

ESG QUESTIONNAIRE

ESG Questionnaire, Storskogen

What is the industry's three biggest sustainability-related challenges according to Storskogen?

We view the three biggest challenges as the following:

1. Corporate Governance
2. Climate Change
3. Diversity and Inclusion, Gender Equality

How does Storskogen compare to industry peers regarding sustainability initiatives?

We are a young company in comparison with some of our peers and started to structure our ESG efforts on a Group level with the new hiring of a Head of Sustainability in February 2021. Our peer review conducted in February indicates we will be on par in a year.

Is Storskogen a signatory of the UN Global Compact or Science Based Targets?

We sent in our application to UN Global Compact in May, an application process that takes 6-12 months.

[We committed to SBTi in September.](#)

Environment

What are Storskogen's climate-related opportunities?

1. Acquire taxonomy aligned companies.
2. Contribute to solutions for both climate mitigation and adaptation.
3. First mover advantage.

What are Storskogen's three primary risks related to climate change?

1. Our primary climate risk is transition market risk of a shift in demand for certain products or services our companies offer.
2. Another relevant risk is transition risk such as policy or legal risks for companies

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not transitioning fast enough.

3. If failing to make the transition necessary, companies may also face reputational risks.

What is the climate-related investments made by Storskogen?

Storskogen has a wide variation of climate-related investments on company level.

One example is Berco, a company producing body cabinets for trucks. They invested in developing a lightweight product to enable its clients to lower their emissions. It resulted in first mover advantages and being the only eligible supplier for a period.

The aggregated amount of climate-related investment for Storskogen will be investigated and disclosed accordingly to the taxonomy regulation 2022.

Does Storskogen rely on any scarce resources for its operations? What efforts are made to mitigate the risk of those

resources becoming even more scarce in the future?

No, not as a group, as we have a diversified exposure consisting of many companies. Individual companies may be dependent on an important resource or input product, and must in that case, include this as a material aspect that they follow-up and act on when necessary.

Transition-related risks: Does Storskogen anticipate any risks or opportunities due to the transition to a carbon-neutral society? Is there any risk of the firm's offer being negatively affected? If yes, is Storskogen well positioned to handle that risk?

Opportunities: We see opportunities to acquire companies offering, or has the potential to offer, products and services that contribute to climate change mitigation or adaptation, both on own performance and as enablers. For our companies, we see opportunities in positioning, if they transition to a low carbon

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economy faster than the rest of their industry.

Risks: Storskogen consists of many different companies with different material aspects and risks. The companies who are significantly exposed to transition related risks are of course the companies with the highest negative impact on the climate.

Our largest emitter of GHG (scope 1) is a transport company who has GHG emissions as a material aspect. Transitional risks are policy risks, legal risks, market risks and reputational risks, which the company mitigates by actively working to transition into a low carbon economy. An example is by replacing fossil fuels with renewable fuel such as HVO.

One of our largest energy consumers (scope 2) is Storebrogjuteriet, a foundry that has energy consumption as material aspect. It uses renewable energy and has low GHG emissions as a result. However, a transitional risk, as for all energy intensive industries, is access to

energy. We are continuously mitigating this risk by investing in technologies and heating-systems etc. As a result, Storebrogjuteriet has lowered its energy consumption with 25 %, compared to previous years.

At an aggregated Group level, transitional risk is not material given that we own a wide range of companies with extensive offerings and most of the companies are not in sectors that are highly exposed.

Please list Storskogen's primary means of making a positive environmental impact or minimising negative environmental impact. How are they tracked and communicated?

1. Storskogen's climate work was prioritized in 2020, when the company's first climate accounting was made. This work has continued during 2021 and has been used to develop Storskogen's Climate Strategy, which is in line with the Paris Agreement with the aim of

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cutting emissions in half by 2030. Yearly follow up and reported in our annual report.

2. Many of our industrial companies are sourcing renewable electricity (57 %) and we have set the target of having 80 % renewable electricity 2025 and 100 % by 2030. Yearly follow up and reported in our annual report.
3. We require all our industry companies, and other companies where environmental aspects are material, to certify accordingly to ISO14001 (40 % today). This is followed up yearly and reported in our annual report.

Social

Does Storskogen have a history of accidents? If so, how have these been managed? Are there any preventive measures, such as policies?

Last year we reported a total of 7 accidents to Arbetsmiljöverket, The

Swedish Work Environment Authority. All accidents are followed up in order to minimize the risk for future accidents. Where material, we will encourage certification according to ISO 45001. A first pilot was conducted in one of our companies during 2020.

Does Storskogen conduct any community engagement activities aside from those directly connected to the business?

One of our material aspects we identified when performing materiality analysis and stakeholder dialogue, that we chose to engage on, was a thriving community.

Storskogen often acquires entrepreneurial companies with a large part of the operations in smaller rural locations. The companies are typically an important local employer and partner. Storskogen sees great value in protecting history, entrepreneurship, and local know-how.

Many of our companies are sponsoring different activities in

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their communities (primary local sports teams).

Circular economy: How are purchases and waste managed?

For our companies with ISO14001 (40 %) these aspects are typically included.

Storskogen will, starting in 2022, as part of the taxonomy reporting, look into transition to a circular economy, waste prevention and recycling in a structured way at Group level.

Are there any goals, policies, or codes or conduct (CoC) applicable to Storskogen's suppliers? How often does Storskogen conduct audits of its suppliers?

Today, the suppliers are included in the scope of our group level CoC (some companies have separate ones) but we are developing a Supplier Code of Conduct as a first step this year to continue next year with a structured responsible supply chain programme.

Governance

Do all staff members receive continuing education on anti-corruption (AC)? Is there an external whistle-blower function? Are there any ongoing or historical incidents involving corruption, cartels or any other unethical business conduct? Have any preventive measures been taken?

We launched our AC-policy in 2020 and we are planning on a training session for head-office and relevant employees at all of our companies (management, procurement, and sales department).

Yes, we have an external provider WhistleB. Reporting can be done for both internal and external parties and anonymously via a link to WhistleB from our website.

We had an incident of unethical business conduct at a company we acquired recently. The company had serious deficiencies in their accounts and provided misleading information in connection with the acquisition.

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Storskogen has initiated an investigation into the matter and has taken extensive measures, including a change of management.

Storskogen's business tax residence:

Sweden, but we adopt a country-by-country reporting and pay tax in all countries where we have a presence.

Are there independent members of the Board of Directors?

Yes 4/5

Please state if and to what extent, Storskogen has transactions with related parties:

All material transactions with related parties are disclosed in the annual report.

Is the remuneration of the CEO and other members of the management team in line with the industry peers? Which KPIs dictate the remuneration?

Storskogen has remuneration guidelines that are approved by

the AGM. Remuneration to the CEO and other members of management comprise fixed salary which is market based and in line with relevant peers, standard benefits such as healthcare and insurance as well as pension. CEO and management are also eligible for participation in our long-term incentive program (LTIP). The overall aim of remuneration in Storskogen is to promote the company's business strategy, sustainability, and long-term interests. Today, no specific sustainability related KPI is included but will be evaluated during the next couple of years.

Relative split of men/women in Storskogen:

Board of directors:

Storskogen Group: 40 % women (2 women and 3 men). Business Units: 25 % women

Management:

Storskogen Group: 14 % women (1 woman and 6 men)

All employees:

Storskogen total: 17 % women,

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Storskogen head-office: 45 %
women

Is the Head of Sustainability a
member of the management
team? If not, who does that person
report to?

No. The Head of Sustainability
reports to the Head of M&A and
Corporate Development.

Please state whether Storskogen
has the following policies or
agreements in place:

- Union agreement: Many of our companies have union agreements. For employees at head office, we do not have one, but offer equal terms of employment.
- Code of Conduct: Yes
- Diversity policy: Yes
- Anti-corruption policy: Yes