

ESG Questionnaire

General Industry

Please list the industry's three biggest sustainability-related challenges	<ol style="list-style-type: none">1. Reduce the impact on the environment and climate<ul style="list-style-type: none">• Environmental impact in the operations (transports, energy use in premises, chemicals and waste handling)• Placing chemical products on the market.• Possibility of reusing and recycling of products2. Employees<ul style="list-style-type: none">• The possibility to attract, keep and develop employees.• Competence and competence development in workshops.• Health and safety issues, such as heavy lifting in warehouses, branches and workshops, chemical safety risks in workshops, traffic safety for deliveries. Psychological health and safety issues, such as stress.3. Sustainability risks in the supply chain e.g:<ul style="list-style-type: none">• Human rights and labor issues regarding the suppliers' employees• Environmental issues in the production• The product's environmental impact during its lifespan and the possibility for reusing or recycling
How does the firm compare to industry peers regarding sustainability initiatives? Above, on par, or below?	<p>Mekonomen Group is at least on-par or above peers regarding the our sustainability work and initiatives. In different ESG-ratings the Group gets a relative high rating and/or low risk evaluation in the sustainability field. E.g. Sustainalytics ranks Mekonomen Group as number one among its peers and notes that our overall ESG-related disclosure follows best practice and that it signals strong accountability to investors and the public.</p> <p>We consider all the material aspects of sustainability and want to be in the forefront in our industry. Sustainability issues are part in the Group's strategy and must be an integrated in our business operations and generate value for the company and our stakeholders. The sustainability work is an important component for achieving the Group's overall goals and for being a company with sustainable operations in the future as well.</p>
Is the company a signatory of the UN Global Compact or Science Based Targets, report to the CDP or engage in any other relevant sustainability initiatives?	<ul style="list-style-type: none">• Mekonomen Group signed UN Global Compact in 2013.• We have not committed to set Science Based Targets.• We do not report to CDP.

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Environment 1(3)

Please list, if any, the firm's climate-related opportunities.	<p>One of the largest environmental challenges globally, is to reduce the negative impact on the climate and the environment from transportation. The Group, as an enabler for mobility, has a natural part in the transformation from fossil-powered cars to a more fossil-independent car fleet by also offering service, repairs and products for electric cars. We seek to be the car owner's first choice regardless of model and fuel.</p> <ul style="list-style-type: none">• We train automotive technicians in electric and hybrid electric vehicles through our training centers and we are increasing our product range with spare parts for electric cars. In 2021 the Group launched a new standard for electric car service, E+, which guarantees that the workshops have the right skills and equipment to take care of electric cars.• With proper service, maintenance and repairs the cars, regardless of fuels, will be as fuel efficient as possible during its lifespan and hence impact the climate as little as possible.• We have the opportunity to effect the supply chain. For instance, we make environmental demands through the Group's Supplier Code of Conduct e.g. the supplier must work to continuously improve their environmental performance and minimize the use of resources and emissions.
Please list the firm's three primary risks related to climate change	<ol style="list-style-type: none">1. Our negative impact climate is mainly due to energy use in premises and fuel for transports, which we need to control and minimize.2. Environmental and climate policy decisions and legislation can affect our businesses, e.g. increased taxes or other policy instruments may lead to investment needs and/or higher costs (e.g. higher energy prizes).3. Car owners are becoming more aware and has more knowledge of the cars' environmental and climate impact, which affects their choice of vehicle and way that they transport themselves. This means for example that we need automotive technicians with competence in electric and hybrid electric vehicles and our product range must include spare parts for electric vehicles.
Does the firm anticipate any climate-related investments?	We do not see any significant climate-related investments in the near future. Our academies are able to train automotive technicians in electric- and hybrid cars. We include spare parts for electric vehicles in our product range. We work to improve the energy efficiency and switch to renewable electricity in the premises. We also switch to vehicles with less fuel consumption and environmental impact.

ESG Questionnaire

Environment 2(3)

Does the firm rely on any scarce resources for its operations? If so, what efforts are made to mitigate the risk of those resources becoming even more scarce in the future, e.g. recycling, reusing, substitutes or improved resource efficiency?	We do not rely on any scarce resources, but we work to improve the energy efficiency and switch to renewable electricity in the premises. We also switch to vehicles with less fuel consumption and environmental impact. Waste is sorted and handled according to legislation in order to increase the possibility of recycling, hence reducing the environmental impact. E.g. electronics, metal parts and batteries includes metals that can be recycled.
Transition-related risks (for example changed customer preferences or legislation): Do you 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 the firm well positioned to handle that risk?	One of the largest environmental challenges globally, is to reduce the negative impact on the climate and the environment from transportation. Car owners are becoming more aware and has more knowledge of the cars' environmental and climate impact, which affects their choice of vehicle and way they transport themselves. Legislation and other policy instruments imply a shift in the vehicle fleet. For us, it is important to have a strong understanding of how the market and our customers' needs change and how we are affected by it. This means for example that we need automotive technicians with competence in electric and hybrid vehicles and our product range must include spare parts for electric vehicles. Already today 57% of our affiliated workshops have competence regarding electric and hybrid vehicles. Carpools and other kinds of car ownership are creating new customer needs and new business opportunities. For example, Mekonomen Group is a part owner in a carpooling service together with the startup company Ezeride. The service is targeting companies that want to reduce climate impact and offer their employees a sustainable alternative for job commuting.

ESG Questionnaire

Environment 3(3)

Please list the firm's (1-2) primary means of making a positive environmental impact or minimizing negative environmental impact. (If applicable, please list the corresponding most relevant UN Sustainable Development Goals) How are they tracked and communicated?

Our material sustainability aspects are identified through an analysis of the UN Sustainable development goals, other relevant frameworks (such as UN Global Compact and GRI), laws, regulations and our stakeholder's demands and expectations. More details of our sustainability work can be found in our Annual report.

Regarding the environment SDG 7 and 12 have most impact:

SDG 7 Affordable and clean energy for all

- We make it possible for car owners to service and repair their vehicles regardless of whether they run on fossil fuels, biofuels or electricity.
- Proper maintenance and service makes the vehicles as fuel efficient as possible.
- By developing our products and services for the growing share of vehicles run on alternative fuels, such as biofuels and electricity, we contribute to a transformation in society.
- Internally, we work to reduce our energy use in premises and lower fuel consumption.

SDG 12 Responsible consumption and production

- A properly maintained vehicle contributes to traffic safety and that the vehicle has as small impact on the environment as possible during its lifespan.
- Our operations entail the handling of chemicals and we place chemical products on the market.
- The waste that arises is sorted and recycled.

ESG Questionnaire

Does the firm have a history of accidents? If so, how have these been managed? Are there any preventive measures, such as policies?	Mekonomen Group has a low accident rate. All business areas work systematically with health and safety issues, which among other things means that risks are evaluated, procedures are in place to manage the risks and that incidents and accidents are reported. The Groups policy on health and safety is included in the Code of Conduct. The Code of Conduct applies to everyone that works under any of the Group's brands. For example, in Sweden, we help our workshops to get approved according to the industry standards "Godkänd Bilverkstad". The standard contains i.a. requirements on health and safety and environment.
Does the company conduct any other community engagement activities aside from those directly connected to the business?	Community engagement activities are decided in the respective Business Area. The President and CEO is member of the board in the foundation "En Frisk Generation". The Director of Business Development and Strategy is member of the board in "Telge Tillväxt".
Circular economy: How are purchases and waste managed? Please list the firm's demands on its suppliers, if applicable	Our requirements on our suppliers are stated in our Supplier Code of Conduct that shall be accepted by the supplier. The supplier must conduct a systematic environmental work to minimize negative environmental impact from the operation's activities. By having procedures to identify, measure and follow up on their environmental impact, the supplier must work to continuously improve their environmental performance and minimize the use of resources and emissions. The supplier must work actively to reduce their waste and emissions to land, air and water.
Are there any goals, policies, or codes of conduct applicable to the firm's suppliers? How often does the firm conduct audits of its suppliers?	Our requirements on our suppliers are stated in our Supplier Code of Conduct that shall be accepted by the supplier. The Supplier Code of Conduct is available at www.mekonomen.com . The Supplier Code of Conduct is based on i.a. the UN Global Compact, UN Universal Declaration of Human Rights, ILO's eight core conventions and the UN Convention against Corruption. It is the supplier's responsibility to ensure that any sub-suppliers meet the requirements contained in the Supplier Code. Our goal is to more than 95 percent of our purchases of direct materials should come from suppliers who have accepted the requirements in the supplier code by 2025. At present, 91% of purchases are from suppliers who have accepted the requirements. Factory visits are made to all new suppliers who deliver spare parts and accessories for our own product range. The inspections of factories and tests of products is based on checklists that include review of product quality, environment and social requirements.

ESG Questionnaire

Governance	<p>Do all staff members receive continuing education on anti-corruption? 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?</p> <p>The Group's anti-corruption policy is included in our Code of Conduct. The Group's Code of Conduct was approved by the Board of Directors and a major update was done in 2019 and has been communicated to all business areas. The Code is available in every Scandinavian language, Polish and English. In addition, there are special guidelines regarding anticorruption with rules on gifts and representation.</p> <p>Our whistle-blower function is external and available on www.mekonomen.com</p> <p>Education regarding the Code of Conduct is planned in 2021 and will include the anti-corruption policy and whistle blower function.</p> <p>No ongoing or historical incidents involving corruption</p>
	<p>Please state the firm's business tax residence (i.e. where the firm pays tax) and explain why that specific tax residence was chosen</p> <p>Mekonomen Group pays tax in the country where we have operations/legal Companies (Poland, Sweden, Norway, Denmark and Finland). TP is applied.</p>
	<p>Are there independent members on the Board of Directors?</p> <p>All ordinary members are independent in relation to the company and its management in accordance with the definition in the Swedish Corporate Governance Code. Five of the Board members are independent also in relation to major shareholders</p>
	<p>Please state if and to what extent, the company has transactions with related parties.</p> <p>There has been no transaction with related parties (Company Group Management). Mekonomen Norway rent a facility owned by the CEO of Mekonomen Norway and a relative of his.</p>

ESG Questionnaire

Is the remuneration of the CEO and other members of the management team in line with industry peers? Which KPIs dictate the renumeration (particularly if sustainability and gender diversity are included)?	Yes, the Board of Directors has that opinion (see also guidelines for remuneration). Benchmarks have been done, but it is difficult to compare with industry peer, since there is no listed Company in Sweden comparable to Mekonomen Group. There is a ESG target in the CEO short term remuneration for 2019 (5%) and 2020 (10%)
Please indicate the relative split of men/women at every level of the firm, particularly the Board of Directors and management team	<ul style="list-style-type: none">• 43% women and 57% men in the Board of Directors• 50% women and 50% men in the Group Management Team• 17% women and 83% men in total workforce• 13% women and 87% men in senior positions (personnel and budget responsibility)
Is the Head of Sustainability a member of the management team? If not, who does that person report to?	The Director of Legal Affairs and Sustainability is part of the Group Management Team. The sustainability work is led and coordinated by the Group's Head of Sustainability, who reports to the Director of Legal Affairs and Sustainability.
Please state whether the firm has the following policies or agreements in place: <ul style="list-style-type: none">• Union agreement• Code of Conduct• Diversity Policy• Anti-Corruption Policy	<ul style="list-style-type: none">• Union agreement: Within the Group we have agreements in the respective Nordic countries. In Poland, the employees are covered by current labor legislation and regulations on compensation according to Polish labor law. Around 50% of the workforce is covered by union agreements.• Code of Conduct: The Code of Conduct is available at www.mekonomen.com• Diversity Policy: The Policy on equality, diversity and inclusion is included in our Code of Conduct• Anti-Corruption Policy: The Anti-corruption Policy is included in our Code of Conduct. In addition to the Anti-corruption Policy, there are special guidelines regarding rules on gifts and representation.