility, Distribution, E-commerce and IT are now included in the group together with Retail.

By the end of the year, Hedin Mobility Group was represented in Sweden, Norway, Belgium, Denmark, and Germany, with HQ in Mölndal, Sweden. Acquisitions have also been made in the Netherlands where the group will take over in 2022.

*Group information and economic accounting (MSEK) has been retrieved from the annual report of Hedin Mobility Group AB and thereby contains more companies than the sustainability report includes.*

	2021	2020	2019
Average number of employees	3 569	2 651	2 733
Number of sites	147	116	114
Number of brands	31	33	32
Net turnover	28 191	24 064	22 301
Balance sheet total	24 347	13 540	14 323
External financing	1 333	2 488	3 109
Own capital	6 058	1 197	931
Number of sold vehicles	125 081	79 141	78 423

# Geographical presence

## SWEDEN

Mobility  
Distribution  
Retail  
E-commerce  
IT

## NORWAY

Mobility  
Retail  
E-commerce  
IT

## DENMARK

Mobility  
Retail  
E-commerce  
IT

## SWITZERLAND

Mobility  
Distribution  
Retail  
E-commerce  
IT

## BELGIUM

Mobility  
Retail  
E-commerce  
IT

## GERMANY

Distribution  
Retail  
E-commerce  
IT

## EU

Distribution



**125 081**

Sold vehicles

**31**

Brands

**144**

Dealerships

**89 119**

Service agreements

**6**

Countries

**3 569**

Employees



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## Accounting profile

Hedin Mobility Group AB uses the calendar year as accounting year, and the annual accounting for 2021 is published in April of 2022. This is the fifth year in which Hedin Mobility Group AB establishes a sustainability report in accordance with the Swedish Annual Accounts Act, ÅRL.

The accounting year is the basis for the selection of new acquisitions included in this report. The sustainability report is therefore limited to include, aside from Hedin Mobility Group AB, the following companies within the group:

<b>Sweden</b>	Hedin Göteborg Bil AB Hedin Helsingborg Bil AB Hedin Stockholm Bil AB Hedin Örebro Bil AB Hedin Mölndal Bil AB KC Motors AB Hedin Performance Cars AB Bavaria Sverige Bil AB
<b>Norway</b>	Hedin Automotive Norge AS
<b>Belgium</b>	Hedin Automotive Belgium AB

In the cases where the sustainability report only includes certain areas of the Group, it will be described in text or in a footnote.

Additional information about the structure of the group and its subsidiaries can be found in the annual accounting report of Hedin Mobility Group AB 2021.

As a part of our sustainability work, we have chosen to only publish our report digitally.

## Responsibility of the board

The board of Hedin Mobility Group AB is ultimately responsible for the sustainability work within the group. This report has been adopted by the board in April 2022.





# 01.

## Our sustainability work

Hedin Mobility Group has a large number of employees and numerous business areas in different geographical locations. It is therefore imperative that we have common and fundamental values about how the business is to be conducted. Our approach is important to our business, and it provides us with guidelines for any challenges we might face in our work. Our commitment is to act ethically in all situations, without compromise. This is vital for the success of the group as we, thanks to our good ethics, have gained trust and confidence from our customers, suppliers and investors.

We have established guidance and norms on how we view professionalism to help our employees solve ethical questions that may arise in the workplace. This guidance is described in our Code of Conduct. Guidelines, policies and our Code of Conduct are included in our introductory program. All documents are easily

accessed through our internal platforms and are to be well-known by all employees.

The quality and sustainability management system of the Swedish section of Hedin Mobility Group fulfills the requirements according to ISO 9001 and ISO 14001, which is corroborated through certificates. We work towards including more facilities in the certificate which presently comprises 70 sites. Parts of the Norwegian section of Hedin Mobility Group work in accordance with the Norwegian environmental certification "Miljøfyrtårn".

Our goal is to implement all companies in the group in our sustainability work. To secure a long-term approach, we actively work to create correct conditions for a systematic sustainability work, in parallel with decreasing our environmental impact.

## Risks

Our business can be associated with a number of risks, both social, environmental and economic. Effective risk assessment demands systematics and proactivity, where risks are assessed for the possibility of the event taking place as well as the severity of the consequences - both short-term and long-term. Risk assessment is a natural part of our business.

The behaviour and opinions of our customers are affected by legal requirements which impact the circumstances for their car ownership. Here, we provide insurance through a broad car fleet, and we offer variations to ownership through leasing and car pooling aside from traditional purchases. We have several actors that we have continued good collaborations with and continued trust. Our broad offering secures supply despite changes in trends and conditions.

The group operates in a competitive industry which generates a need to recruit and maintain competent staff as well as key people. We work broadly to ensure our role as the employer of the future. In our expansion, it is a challenge to implement acquisitions for the central support functions. To secure the work, we continuously improve our processes.

Facilities and their environmental and climate impact are affected by conditions for buildings as well as locations. Renting versus owning buildings brings with it challenges with investments, but also advantages with flexibility. By partaking in the planning phase of new buildings, the group can secure that those laws and regulations are followed. By certifying facilities towards ISO 14001, we continuously ensure inspection and improvement with regards to the sustainability perspective.

We are foremost retailers of our products and thus see no direct risks within this area as we work together with established suppliers and car manufacturers. We refer risks connected to the supply chain of the car manufacturers to the respective car brands.

In the remaining supply chain, we acknowledge potential risk areas within health and safety, work conditions, environment, and corruption. The group works with strategic procurements to expand the share of common suppliers within accessories and services, as well as direct and indirect materials. Through this initiative, we ensure a larger share of qualified and approved suppliers, and that we have our Code of Conduct signed and accepted by the suppliers.

## Materiality Analysis

To form a strategic sustainability work where both profitability and relevance are focal points, a materiality analysis was conducted in 2017 which identified the most important sustainability aspects for Hedin Mobility Group. The result of the analysis has been fundamental to which questions the group has prioritized, with regards to our stakeholders and what we can impact, control and be of most use in focusing on. During 2022, the materiality analysis will be re-made as the group has expanded throughout 2021.

Our sustainability work primarily focuses on the environmental aspects of our facilities. Despite successful initiatives, there are still facilities that can benefit from efficiency improvements, reductions and changes of the consumption of electricity and heat, an increased material recycling rate, and thereby creating a more sustainable business through several perspectives.

Additionally, a sustainable staff with good working conditions, competence development and a good working environment which is safe and healthy is a prioritized question for us.

## Stakeholders

We always maintain an open dialogue with all our stakeholders. Aside from our customers, our employees, owners, suppliers, agents as well as municipalities and authorities are our most important stakeholders.

Our values Credibility, Availability and Trustworthy give our employees a chance to create a welcoming environment that helps us approach our stakeholders in a manner that exceeds their expectations.

# 02.

## Economic indicators

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Hedin Mobility Group has grown immensely in the latest years. In the growth of the corporation, steps towards a more sustainable business are taken by assessing energy usage in the facilities, waste management, an increased number of chemicals in the workshop business which are both safe for the environment and for the staff who handles them. These measures impact the environment, our employees and our economic result in a positive way.

	2021	2020	2019
<b>Direct economic value created</b>			
Operating income	28 225	24 092	22 327
<b>Economic value distributed</b>			
Operating expenses	-25 831	-21 418	-19 944
Employee costs	-2 387	-1 946	-2 023
Payments to investors	-230	-217	-212
Payments to the public sector	-196	-126	-45
<b>Economic value retained</b>	<b>644</b>	<b>385</b>	<b>103</b>

*The economic accounting (MSEK) has been retrieved from the annual report of Hedin Mobility Group AB and thereby contains more companies than what is included in the sustainability report.*



## Indirect economic impact

The group is in an industry that does not have an extensive effect and impact on the infrastructure of the society or the benefit of the public. The group contributes to the societal development through providing spots for apprenticeships and internships for students within the transport studies. This has been successful for many years as we have been able to offer an employment after finished studies.

The vocational schools often have students from areas with a high potential. This means areas that today have a high unemployment rate or where people for various reasons stand outside of the labor market. As such, even small and local initiatives from employers can make a big change and build a bridge to the labor market, through for example offering a network or possibilities for internships.



# 03.

## Strategic procurement

Strategic category-controlled procurement works with purchasing and supplier development within product areas such as accessories, property management, machine equipment, services, and direct and indirect resources. Together with strategically chosen suppliers, the department works to achieve and maintain a high degree of service for the various business units and facilities of the group, as well as fulfilling our KPIs with the least possible impact on health and the environment. The long-term collaboration with chosen suppliers is fundamental in meeting the set requirements from the corporation as well as the outside world.

The responsibility for strategic procurement does not include original spare parts or vehicles where industry-specific standards and requirements apply. Information about these products can be found on the homepage of the respective car manufacturer.

In purchasing, the goal for the year was to nominate suppliers within defined categories from a sustainability perspective based on health and environment, Code of Conduct and industry-specific standards applying to the same categories.

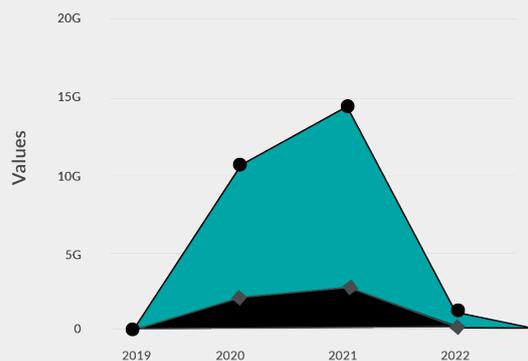
The department has defined saving and quality goals within respective category areas, based on developing the purchasing process through category-controlled purchases. During the year, the focus has been on property management and new buildings where supplier assessments have been updated with industry-specific requirements. At the nomination of suppliers, the results of supplier assessments have been considered, and suppliers that did not meet the demands have been phased out. For instance, approved framework agreement suppliers that meet requirements within cleaning services have increased from 20% to 100%.

All supplier assessments, framework agreements and documents are put into a new system support for spend analyses, supplier management, procurement and follow-up.

The contractual compliance has increased during the year and the average for all categories is 81,19%.

In combination with set supplier requirements, savings goals in each procurement process have been achieved or exceeded the prognosis with 10-33%.

### SM: Contract compliance





# SUSTAINABLE FUTURE

## Goals 2022-2023

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An important KPI for the department is to sign framework agreements based on global supplier partnerships in cooperation with the group.

Suppliers and purchase volumes for Sweden and Porsche Norway are incorporated in the purchase system support, and during 2022-2023 other companies shall be implemented in the same tool. This is done in order to achieve the best synergies possible, as well as contractual compliance and follow-up.

The goals are further to enhance contractual compliance to reach an average of 97%, procurements that will result in global framework agreements based on sustainability requirements and quality, in combination with efficiency and savings goals.

In addition to the goal of developing global supplier partnerships, the focus area from a sustainability perspective will be to set requirements on suppliers regarding consumables, inventories and service for clean water, reuse, sustainable production and transports.

During 2022, an updated global Supplier Code of Conduct adapted for the companies within Hedin Mobility Group will be established.

# 04.

## Environmental indicators

The effort to reduce our environmental impact is founded on the identified material environmentally impacting activities in our business; mainly connected to energy use, transportation and business travel, handling of hazardous waste and waste fractions which is not recycled, as well as chemical management. To reduce our environmental impact from these activities, we work preventively with training of our employees in combination with clear and documented routines.

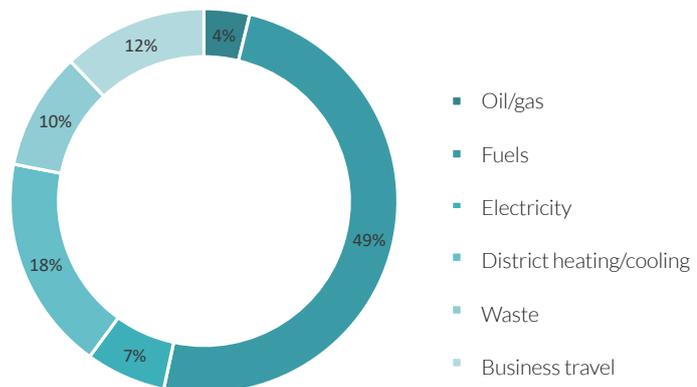
The climate report of 2021 has been made with new calculation methods assisted by the ESG-tool CEMAsys. To the extent that data for 2020 and 2019 has been available, it has been included in the report and those years are thus comparable. The content of the sustainability report for 2020 is to a certain extent based on wrongful company inclusions and calculation methods for carbon dioxide equivalents. Thereby, previous reports are not comparable to this year's result.

Activity data from the group has been converted into tons carbon dioxide equivalents (tCO<sub>2</sub>e) in CEMAsys through the use of relevant emission factors from various trusted sources. The accounting has been made in accordance with the guidelines of the GHG protocol, but we do not claim to apply the guidelines to a full extent. The GHG-protocol is the most used and acknowledged international standard for reporting greenhouse gas emissions on a company level.

### Climate impact

Our total carbon dioxide emissions in 2021 reached 8 411 tCO<sub>2</sub>e. For 2021 we have not been able to obtain all data on energy consumption. We have not been able to obtain the amount of refrigerants used in our climate facilities as well as in our workshops for vehicle refilling to a satisfactory extent. The emissions connected to our use of refrigerants are thereby excluded from this year's climate reporting.

### CO<sub>2</sub> emissions (tCO<sub>2</sub>)

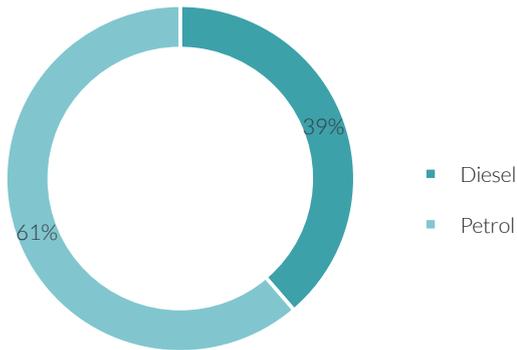




## Fuels

49% of the group's environmental impact, 4 165 tCO<sub>2</sub>e, originates from purchased fuels for demo cars, company cars and sold cars. Our demo car park should showcase our supply, meaning that choosing a vehicle with the least climate impact is not always an option. As we cannot report specifically on the energy consumption from car charging, this does not give a full picture of the total climate impact from use of fuels and energy.

### Share, purchased fuels



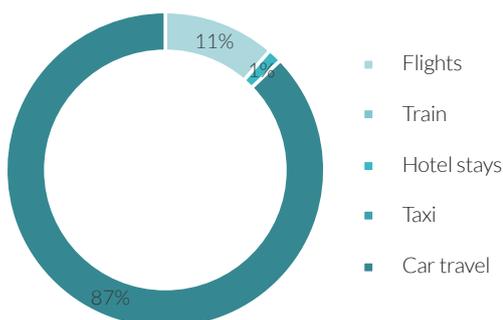
*Belgium and Norway have not reported purchased fuels by type. Calculations are based on market shares 2021 for new vehicles for each country.*

## Business travel

Our business travelling is increasing pollution and contributing to a negative climate impact. Our travel policy comprises all trips made for work within the group. In this policy, principles about choice of travel mode for business travel can be found. Cost conscious and effective travelling is a necessity and proof that the group works proactively on reducing costs and impacts on the environment. We strive to reduce our climate impact in tCO<sub>2</sub>e from business travels compared to previous years.

Our total climate impact from business travels reached 1 015 tCO<sub>2</sub>e, which shows a decrease of 5% from last year.

### Share of climate impact



## Energy efficiency measures

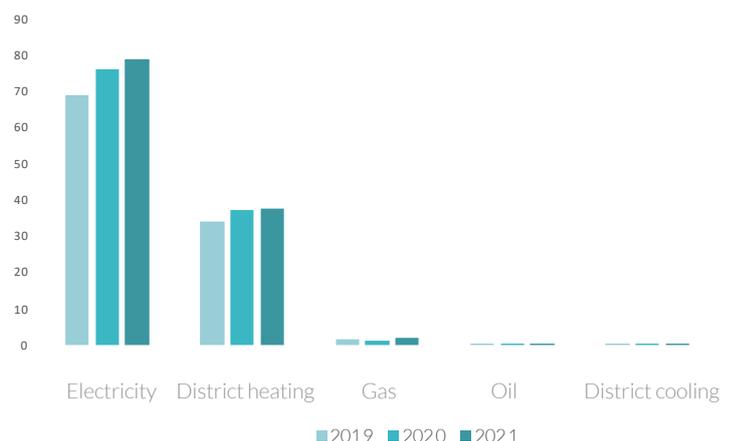
Energy consumption is one of our essential environmental aspects. Energy efficiency improvement is thus an area in which we have chosen to actively engage in activities reducing our climate impact.

We continuously measure and follow up on our consumption of electricity, district heating and cooling, as well as gas and oil. In the end of 2016, the Swedish division launched an energy efficiency program together with AFRY, with the goal of lowering energy costs as well as contributing to a better indoor climate, reduced climate impact and competence development for our staff. Presently, we have 47 facilities with active energy co-operations.

At our facilities, the most considerable energy consumption is within heating, lighting, ventilation, base load as well as cooling. In line with an increasing share of chargeable vehicles, we notice that energy efficiency improvements contribute to freeing capacity locally for this charging. During the year, we have installed an additional large number of charging points at our facilities. In 2021 we have not had the possibility to report specifically on consumption for electric vehicle charging. During 2022, we will ensure reading of at least 100 charging points which will be established in collaboration with AFRY.

The goal on a group level is to reduce our total energy consumption kWh/m<sup>2</sup> by 3% annually. Numbers for energy consumption are to a certain extent missing, which means that the figure for consumption is not fully correct. Thus, we cannot tell if we will reach a 3% reduction in 2021. Total consumption of energy for 2021 amounts to 67 304 500 kWh.

### Energy intensity kWh/m<sup>2</sup>





## Waste

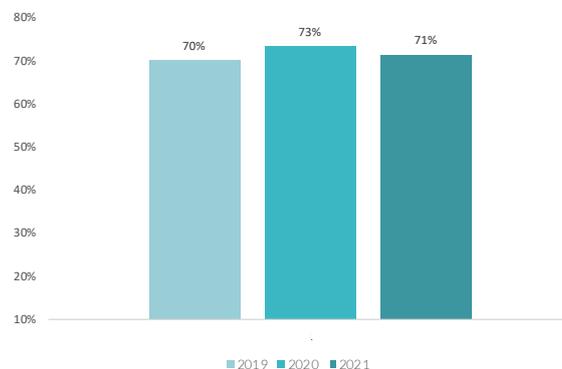
Our business generates large volumes of waste which contributes to a negative impact on the environment in those cases where the material cannot be recycled. Through reusing material and allowing it to live on in new products, that is beneficial through a reduced climate impact. Efficient material recycling also means reduced costs for us and the greater society.

The performance of our dealerships is continuously followed up on, with a focus on facility-specific information such as statistics on collected waste fractions including transportation and volumes. By reducing the number of collaboration partners within our waste management, we also create good circumstances to pursue improvement measures within each market. In the Swedish section of the group, we collaborate with Stena Recycling AB on the project 'Avfallslyftet 2.0'. The goal of the project is to contribute to an increased material recycling rate on a dealership level.

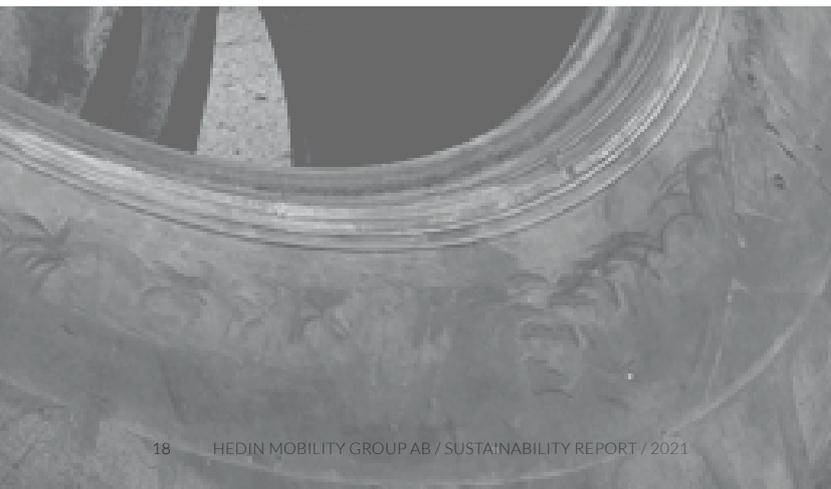
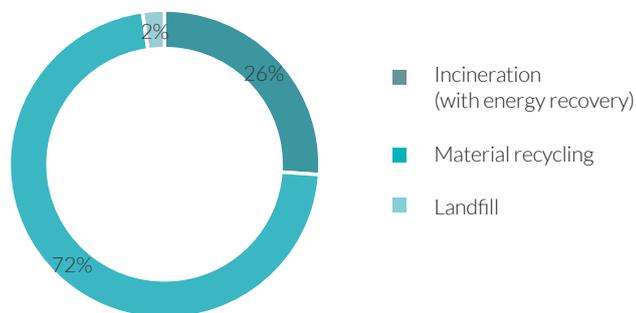
Our goal is to achieve an average material recycling rate of 70%. The total amount of produced waste in 2021 reached 4 441 tonnes. The share of recycled waste on a corporate level reached 71%. From the previous year, this is a reduction of 2 percentage points. Since 2020, new dealerships have been added to the group, which we acknowledge as a contributing cause for this reduction. Our efforts to include new acquisitions in the sustainability work, including our focus on material recycling, is a continuous effort.

Belgium has been excluded from the statistics of 2021 as data was not attainable during the establishing of the report.

## Share of recycled waste



## Share of treatment methods



# 05.

## Social indicators

### Employee turnover

The changing of staff too often wears on the organization and results in costs through replacement recruitment, training and loss of competence, which consequently leads to worsened quality and customer satisfaction. Measuring employee turnover, and foremost employee turnover of high-performers, and keeping down the outflow of expertise and key competence is a success factor.

What is perceived as normal employee turnover varies, but within the industry and the group, we believe that a 12% share of employees leaving is a reasonable goal. The result of this year is higher than the goal but compared to the previous year we see a positive development.

	2021	2020	2019
Employee turnover	13,19%	17,30%	25,60%

### Employee satisfaction

In Sweden and Norway, employee surveys were conducted at all facilities during 2021. Bavaria and Hedin Performance Cars in both Sweden and Norway are certified according to Great Place to Work®. The results of the survey have placed Bavaria Sverige Bil AB in 14th place among Sweden's Best Workplaces™ 2022 among large companies. In Norway, Hedin Performance Cars ranked 13th in among small companies, and Bavaria ranked 9th among medium-sized companies in Norway's Best Workplaces™ 2022.

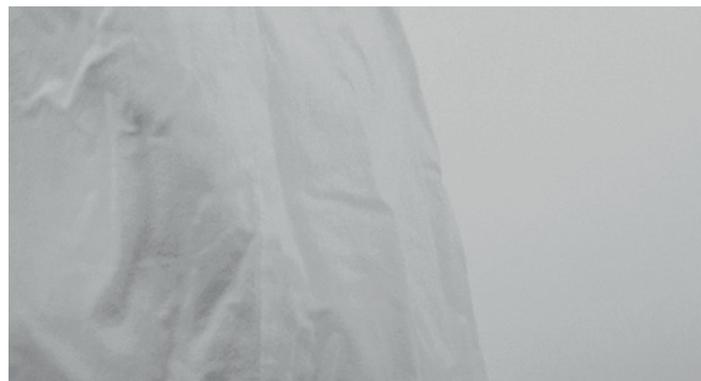


### Sick leave

Hedin Mobility Group is actively working to make sure that employees can combine private life with work life, and we have established routines to proactively work towards increased healthy presence and decreased sick leave.

Absence is followed up on on an individual level and managers have access to tools to activate rehabilitation initiatives.

The group has a goal of a total maximum sick leave of 3%. The total sick leave throughout the year is significantly above the goal.



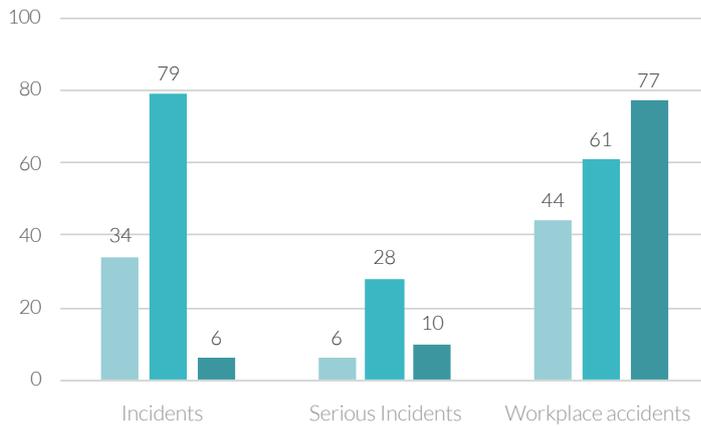
## Incidents

For companies in the group to have a safe and secure workplace, it is important to have swift measure to handle faults and shortcomings in the working environment, but also to embrace constructive suggestions on how the companies can be improved and developed as workplaces. To secure our systematic efforts on the working environment, we work with clear and documented routines in our internal guidelines. There are specific safety routines for high-risk tasks and tasks that include the handling of chemical products.

We have a zero-vision regarding work related accidents and commit to maintaining a healthy and safe work environment for all our employees, including necessary information and training. We will continuously work to identify risks and take precautions to reduce those risks. We will give all employees the possibility to live an active and healthy life, and we shall all have the strength to work until the retirement age.

Many of our working groups are exposed to physical risks in their daily work. Within the workshop section there are several mechanical and risky tasks, which can mean a risk of crushing injuries, strain injuries, vibration injuries and injuries through working with high voltage vehicles. We also work with a wide range of chemicals in our workshops which in certain cases demands the correct use of safety equipment. Within our car retail and customer service workshops, threatening and violent situations may occur as well as periodic high workloads.

One challenge in our systematic work environment efforts is to enhance the willingness and knowledge at our facilities to register incidents, and we can ascertain that reporting incidents still are too few in relation to the number of employees and facilities. Incident reporting is a prerequisite to be able to prevent accidents in the workplace. During 2022, training initiatives directed at managers will be introduced in order to enhance the knowledge regarding deviation management as well as the system support that we make use of.



## Equality and Diversity

Equality between women and men is a precondition for sustainable development of the group. Women and men within the group shall have equal opportunities and terms with regard to influence, resources and competence development. The goal is that we will offer workplaces where everyone greets each other with mutual respect regardless of gender, age, origin or other grounds of discrimination. Additionally, as a group we actively work to counteract all forms of discrimination.

Occupations within the workshops are traditionally dominated by men and educated technicians from the vocational schools are >95% male. We have not established a numerical goal for the share of men and women. However, the starting point is to work to attract more people from less represented groups to the industry. Instead, we have set goals such that our employees should have the possibility to combine work, career, parenthood and hobbies.

## Discrimination and Sexual Harassment

We will offer a workplace where everyone greets each other with respect. We condemn all forms of sexual harassment and do not tolerate any occurrence of this. In our organization we also do not tolerate any form of discrimination. It is not in accordance with our values to treat anyone differently for any irrelevant reasons. Each of us are assessed based on how they perform their tasks.

Our Code of Conduct as well as policies for equality and harassment stipulate our approaches, and all employees receive these in connection with new employment.

# 06.

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## Human rights

We support and respect internationally proclaimed human rights. We ensure that we do not partake in any violations of human rights. As far as applicable regulations allow for, all employees are free to create and be a member, or not be a member, of unions or similar external employee organizations and to negotiate collectively. Staff is treated with respect and dignity. Physical, psychological, sexual, verbal or other illegal harassment and any form of threats or intimidation is prohibited.

The HR-department investigates and assesses every case of complaints concerning violation against human rights, infringements and harassments within the corporation. The group actively collaborates with and are investigated by local trade unions bodies in any case of infringement or violation of human rights.

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## **Anti-corruption**

We have an obligation to follow current laws and regulations in the countries where we conduct business. Simultaneously, all our employees are expected to have knowledge of what anti-corruption means for Hedin Mobility Group. Therefore, our Code of Conduct is included in our introduction training for employees, but also in our internal communication.

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### **Bribes**

We follow applicable bribe regulations and national code regarding gifts, rewards and other benefits in the industry. No form of extortion, bribes or payments that may affect decisions are accepted. Gifts for employees are applied restrictively and only on special occasions. The group does not give any gifts to customers or partners. External representation is to occur as little as possible and must be approved beforehand by the responsible manager. External representation is aimed at persons not employed by the group, such as visitors and guests who take part in the hospitality of Hedin Mobility Group in the form of meals, corporate events and similar. The representation should always be connected to the corporation and have the purpose of maintaining or creating business relationships.

### **Embezzlement**

Hedin Mobility Group does not accept embezzlement or fraud of any kind. Among other things, fraud includes employees misdirecting or misusing the trust of the group through actions that mean personal monetary gain. Identified cases of fraud will result in a police report as well as immediate dismissal. Through a number of policies, the corporation intends to leave as little space for fraud and embezzlement as possible.

### **Bias**

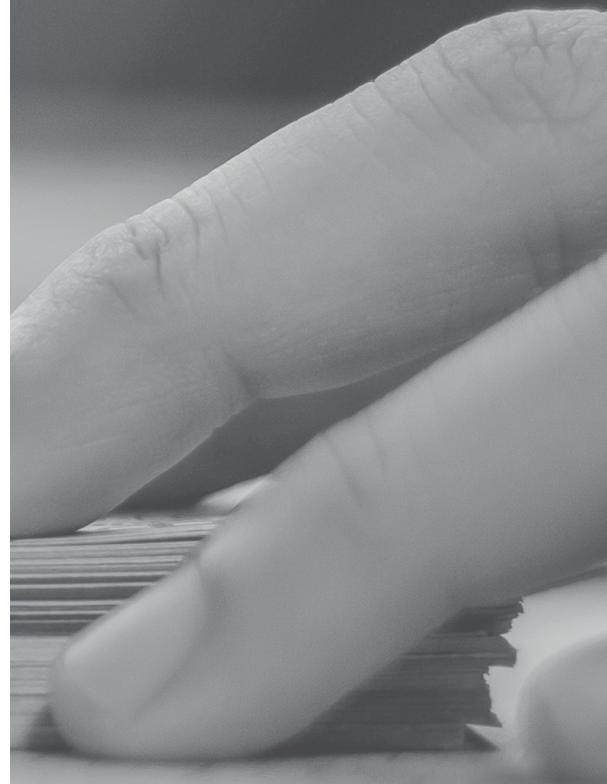
Our Code of Conduct gives our employees guidance on how they shall maintain the ethical norms of the group and avoid situations where conflict of interest may arise. It is not possible to list all situations where a conflict of interest may arise, but below we have illustrated potential situations to avoid:

- ▶ Conducting business outside of the group such as hiring or competitive business
- ▶ Acting as a middleman in the sales of goods or services from Hedin Mobility Group to a third party
- ▶ The use of insider information or other confidential information for personal gain
- ▶ Hiring of close relatives

### **Reporting of Irregularities**

Our whistleblower function makes it possible for all employees within Hedin Mobility Group in its entirety to report suspicions about serious irregularities and misconduct, at our workplaces or within our organization.

During the year, no incidents on irregularities or misconduct have been reported within our organization.



## Looking ahead

Starting in 2022, the group will develop its sustainability processes. In connection with this, the materiality analysis will be remade. The collection of ESG-data has already begun within the businesses in a systematic way. On this basis, we will be able to focus on and prioritize our sustainability efforts even further.

We aim to, to a larger extent, follow global frameworks within sustainability reporting. We believe this would enhance the transparency of our reporting and lay the foundation for a more ambitious and efficient sustainability work.

We will continue with our successful energy efficiency improvement project, which includes improvements of operational efficiency and other beneficial initiatives that contribute to a lowering of the energy cost and usage in our facilities.

Our efforts in enhancing the share of recycled waste in collaboration with Stena Recycling in Sweden continues. More facilities will be included in the collaboration during 2022.

In coming years, the group will focus on creating an attractive, developing and inclusive workplace which is signified by safety, reliability and accessibility. We will continue with initiatives regarding our employee turnover, and work with our culture, leadership and recruitment to reduce this further.

We will also continue with our efforts in working for equal pay, zero-tolerance for discrimination and increased diversity as a whole. We will introduce regular follow-ups per business unit in the following five areas: salary and benefits, work environment and health, parenthood and career as well as competence development.

During the second half of 2022, a digital training platform will be launched. This will give us a tool to improve competence development through target group adaptation with courses aimed at different occupational groups.



