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Exoskeletons improving work ergonomics

At KGK's logistics center, the staff's curiosity and commitment to their work environment has led to the testing of new aids in the form of exoskeletons. These provide the individual with extra strength and stabilize the body when performing heavy lifting.



KGK investing in start-up company EV Hub

The start-up company EV Hub conducts research into and develops methods for repairing high-voltage components for electric cars. KGK has invested in the company as the majority shareholder. Read about the entrepreneur Nassir and his journey starting up and developing the business.



Revised tram gearboxes contributing to sustainable public transport

Performing repairs has environmental benefits, a fact that Göteborgs Spårvägar has taken note of. Following a tender that KGK won, they are revising their tram gearboxes with the help of KGK's ZF workshop and extending the service life from one million kilometers to two million.

KGK participating in feasibility study on circularly adapted vehicle fleet

The research institute RISE has selected KGK to participate in a feasibility study for the project The Circular Car, which aims to develop strategies for a circular car fleet. This includes the development of systems and services, design principles and business models.

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The Used Car Parts service expanding Autoexperten's range with 4.4 million new parts

The new Used Car Parts service will be offered to Autoexperten's customers, through a collaboration with dismantlers at laga.se, starting in spring 2023.

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About KG Knutsson AB and its subsidiaries and the Sustainability Report 2022



Sustainable business represents an important building block in our ambitions to create long-term value over time. This Sustainability Report for 2022 covers the parent company KG Knutsson AB and the subsidiaries Autoexperterna Detaljist i Sverige AB, Laitis, Carsmart AB, KGK Norge AS, Kaha Oy, KL Parts*, EV Hub AS*, KG Knutsson SIA, AS KG Knutsson and UAB KG Knutsson. KG Knutsson AB is in turn part of KGK Holding AB.

KG Knutsson Verkstad AB is not covered by this Sustainability Report, as the company's business concept is based on short-term and temporary ownership.

KG Knutsson AB's customer are primarily dealers and manufacturing companies in the automotive and marine sectors. The dealers are offered extensive market support, wide-ranging training activities and a comprehensive product range on the Autokatalogen e-commerce site. KG Knutsson AB is also the agent for the following brands, among others: Calix, Dräger, Hella, Webasto, ZF, Liqui Moly and Varta.

In our work in relation to sustainability reporting, we are supported by Global Reporting Initiatives (GRI), accounting principles and some of GRI's subject-specific standards, although the report in itself is not prepared in accordance with GRI Standards.

KG Knutsson AB is quality and environmentally certified in accordance with ISO 9001 and ISO 14001 respectively. The company also holds AEO certificates for customs and security.

KG Knutsson AB's management team has the ultimate responsibility for the sustainability work and long-term sustainability goals within KG Knutsson AB. The sustainability work is carried out principally through active work at company level. Our sustainable strategy is not yet Group-wide. We are striving to achieve a sustainable strategy that will permeate all the companies in future.

All our subsidiaries and their sustainability data can be found in an index at the back of this Sustainability Report. A new feature this year is that the subsidiaries Kaha Oy, KG Knutsson SIA, AS KG Knutsson and UAB KG Knutsson are presenting a sustainability index in the Sustainability Report.

* KG Knutsson AB's newly launched subsidiary EV Hub AS and Kaha Oy's subsidiary KL Parts are not presented in the sustainability index, as we have limited access to obtain the necessary information (in respect of statistics and data) within a reasonable period of time.



The KG Knutsson AB Group

The parent company KG Knutsson AB and its subsidiaries conduct distribution and agency operations focusing on the automotive sector. Resale of accessories, spare parts and equipment components for motor vehicles and machinery. The Group also conducts the repair of gearboxes and shafts.

In Finland, Estonia, Latvia and Lithuania, the business mainly comprises the sale of spare parts and accessories for cars. In Norway, the business conducts the sale and repair of gearboxes and shafts, as well as sales of spare parts and accessories for cars.

” I see no contradiction between doing business and thinking sustainability.

Johan Regefalk, CEO of KG Knutsson AB

It has probably not escaped anyone’s attention that the automotive sector is undergoing a major transformation, and that an exciting technological shift is underway with battery-powered electric cars gaining more and more ground.

More than 56% of all cars sold in 2022 were rechargeable, and of just under five million cars on our roads, 437,240 are now rechargeable, equating to roughly 9% of our entire vehicle fleet. Of these rechargeable cars, almost 200,000 (4%) are powered solely by electricity. The remainder are plug-in hybrids that, in addition to being able to run on electricity, can also be powered by fossil fuels.

Since the government’s overnight removal of the ‘climate bonus’, there has been a heated debate as to whether the transition to electric vehicles will lose momentum. Combined with the fact that interest rates have risen, electric cars have now become too expensive for many private individuals.

At the same time, the world’s largest electric car manufacturer, Tesla, has reduced its prices by up to SEK 150,000 for its most popular models. To date, few other car manufacturers have followed suit and also lowered their prices, but it is generally believed that this will force down the price of electric cars in the future.

Personally, I think we need to hold our nerve before stating that the technological shift is going to lose momentum. It wasn’t necessary to ban the coal-fired steam engine, as it was out-competed by the internal combustion engine. In my judgement, the same will apply to the internal combustion engine. The electric motor offers much better efficiency, requires less maintenance, is quiet and makes the car agile and strong. In addition, huge sums are being invested in the development and production of batteries, while the charging infrastructure is expanding day by day. I believe that the transition to electric cars will therefore continue at a good pace.

In my opinion, however, one threat to the success of electric cars is that the vehicles the manufacturers are developing are too expensive, large and heavy. We do not need electric cars designed for family transport that are approaching an unladen weight of 3 metric tons. My hope is that we will instead get more electric cars that have a reasonable kerb weight, are practical and can be used by people with normal incomes.

At the same time as the electric car is winning market share,

our workshops need to transform in order to deal with the new technology. Our contribution to this transition is EV Hub, which you can read more about on page 44 in this report. In short, EV Hub’s business concept is to provide electric cars with a longer service life. This is being done by providing training, repairs of high-voltage components including batteries, as well as technical support to the workshops regarding how these components should be replaced and programmed into the car.

Even though a technological shift is in full swing, however, it is also important to take care of and service the large number of vehicles that are already driving on our roads. A well-maintained vehicle that achieves the service life for which it was built also means that we are saving our shared resources.

From a sustainability perspective, another important aspect is to also make use of all the second-hand car parts that are available at the country’s vehicle dismantling workshops. I am therefore pleased to announce that we are finally on target to offer used car parts to our workshops as a complement to new parts. These parts have long been available at the country’s car dismantling businesses, and we are now offering effective system support that makes it easier for the workshops to find parts, offer them to car owners and then have them delivered smoothly and flexibly.

All in all, I am extremely proud of all the operations and activities carried out by our dedicated and highly skilled employees at KGK. I have mentioned some of these activities here, and I hope this will pique your interest to read on.

Finally, as I have said many times before, I see no contradiction between doing business and thinking sustainability. On the contrary. KGK’s promise to our customers is “a good, long-term deal”. As a result, these deals have to be sustainable!

Johan Regefalk
CEO, KG Knutsson AB

KGK moves people forward

Our task is to make it easier for people to get around. On the road, through life, in rush-hour traffic, on vacation or at work. KGK is an important part of the world around us. Our work should have a positive impact, for our customers, suppliers and employees, but without depleting the Earth's resources. Our aim is to be a leading company with the best solutions that always add value to people's lives, both now and in the future. We move people forward, quite simply.

When Knut-Göran Knutsson launched his business in 1946, a handshake was enough. The outside world looks a little different today – business is done in different ways and it can be a little more complicated. However, the basic approach, that business should benefit all parties, still applies.

Our mission

KGK is a partner, general agent and distributor of a wide range of products and services for the automotive and marine sectors. KGK offers a high level of expertise, a customer-oriented sales and service organization and efficient logistics.

Our brand promise

KGK will act to ensure that employees, customers and suppliers experience long-term, successful business dealings with KGK.

Our core values

Our core values show who we are and what we stand for. KGK wants to be perceived as knowledgeable, reliable and open.

Our sustainable strategy

KGK's sustainable strategy is based on the UN's global Sustainable Development Goals. The goals that have been identified where KGK can and will contribute are a Fossil-free vehicle fleet and the Zero vision in traffic.

KGK has prioritized three areas of work in relation to sustainable development:



Our internal Code of Conduct, "The KGK way", is part of KGK's sustainable strategy, and the aim is to clarify our approach as employers and employees in issues that affect customers, other employees, suppliers, partners and society at large. The strategy helps us come to the right decisions on issues such as leadership, employeeeship, representation and safety. It also acts as a guide for the laws and regulations that we need to follow.

Our business model

KGK is a partner, general agent and distributor of products for the automotive sector from a number of world-leading manufacturers and suppliers. We offer more than 500 brands and sell everything from small spare parts and accessories to large car lifts.

Our partners include Dräger, Hella, Webasto, ZF, Calix, VDO, Liqui Moly and Stabilus. Something these companies have in common is that they deliver original quality and often also supply vehicle manufacturers. We handle local marketing activities and the aftermarket for some of our partners. Our own brands include Kamasa Tools, Carsmart and the auto repair shop chain Autoexperten, which has more than 360 affiliated workshops.

Our market

We describe KGK's main business areas as follows:

Autoexperten

Autoexperten is our auto repair shop chain with more than 360 affiliated workshops. It represents an important channel to the independent aftermarket and for the brands we distribute. The car workshops under Autoexperten are owned and operated in-house by local contractors, which guarantees that their customers encounter a car workshop that combines the commitment and knowledge of KGK's experts with our entire product range.

E-Com

E-commerce within KGK and Autoexperten simplifies and streamlines business flows between us and our customers. Through E-commerce, we are becoming even more accessible and are increasing our customer service, no matter which aspect of our product or service offering our customers want to get their hands on.

Independent aftermarket (IAM)

The workshops in the independent aftermarket, including our own auto repair shop chain Autoexperten, comprise the workshops that complement the brand workshops. KGK provides these workshops with a wide range of spare parts and heavy workshop equipment. Through Autokatalogen.se, our workshop customers can supply the correct products to their customers, mainly private vehicle owners, quickly and easily.

Passenger cars and light commercial vehicles

Thanks to KGK's combination of experience and vision for the future, our customers have access to accessories for both the existing vehicle fleet and the fleet of the future. We offer everything from alcohol interlocks, car heating, charging boxes and bike carriers to in-car entertainment

and lighting from some of the world's leading producers. In addition, we also have a wide range of certified workshop equipment for original brand workshops.

Trucks and buses

People who work with trucks and buses will find a wide range of high-quality spare parts and accessories at Autokatalogen.se. Where necessary, we help to tailor customer-specific solutions.

Construction, machines & forklifts

We create solutions for manufacturers and dealers of heavy machinery. For example, we offer lighting, vehicle heating, reversing cameras and installation materials at Autokatalogen.se. Our support is also constantly being updated, and can answer questions about assembly and help out in the selection of products.

Marine

We offer consumables, accessories and spare parts to wholesalers, boat builders, designers, shipping companies, marinas and service yards. Using the search function at Autokatalogen.se, it is easy to find the right spare part for the boat engine in question.

Motorhomes, caravans and trailers

For dealers selling motorhomes, caravans and trailers, KGK offers a wide range of accessories and spare parts, linked to registration numbers in Autokatalogen.se. We deliver quickly and efficiently throughout the country.

KGK Solutions

We offer tailored services to fleet owners, professional and company car drivers. These services include solutions for vehicle administration and a complete service for the administration of electric car charging, enabling us to help companies, public organizations and tenant-owner associations to switch to fossil-free vehicle fleets.

Subsidiaries



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We are experiencing strong growth, which is obliging us to think about our business from a sustainability perspective. In 2022, for example, we have purchased 10 fossil-free vans for delivering our goods.

Lars Andr sen , CEO of Autoexperten Detaljist i Sverige AB

Autoexperten Detaljist i Sverige AB

Autoexperten Detaljist i Sverige AB was founded in 1996 in Sollentuna and is a wholly-owned subsidiary of KG Knutsson AB. Autoexperten Detaljist runs 33 Autoexperten stores, stocking a wide range of goods such as spare parts, accessories, oil, tires, tools and workshop equipment. We have drawn up a new business plan during 2022, parts of which are intend to intensify our internal cooperation. This is being done in order to plan our joint activities both centrally and locally, so as to create more efficient working methods in several areas.

Business model

Autoexperten Detaljist supplies businesses such as workshops, industries and hauliers, as well as private customers and real estate companies. Our customers primarily order their goods through Autokatalogen or by means of telephone orders, and the goods are mainly delivered with our vans.

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Here at Carsmart, we are driving the development of user-friendly and needs-adapted solutions to make the day-to-day lives of fleet owners and drivers easier.

Muath El Noaimi, CEO of Carsmart AB

Carsmart AB

Carsmart AB was founded in 2009 and has been a subsidiary of KG Knutsson AB since 2013. Carsmart offers administration services for fleet management. This is performed through an easy-to-use, web-based system that can be tailored according to the customer’s needs. When combined with our invoice management, our customers not only get complete control of the vehicle fleet, but also total cost control. Through our partner agreements, we also offer attractive prices for tire and tire services, workshop services, fuel and electronic mileage logs, for example. Carsmart also supplies solutions for electric car charging (known as E-Mobility).

Business model

Our primary business is to receive payments per car and per month. In addition to this, Carsmart sells customer-specific development, as customers may have special requests regarding adaptations, or new, specific needs may arise that we can meet through our expertise and technical solutions.

Laitis Handels AB

Laitis Handels AB was founded in Lule  in 1962 by Erik Laiti, and has been run as a subsidiary of KG Knutsson AB since May 1, 2020. Laitis can see a bright future and, with its concept, is expanding in the north of Sweden. It now has nine stores, with the most recent investment being in  rnsk ldsvik, opening in May 2023.

Business model

The Laitis wholesale chain stocks a wide range of auto parts, tools, machinery and industrial supplies. To a lesser extent, the range also comprises goods in the outdoor life, house and garden categories. The chain’s primary customers are industrial clients, auto repair shops and private individuals. Sales take place in physical stores or through Laitis’ e-commerce solution.

Five stores are operated within Laitis Handels AB, with the remaining four companies being run as subsidiaries under the strategic management of CEO Mattias Hedlund. ISO 9001 and 14001 certification has long been, and remains, an important part of Laitis’ sustainability work, helping the company to work towards continuous development in the fields of health, safety and the environment. Over the past year, KGK’s Team Sustainability has also been expanded with a representative from Laitis. Having a representative in Team Sustainability helps reinforce the development

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ISO certification has enabled us to open the eyes of all our employees when it comes to our environmental impact. We have also established structure in our day-to-day work to ensure the sustainable development of the company and reduce our climate footprint.

Mattias Hedlund, CEO of Laitis Handels AB

towards improved knowledge as regards the environment and the conservation of resources. In order to develop the business and conduct more in-depth work in relation to circular economy, Laitis intends to open a service workshop in autumn 2023 to reduce the climate footprint of both its own operations and those of its customers.

Subsidiaries

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Our health, safety and environment work is one of the most important activities at our workplace, and in addition to this, we have now reached a position where we are also able to make money from it here at KGK Norway.

Ole-Martin Lundefaret, Sales and Marketing Manager, KGK Norway

KGK Norge AS

KGK Norge AS started out as ZF Norge in 1979, before being acquired by KG Knutsson AB in 2001. We have a long tradition of advanced, value-based sales, where we supply complex technical solutions to sectors such as the shipping industry. We also carry out work to succeed in this respect with everything from oil to car chargers and auxiliary lights.

Restructuring

During 2022, KGK Norge AS has undergone a major restructuring operation to make it easier to achieve solutions that lead to success for our customers. The new structure will also promote more clearly sales of the 75,000+ different items we hold in stock in Sweden, and the 750,000+ items that we have access to in total.

KGK Norway was previously divided into three departments: KGK Handel, ZF and Autoexperten. All these operations are now gathered together, but split into in relevant verticals (business areas) based on sector, chain and product level. Our largest verticals are Marine, Autoexperten, Aftermarket, Off Highway, Safe Highway, Quality and E-Mobility, where all customers have access to the Norwegian version of Autokatalogen – which mirrors the Swedish version.

Business model

We have come to a strategic decision whereby we want to sell as far as possible with a focus on value, with the result that sales are our “halo product”. In this respect, we are able to resolve our customers’ challenges through monitoring, logistics, services and products, which makes us more of a partner than a selling organization.

Sustainability initiatives

When it comes to oil and chemistry, we have developed the Team Kimia quality system, based on KemDB. Here we assume proactive responsibility for ensuring that companies affiliated to us have all the formalities and procedures in order. We also get involved, for example, in the event workshops or other companies are being inspected. This also means that we have taken control of our own HSE procedures (Health, Safety and Environment), and that we work every day to develop and improve them. Within Marine, we are also looking at environmentally friendly solutions such as hybrid systems from Transfluid and offline filters from ZF, which extend the intervals between oil changes on vessels.

Through a project entitled UNG300, we are working actively to counter exclusion by promoting vocational training. Within the project, we have hired employees and launched a podcast where, for example, we have interviewed former Prime Minister Erna Solberg.

KGK Norway is working closely with EV Hub, a Norwegian start-up in which KG Knutsson AB is the principal owner. EV Hub is a chain-neutral electric car concept that will repair selected high-voltage components in electric cars, thereby contributing to a better circular economy.

Oy Kaha AB

OY KAHA AB was founded in Finland in 1934 by K.H. Renlund, and became a subsidiary of KG Knutsson AB in 1992. Our operations are based on long-term partnerships with our local wholesalers, car importers and dealers, as well as with industrial companies in Finland.

Business model

KAHA is an importer and distributor of spare parts, accessories and industrial components for the entire Finnish automotive sector. A local warehouse stocking a wide range of products in Vantaa, near Helsinki, allows fast deliveries to the whole of Finland. KAHA shares an e-commerce platform with KGK in Sweden and Norway, Autokatalogen, which is called Autoluettelo.fi in the Finnish language version. Because the catalogue and ERP system (resource planning system) are shared, it is possible to access the entire Group’s product range and availability potential. Our customer base is made up of all major car importers, wholesalers, heavy vehicle dealers and players in the marine and industrial sectors.

KAHA is certified in accordance with ISO 9001:2015 and, for a number of years, has been a member of various Finnish recycling and sustainability associations, such as Elker, Rinki, Kemidigi and Battery Recycling.

AS KG Knutsson (Estonia)

KGK was established in Estonia as K.G. Knutsson AS in 1994. We have operated as a partner to our customers, employees and suppliers for almost 30 years. By offering high-quality products, rapid deliveries and customer-friendly service, we have become one of Estonia’s leading importers of automotive spare parts and accessories for wholesale and retail customers.

Business model

Most of our sales take place through our e-commerce solution, Autokataloog.ee. This currently handles more than half a million products. For our partners, it represents an unbeatable window to customers, where we can display and easily sell their products. Customers can quickly find the right product in Autokatalog.ee. Sales also take place through Autoekspert stores in Tallinn, Tartu, Pärnu, Kuressaare, Võru, Rakvere, Viljandi, Jõhvi and Rapla, as well as 2 workshops in Tallinn and Rapla. We also offer service and installation through our workshops. The workshops are designed to offer servicing using professional equipment, and our professional mechanics offer servicing and the installation of accessories for cars, vans and heavy vehicles. We also offer technical support and arrange manufacturer-approved and product-specific training courses.

” ***Thanks to our new WMS (warehouse management system), we are able to make significant savings on consumables (cardboard), now that we can optimize the packaging required in line with the weight and volume of the product, which was not possible before!***

Bengt Wahlberg, CEO of OY KAHA AB

Sustainability initiatives

One of our goals in 2022 was to reduce consumption. As a result, we lowered the temperature in our workrooms by one degree during the part of the year when the premises are heated, for example, which reduced consumption by 5%. In the warehouses, we partially replaced the gas heating with infrared heat emitters, which are both extremely economical as well as highly efficient.

In addition, by mutual agreement, we allow employees to work part-time in their home office. As a result, the employees are able to save both time and transport costs.

We also increased the collection of waste by type and the recycling of packaging. This has reduced the amount of waste we produce, and our costs for packaging have also decreased. For example, we use old pallets and cardboard boxes from our suppliers to send out goods to Autoexpert’s units.

” *In order to move forward and evolve, ambition is required. We are placing new demands on ourselves and, as a result, adopting a long-term focus. People are at the heart of everything. Long-term relationships and collaboration between all parties.*”

Normunds Prunte, CEO of KG Knutsson SIA

KG Knutsson SIA (Latvia)

KG Knutsson SIA was established in Latvia as part of KGK Holding in 1998, and commenced the distribution of spare parts, car accessories and additional equipment. Right from the outset, we have devoted a great deal of energy to creating and developing the business. We prioritize people and the establishment of long-term relationships with both customers and employees.

We grew by 40% in 2022, thanks to strategic decisions relating to the sale of spare parts that we had not previously offered on the Latvian market. This is a new business direction for us, so we are still investing in warehousing, product availability and improving the quality of our customer service in Latvia.

Business model

KG Knutsson SIA now offers a wide range of spare parts and car accessories in the largest Autoekspert store in the Baltic countries, as well as installation and repairs in Autoekspert's workshops. Our products can also be purchased through our e-commerce solution, Autokatalogs. Our customers are made up of car dealers, independent workshops, retail chains, fleet owners and end users. We also offer training for our partners, as well as warranty services.

At KGK in Latvia, we always prioritize people and long-term relationships with both customers and employees. This approach has earned us the long-lasting trust of our customers and employees. Of course, our solutions and products also have to be well thought out and fit for purpose. But business doesn't work without the right person being in the right place. Our focus now is on continuing to invest in stock and product availability, as well as increasing the quality of our customer service.



” *In 2022, we upgraded the lighting in our warehouse and workshop areas. We replaced the old mercury lamps with LED lamps. This not only saved electricity, but also improved the lighting at our employees' workplaces.*”

Vytis Martinaitis, CEO of UAB KG Knutsson

UAB KG Knutsson (Lithuania)

UAB KG Knutsson was founded more than twenty years ago. In 2008, we were awarded certification for the first time in accordance with the ISO 9001 management standard and the ISO 14001 environmental standard. Ten years later, we also introduced the OHSAS 18001 safety standard. In the same way, we are now moving towards being a sustainable business. We are improving our results and developing our sustainability work every year. We will continue with this work in 2023.

The main objectives of our sustainability work are to ensure an adequate level of environmental protection, to use environmentally friendly energy and to address the safety of our employees. Going forward, we are also aiming to:

- improve the sorting of secondary raw materials (10% more metal, paper)
- repair at least 20% more steering gears
- renew contracts with green energy suppliers
- and avoid injuries in the work environment.

Business model

We offer a wide range of products for vehicles, as well as training and technical information for our partners. Our customers are made up of car and truck dealers, independent workshops, retail chains, fleet owners and consumers. Our team also works to resolve our partners' automotive needs by supplying regular services and individual projects.

UAB KG Knutsson offers a wide range of spare parts and automotive products in **Autoeksperta's** stores in Vilnius and Kaunas. We offer the installation of our products as well as maintenance services in our workshops. All products are available from our e-commerce site **Autokatalogas.eu**.



Targets and outcomes

In order to ensure that the business and our employees are moving in the same direction, we have established two types of target categories: Business goals and Efficiency goals. Only KG Knutsson AB uses both categories as well as all the goals. The goals are continually followed up with all employees. This year's report presents targets and outcomes for KG Knutsson AB, Autoexpertern Detaljist i Sverige AB and Laitis AB.



Targets and outcomes

KG Knutsson AB

Three Business KPIs

- Increase in sales
- Profit margin
- Costs

Four efficiency KPIs

- Inventory turnover rate
- Level of service
- Customer development
- Customers consider that KGK provides rapid answers if necessary

KG Knutsson AB* must run a business that is sustainable in the long term. To ensure that we achieve this, we have had seven KPIs in 2022 that we have steered our business toward. These are split into three business KPIs and four efficiency KPIs.

* Excluding subsidiaries.

Business KPIs

• Increase in sales

The reason for this is that we constantly have to seek new business dealings and strive for long-term growth.

After a strong 2021, we set high goals for 2022 that we did not quite manage to achieve, yet we can still see a bright future.

Most of the pandemic restrictions and general advice were lifted at the start of 2022, which meant that we were able to meet our customers face-to-face once more. We learned to meet our customers digitally during the pandemic, however, resulting in closer contact with those customers who are located a little further away geographically.

• Profit margin

This is important as it allows us to manage the investments that are required to finance long-term growth, in both good times and bad.

We have not met our target for 2022, largely due to the fact that we have not met our sales targets.

Another parameter is the fact that the Swedish krona weakened against most currencies in 2022. The most significant explanation for this is Russia’s invasion of Ukraine. The war has led to further shortages of components, resulting in long delivery times. We have also experienced increased inflation, rising interest rates and higher energy prices as a result of the pandemic and the war.

• Costs

We measure costs/sales in order to cope with increased competition and remain profitable, even with lower margins.

We are not achieving our target for 2022, largely as a result of increased costs in pretty much all areas. Travel and vehicle costs are increasing, both because we are able to travel again as well as due to sharply increased fuel costs.

We have continued working on a number of major projects that will streamline our operations, and we are continuing to invest in systems and working methods that will make our work easier going forward.

1) KPI – Key Performance Indicators

Efficiency KPIs

All efficiency KPIs should ensure that we achieve the targets set out in our business KPIs.

• Inventory turnover rate

A higher inventory turnover rate means that the goods are not tied up for as long in stock. This, in turn, means that capital is not held up for as long and can be reused more rapidly than would be the case were the inventory turnover rate to be lower. With reduced tying-up of capital and retained revenue levels for the company, the company is able to earn more money. It is also possible to save money because the increased turnover rate reduces the need for storage space, which in turn means a lower insurance value for goods held in stock, etc.

The aftermath of the pandemic’s prolonged and uncertain lead times, in combination with reduced sales, has contributed to an increase in inventory during the year.

Examples of activities during the year

With the Group warehouse function that was launched in 2022, KGK and Kaha are helping each other to empty stocks of low-frequency products. Stock balancing in our warehouse optimization system, Synchron, proactively moves products that are in less demand between our central warehouses, rather than buying from suppliers, thereby gradually emptying all the warehouses of low-frequency products.

• Level of service

An important goal for increased customer satisfaction is a high and even level of service. Items that we market should be available to our customers. The goal was an average level of service of at least 95.5% in 2022. This key performance indicator is measured according to OTIF at row level.

We had problems achieving this goal in Q1 2022 due to the effects of the pandemic, mainly in relation to increased transport lead times. From Q2 2022, however, the level of service has been stable and we have achieved the goal by a clear margin in many weeks. This means that we are hitting our target, with an average service level during the year of exactly 95.5%.

We have not conducted any specific activities relating to level of service, rather we have relied on our working methodology, which involves regular measurement, following-up with pulse meetings and measures to deal with deviations.

• Customer development of priority customers

To ensure that we utilize our sales resources in the most efficient way, we follow up our visits to priority customers regularly. They are visited every sales cycle, with a cycle usually lasting a quarter. We did not achieve our goal of 90%, instead reaching 76%.

Examples of activities during the year

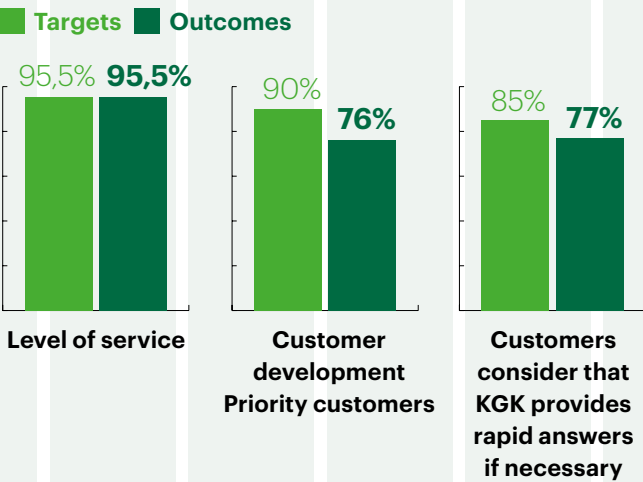
Together with the Business Area Managers, we have conducted activities at sales conferences in order to achieve this goal. Unfortunately, we have had a number of vacancies during the year, which has made it more difficult to achieve our goal.

• Customers consider that KGK provides rapid answers if necessary

Matters for resolution follow up how effectively we resolve our customers’ problems. This can relate to how we provide service, handle deviations or resolve other matters relating to the customer. We measure the effectiveness of matters for resolution with a KPI regarding how the customer perceives our provision of rapid answers, where necessary. The question is posed in our customer survey. In order to resolve the customer’s problem effectively, everyone within KGK has to provide a rapid answer to the person who asks a question. Our goal is for 85% of our customers to give us a grade of 4 or 5 on a 5-point scale. We did not achieve this goal in 2022, with 77% of our customers rating us 4 or 5.

Examples of activities during the year

We have worked to further increase our customer focus during the year, as well as developing our case management system and our chat function.





Targets and outcomes

Autoexperten Detaljist i Sverige AB

Three Business KPIs

- Increase in sales
- Profit margin
- Costs

Autoexperten Detaljist i Sverige AB (AXD)*, which is a wholly owned subsidiary of KG Knutsson AB, is steering its operations in relation to the same three business KPIs as KGK. We have not had any explicit efficiency KPIs in 2022, but we are working on continuous improvements and the streamlining of our processes.

* Includes wholly-owned and majority-owned stores.

Business KPIs

• Increase in sales

The reason for this is that we constantly have to seek new business dealings and strive for long-term growth.

We are not quite meeting our sales target for 2022, but we believe that we will do well even in the tougher times that are probably on the way. Many people would rather repair their car instead of buying a new one.

Our focus on “Samma-dag-leverans” (“Same-day delivery”) also provides an increased awareness of Autoexperten’s extensive range. Here, KGK’s customers can choose to have their order delivered on the same day, via Autoexperten’s local warehouses across Sweden.

With this service, KGK and Autoexperten are aiming to contribute to more sustainable transport operations, in addition to the benefits mentioned above, thanks to the shorter delivery journeys and a reduced number of suppliers.

• Profit margin

This is important as it allows us to manage the investments that are required to finance long-term growth, in both good times and bad.

We are not quite meeting our target for 2022, with the pandemic, the war in Ukraine and an approaching recession all affecting our sector.

• Costs

We measure costs/sales in order to cope with increased competition and remain profitable, even with lower margins.

We have worked on streamlining and cost control for a number of years, at the same time as managing to win market share and achieve increased volumes. We are continuing our work aimed at developing our stores through system support and equal working methods.

It has been a tough year in many ways, however, with costs increasing in almost all areas. This is particularly true of automotive fuel, which plays a significant role in our business in the form of transport to customers.

Total costs have increased in 2022, although we are meeting the target again this year.





Targets and outcomes

Laitis Handels AB

- Inventory turnover
- Customer satisfaction
- Emissions from company cars
- Employee satisfaction
- Staff well-being

Together with our three core values of Knowledge, Service and Quality, Laitis* is aiming to create sustainable business dealings. In order to achieve this vision, we are working actively in relation to a number of KPIs so as to steer our business in the right direction in the long term. Set out below is a selection of the business’s efficiency KPIs, what our work looks like, and why these KPIs are important for our work in relation to sustainable growth.

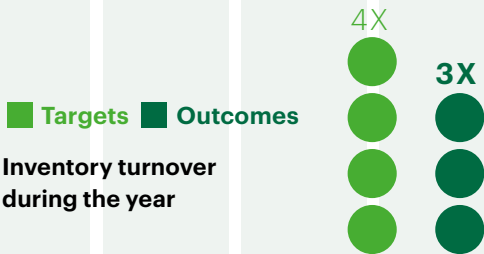
* Laitis Handels AB including subsidiaries.

Inventory turnover

A goal indicating that we have the right stock locally in our stores, which increases accessibility for our customers at the same time as minimizing the tying-up of capital in the warehouse and the future scrapping of goods. The goal in 2022 was to turn over the value of the inventory four times (rolling 12 months). The outcome for 2022 was three times, which did not achieve our target but was an improvement of 0.3 compared to the start of 2022.

Examples of activities during the year

In 2022, we have focused heavily on reducing our obsolete inventory. We have succeeded well with this, and the work is continuing in 2023. In 2023, our product range will also be revised to further optimize our inventory in line with local customer needs.



Inventory turnover during the year

Customer satisfaction

A customer survey is conducted every year to ensure we are meeting the demands and expectations our customers place on us. The goal was for at least 80% of our customers to recommend us to others, which was exceeded by a clear margin. The figure reached an impressive 95%, which we are extremely proud of.

Examples of activities during the year:

Introduction of annual follow-ups with our major customers with the aim of further understanding our customers’ needs and expectations of us.

132g

Average emissions CO₂/km by our fleet in December 2022

Emissions from company cars

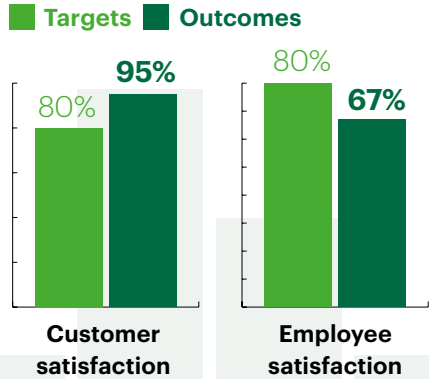
The work aimed at minimizing our climate footprint includes a transition to a more environmentally friendly vehicle fleet, covering both company cars and our own delivery vehicles. The goal in 2022 was for our average fleet to emit no more than 140 g CO₂/km of combined driving. The cumulative result for the whole of 2022 stands at 146.4 g, although we are achieving 132 g at the end of December 2022.

Examples of activities during the year:

A new car policy has been developed during the year, with a maximum CO₂ emissions ceiling that the driver can select. In 2022, company cars that have been changed are being replaced with more environmentally friendly alternatives. Investments have been made in electric charging posts at some stores, supporting our efforts in relation to a more environmentally friendly vehicle fleet.

Employee satisfaction

This is one of our more important goals to ensure happy and satisfied employees. Employee surveys are conducted annually in November/December, and this year’s index stands at 67%, compared to the target of 80%. We are working in both the short and the long term to improve our employees’ working climate, participation, individual and organizational development, as well as to achieve clear and strong leadership



Examples of activities during the year:

Extended leadership training has commenced during the year, and is set to continue in 2023. We perform work environment inspections every year with the aim of identifying and addressing any risks in the workplace. We have also improved our annual individual development appraisals and our meeting structure during the year, in order to further promote participation and the potential for people to influence their own and the group’s development.

Staff well-being

The “temperature” of the employees’ general well-being, both at work and in their private lives, is taken on a weekly basis. Every Thursday afternoon, a question is sent to all employees (via our partner How-Do) regarding how their week has been. The responses can only be seen by their immediate manager, who will follow up if the employee is demonstrating a reduced level of well-being.

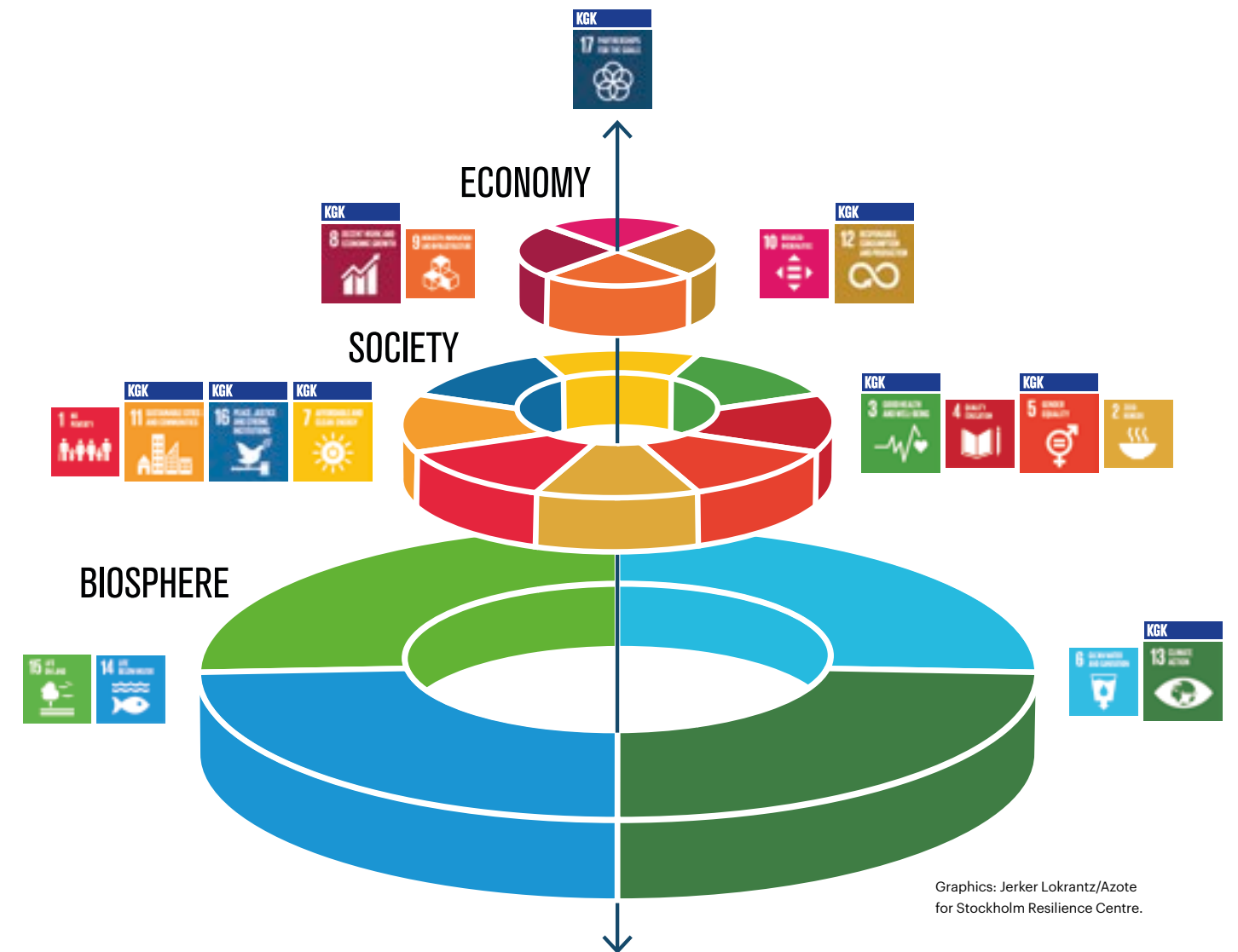
Examples of activities during the year:

This is a new metric for 2022, and the focus has mainly been on increasing the response rate among employees, which we have succeeded in doing during the year. We have also introduced a procedure whereby if an employee responds that they are not feeling good for three consecutive weeks, their immediate manager must act by arranging a meeting with the employee or checking in with them.



Long-term sustainable growth

In order for KGK to maintain its future competitiveness, we have to strive to achieve more circular flows in which we reuse and recycle what we have consumed. Living on new sales and increased growth of goods produced from virgin materials is not sustainable in the long term. As a result, KGK's sustainable strategy is based on circular economy, sustainable transports and Vision Zero. An important part of our business model is to protect and save lives in all parts of our value chain, and we are striving to offer services and products that have been developed fairly and that provide improved safety for our customers. In order to achieve our goals and to steer in the right direction, we are working to develop roadmaps based on these areas.



Graphics: Jerker Lokrantz/Azote for Stockholm Resilience Centre.

Our contribution to meeting the goals of Agenda 2030

As a general agent, we have an indirect impact on our planet, for example through participation in production, transport and our generation of waste. Based on the impact our business has on the environment, we have decided to do what we can to contribute to more sustainable global development. We have studied the 17 sustainable development goals included in the UN's Agenda 2030, and their associated sub-goals. In our opinion, we are primarily contributing to three of these goals: 3, 7 and 12.



Goal 3. Ensure healthy lives and promote well-being for everyone of all ages, and in particular sub-goal 3.6: Reduce the number of fatalities and injuries in road traffic.

By supplying high-quality products and accessories such as warning lights, auxiliary lights, reversing cameras and alcohol interlocks, we are making vehicles safer to use. As part of our policy against alcohol and drugs, we have installed alcohol interlocks in our company cars. Alcohol interlocks also form part of our product range. Maintaining and servicing vehicles also helps to improve road safety and extend the service life of the vehicles.



Goal 7. Ensure access to affordable, reliable, sustainable and modern energy for everyone.

This goal is related in part to energy efficiency, and we are contributing in several ways in this respect.

KGK offers Carsmart customers the opportunity to monitor CO₂ and energy consumption in a “Fuel Cost and Environment Report”. The report makes it easier to monitor fuel consumption in vehicles, for example, which is a great help when our customers are following up their own environmental goals. We have carried out energy optimization work and adjusted the ventilation in our 33,000 m² logistics center, as well as replaced all the lighting with LED lighting. We are constantly working to recycle packaging material and have acquired a machine that shreds some of the surplus corrugated cardboard we receive, turning it into packing material. By reducing our own consumption of energy, we are increasing the availability of sustainable energy for other parties, thereby reducing the need for imported energy from less sustainable sources. We provide solutions for the electric car market through our sales of charging posts and boxes, as well as other accessories for electric cars. In this way, we are contributing to the transition toward more sustainable energy usage.



Goal 12. Ensure sustainable consumption and production patterns.

KGK’s goal includes striving to use chemicals that have less environmental impact as well as minimizing the amount of waste produced. For a long time, we have been working in cooperation with many of our suppliers on a deposit and return system for brake components. Brake calipers, starter motors and turbochargers are just some of the items that we collect in our logistics center, which are transported back to the suppliers at regular intervals for refurbishment. In this way, brake component management contributes to increased reuse and reduced production of new spare parts. We have our own refurbishment and replacement system for ZF gearboxes and shafts for buses and various work machines.

Many used and/or refurbished items, such as car parts, are sold through our regular sales channels, and our goal is to

increase the sale of car parts from dismantled cars. Since we are also an integral part of many of our suppliers’ organizations, we acquire knowledge at an early stage about innovations in the automotive sector. This contributes to sustainable production, as our customers benefit in turn from this knowledge.

We have entered into agreements with professional waste management contractors, who help us to ensure that those parts and components that cannot be reused or refurbished are dealt with in such a way that the materials can be recycled. At our logistics center, we have a machine that shreds some of the surplus corrugated cardboard we receive, turning it into packing material.

We also handle refrigerants. These have a major impact on the climate if they are not handled and destroyed correctly in connection with repairs and the replacement of air conditioning systems. Correct handling and control of workshop certificates is a key aspect of our environmental work. KGK has started offering recycled and regenerated R143a during the year, which is one of the climate gases from the automotive sector that has the greatest impact on the greenhouse effect.

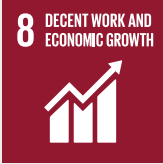
We have also realized that we can make a contribution to the following six goals within Agenda 2030:



Goal 5. Achieve gender equality and the empowerment of all women and girls.

In the automotive sector, we are faced with a challenge in respect of a general shortage of women. Our goal is to increase the proportion of women, and the proportion of women within our organization increased from 27% to 28% during 2022. To increase this proportion still further, we need to challenge ourselves as an organization. We are constantly striving to achieve a KGK that is for everyone.

During the year, we have tasked a working group with identifying obstacles and developing proposed measures related to areas such as recruitment and skills development. We have continued to focus on reviewing our recruitment advertisements during 2022, working on the basis of a method that includes adapting the wording in the advertisements to words that research has shown to be female-coded. The knowledge regarding the impact of the wording in recruitment advertisements comes from the Swedish Confederation of Transport Enterprises’ gender equality project entitled ‘Progress’. To follow up this impact, we have also started measuring the proportion of female applicants.



Goal 8. Work to promote sustained, inclusive and sustainable economic growth, full and productive employment with decent working conditions for all.

By supporting our workshops to help them achieve the Approved Auto Repair Shop

quality standard, we are reducing the risk of improper working conditions while also improving security for the end consumer. The standard also ensures that the work environment is safe and secure in purely physical terms. That tools, gates, lifts, etc., are checked and approved, that the employer performs safety rounds, etc.

The risk model for our suppliers also means that we are contributing to Goal 8 when we review and impose requirements in our procurements.



Goal 11. Sustainable cities and communities. Sub-goal 11:2 relates to making sustainable transport systems available to everyone, and we are contributing to this in part by designing the wiper systems used by the trains in the Stockholm Metro.

Autoexperter’s chain of workshops is quality-assured by the Approved Auto Repair Shop standard. The standard requires that the workshops operate in accordance with environmental goals, which contributes to sub-goal 11:6 and to reducing the cities’ environmental impact.

Our sales of charging posts and charging boxes, as well as other accessories for electric cars, are also contributing to the transition to reduced dependence on fossil fuels in society.

Preventive repairs for heavy vehicles, as well as the revision of gearboxes for trams carried out in our ZF service workshop, are helping to avoid breakdowns and downtime. This work is also improving safety and quality levels at our customers, contributing to more satisfied end users of various services in society.



Goal 13. Take immediate action to combat climate change and its consequences.

We are continually adapting our delivery and company car policy, and since 2021 we have been offering charging options for our staff’s and customers’ rechargeable vehicles. Our logistics center is constantly working to optimize the package sizes of those goods that require disposable packaging. This reduces the amount of waste at our customers’ premises, as well as helping to consolidate the goods. During 2022, we have started work to review the journeys undertaken by our products and staff, as well as to identify measures and goals for reducing our carbon dioxide emissions.



Goal 16. Promote peaceful and inclusive societies to ensure sustainable development, provide access to justice for all, and build up effective, accountable and inclusive institutions at all levels.

For example, we have implemented an internal Code of Conduct for our staff aimed at increasing our transparency and preventing corruption. A whistleblowing channel in relation to misconduct is also available for staff.



Goal 17. Strengthen means of implementation and revitalize the global partnership for sustainable development.

We support initiatives such as the 2030 Secretariat, the Roadmap for a Sustainable Uppsala County and the Climate Pact. We are making a difference by working together within the sector and in cross-sector dialogues.

Sustainable values for our stakeholders

In order to develop our sustainability work, we have analyzed our primary stakeholders’ expectations in respect of sustainability issues.

The analysis forms the basis for some of the policies and key performance indicators that we use to guide our business. In recent years, our customers have displayed a marked increase in interest in ensuring that KGK works in a sustainable manner. This can clearly be seen, for example, in the increased number of enquiries about how we work to secure our supply chain, as well as questions relating to content of our products. The increased level of interest benefits us, our customers and also the sector in general, and it is leading to the improvement, development and quality assurance of our operations.

When it comes to social aspects, there is an expectation for our workplaces to be safe. In addition, many stakeholders view respect for human rights as being only natural, and stress that it is a requirement in order for them to cooperate with us. Some stakeholders state that they expect us to have an explicit anti-corruption policy, and that this should be communicated both internally and externally to avoid any kind of ambiguity. We have therefore gathered together our overall policies in our Code of Conduct, “The KGK way”.

In order to meet expectations in respect of financial sustainability, we have identified the need to improve our efficiency and to reduce costs associated with quality deficiencies in relation to products that we purchase from our suppliers. We have therefore improved our complaints process.

We have developed a risk model for our suppliers in order systematically to be able to assess and help them in the field of sustainability. This work has come about partly as a result of our customers making demands in respect of issues relating to the environment and the work environment, for example. As a result of the dialogue with our stakeholders, we now understand how we can create value for them. We consider that, in future and working alongside our stakeholders, we will be able to identify aspects of our business that have a significant impact, in order to establish new goals for more sustainable development. Our stakeholders are therefore extremely valuable to us and when it comes to improving the quality of our business.

Our four strategically important areas

The transport sector is undergoing a major transition in which the dependence on fossil sources will be broken. This will affect what form our business will take, both now and in the future. We have identified four key areas on which we have to focus in order to remain a relevant partner and employer for our customers and employees in future.



Our KGK and Autoexperten brands

KGK

We are focusing in particular on increasing our communication about KGK, in order to clarify our position as a knowledgeable and long-term partner. This applies both externally to customers, suppliers and other stakeholders, as well as internally to our employees. Our communication strategy and communication plan for 2022 have helped us to be seen more clearly and more frequently, for example in our social channels.

We have created a new news feed at kgk.se, where we post relevant articles about our business 2-3 times a month. We can subsequently link these to LinkedIn and Instagram, for example.



During the autumn, we have focused on increasingly target group-adapted communication on our e-commerce platform, Autokatalogen, where we mix product-related news and campaigns with brand-building content.

We have also worked with content relating to KGK, in order to raise our profile as an employer. This helps with the future recruitment of new employees, and we will be increasing the number of activities relating to this in 2023.

Thanks to our strategy involving a large number of editors for our intranet, it has now become a more natural meeting place for internal communication. Here, information is mixed with inspiration regarding our entire business.

To further increase our internal communication, we have also carried out work in 2022 to increase the frequency of information meetings, with digital meetings now being alternated with physical ones.

Autoexperten

At Autoexperten, we place high demands on our workshops. These demands include being certified according to the industry standard "Godkänd bilverkstad" ("Approved Auto Repair Shop") (GBV), as we want to deliver world-class service. In addition, we want our customers to always feel secure when they hand in their car at one of our workshops.



Prior to 2023, we have invested heavily to ensure that all the workshops in the chain are certified in accordance with GBV, so that they can come under our common umbrella certification during 2023. This means that all units have undergone an independent external audit, along with unannounced random samples of work they have performed, followed up by a large-scale audit at Autoexperten centrally. Being an "Godkänd bilverkstad" means that our workshops comply with the laws, regulations and requirements that the sector demands in relation to safety and the environment.

For us, it is also important for our workshops to have the training they need to be able to accept the greener cars stemming from the new technology. As a result, we have arranged free training centrally for High-Voltage Systems Step 1 in some ten locations around the country during 2022. We also have discounted the Step 2 courses so that as many people as possible will have the opportunity to present certificates relating to high-voltage systems.

In 2022, we have continued to work as a premium partner to the Swedish Biathlon Federation, appeared on national radio with newly recorded radio spots, and also developed our own series on "Youtube - Längre leve din bil" ("Longer Live Your Car"). We are frequently seen on social media and LinkedIn, with reports, news and intelligence. As a basis for this, we have also continued to work to achieve a high success rate as regards hits on Google, as well as improving our booking flow on autoexperten.se



Sustainability

We are carrying on our sustainability journey and working to integrate sustainability continuously into our operations. During the year, we have revised our sustainable strategy and expanded it with another area of focus – Sustainable transport. Transport is an area where we have a significant impact. We have started work to review the journeys undertaken by our products and staff, for example, as well as to identify measures and goals to reduce our carbon dioxide emissions.

During the year, we were granted approval regarding an application for a feasibility study. KG Knutsson AB is participating in a feasibility study entitled “Den cirkulära bilen” (“The circular car”) alongside RISE (Research Institutes of Sweden) and 12 other partners in the automotive sector. The goal is to build tangible visions that enable Sweden to have a circularly adapted car fleet, with fossil-free and climate-neutral transport by 2045. This work is part of the development work within the Circular Economy focus area.

We have conducted risk analyses at an operational level linked to our processes.

During the year, we have focused on updating our internal Code of Conduct, “The KGK way”, as well as developing a new anti-corruption policy and initiating a training plan for employees, for example.

In 2022, the audit team has conducted five business audits (at KG Knutsson AB and the subsidiary Laitis Handels AB) within areas of focus developed by the Management Team. A compliance audit and an internal audit were also conducted on our business support processes.

We have launched a new training round in respect of sustainable development, initially aimed at employees in our business areas, to increase awareness, knowledge and commitment. In parallel with this, we have focused on engaging internal sustainability communication, for example in the form of quizzes.

You can read more about specific cases and examples of what is being done within our operations in relation to sustainability and our areas of focus in this Sustainability Report!



The skills of the future

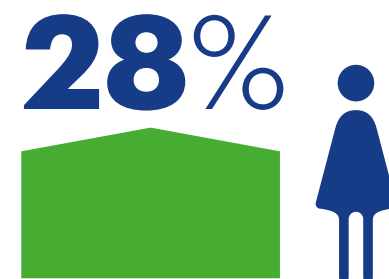
KGK for everyone

In order to recruit future talents, we need to be an attractive employer that is characterized by an open and inclusive culture, both in terms of gender equality and diversity – One KGK for everyone.

KGK’s vision, “We move people forward”, should relate to both the candidate and the employee experience. We are doing this together, moving forward, with differences working in collaboration.

Studies show that heterogeneous working groups work better than homogeneous ones. In 2022, the proportion of women in the organization increased to 28% (27% in 2021). The proportion of women has increased in managerial positions, too, from 16% to 18%. We are not making huge strides, but it is still a step in the right direction. We are continuing our work on adapting the wording used in our recruitment advertisements, as well as highlighting benefits that should attract more women to apply for our vacancies.

We are placing considerable focus on the expertise and dedication of both our managers and employees. Employee commitment is a prerequisite when it comes to driving the company forward. The employee survey in 2022 showed that we have a large number of ambassadors and are continuing to report a high eNPS value – our employees are dedicated and assume a high level of responsibility for driving our business forward.



Streamlining

At KGK, we consistently have to strive to do things more efficiently by finding smarter solutions in our workflows. We are constantly aiming to optimize our working methods in order to reduce costs associated with quality deficiencies, thereby increasing value for our customers, owners, employees and the outside world.

RPA – Robotics doing the job

In order to streamline repetitive tasks, we have adopted new technology, RPA (Robotic Process Automation), which frees up several hundred working hours per year. These hours can then be used for more value-creating tasks.

MUC – one item number

By optimizing our shared register of items within KGK Group, we have achieved synergies in the form of more efficient purchasing from common suppliers, optimized warehousing through ‘group thinking’, as well as increased accessibility between our markets. The key is the fact that we have one item number MUC (multiple unit coordination) within KGK Group, wherever possible. One effect of this work has borne fruit in the form of the Group warehouse function, as well as the opportunity to balance our central warehouses in Sweden and Finland. Balancing our inventory makes us more cost-effective.

Supplier invoicing system

During the autumn, work will commence on implementing a new supplier invoicing system for the entire KGK Group. We will establish a common, modern and future-proof solution for our supplier invoices. The goal has been to identify a solution that automates a large proportion of our invoice flow within the Group, both in relation to goods invoices and for expense invoices. With the aid of the Mediusflow system, we will be able to match supplier invoices with purchase orders at line level. This solution will help us to gain better control of our supplier invoices as well as to manage any deviations easily and efficiently.

Governance and organization

At KGK, we are constantly striving to improve. For our customers, suppliers, employees and the outside world. To ensure that we are acting to achieve our goals, we work in line with a management model that is based on management by objectives. This model is intended to achieve increased customer focus, improved efficiency, an open corporate culture and a high level of commitment.

In order to increase customer satisfaction, streamline working methods and reduce costs, we have a model based on management by objectives that, in a clearer and more structured manner, will direct our resources, initiatives, activities and projects to achieve increased value for our customers, suppliers and employees. The focus lies on streamlining

our workflows through improved cross-functional collaborations, as well as creating clarity in respect of goals and guidelines for increased commitment. The goal is to increase dialogue and knowledge about how all employees can contribute at an individual level and collaborate in the day-to-day work towards our overall goals.

Functions

We are currently split into ten organizational functions, which should jointly deliver value to the stakeholders in our processes.

In 2022, we changed our working method linked to goal breakdown. Each function breaks down the company's business plan into an underlying business & marketing plan (within sales) or an operational plan (other functions). The plan is developed together with employees within the function, and sets out the intended areas of focus for the coming years so that we can all work together to achieve the overall goals in the business plan. The plan addresses prioritized activities, risks, goals and various types of required improvements, that can be both function-specific or cross-functional.

The change process

In order to tighten up the work within the change process, we have put together an analysis group made up of representatives from Business Development. The aim of this group is to ensure that our proposed improvements hit the mark and can be dealt with as quickly as possible. The proposals are channeled to the relevant process, function and administrator. The proposals are examined, prioritized and implemented within the function.

During 2022, we have launched a new, simplified project model that is better adapted to our needs and our operations. To ensure that our project portfolio is managed both efficiently and sustainably, we have a role within Business Development that is responsible for managing, coordinating and following up the project portfolio, as well as acting as the link between the business and IT.

The project office is responsible for drawing up the tactical plan for our project portfolio, including internal/external resources linked to our projects as well as proposals for project prioritization that the management team subsequently approves.

System management

To ensure that our system support delivers the right value to our processes, we have a management model in which system support is linked to a function. Each system support must have a management organization that is basically made up of system owners, administrative managers for operations and administrative managers for IT. The purpose of this is to optimize the system flora and achieve a successful collaboration between the needs of the business and the technical system solutions, where we work together to create a management plan.



Organization of the sustainability work

KGK is continuing its work to become an even more sustainable company. Our strategic sustainability work will create new business opportunities, strengthen the brand and reduce business risks. It will also secure our future business operations, as customers in both the private and the public sectors are placing ever more and ever clearer demands on us.

The strategic sustainability work is governed by KGK's management team on the basis of our sustainable strategy. The day-to-day sustainability work is integrated into the line organization through our governance model, called "The way forward". KGK is certified in accordance with ISO 9001 and ISO 14001, and according to AEO with regard to customs and security issues.

The Business Development department is in charge of both the overall development of KGK's governance model and the sustainability work. The department also leads Team Sustainability, a cross-functional team that was established at the end of 2019 to increase coordination and knowledge regarding the issue of sustainability.

Sustainable supply chain

Here at KGK, we use various tools to safeguard sustainability in our supply chains.

One such tool is our Code of Conduct for suppliers. By signing it, a supplier undertakes to comply with our basic requirements regarding human rights, recognized principles for anti-corruption and working conditions, the environment and business ethics.

We expect our suppliers to apply the principles set out in this Code of Conduct in their own operations, and to impose corresponding requirements in their supply chain.

Another tool is the Self Assessment Questionnaire (SAQ) – a questionnaire sent out to our suppliers that contains 54 questions related to human rights, workers' rights, environmental protection and corruption.

Based on the responses received, we at KGK make an assessment in which we map the supplier's capabilities in respect of sustainability and compliance. We ask control questions and request documentation in the form of (e.g. verifications, policies, goals, action plans, follow-ups, procedures other documentation) showing that the supplier is actually complying with these requirements.

The challenges that lie ahead of us include new legal requirements that are being introduced at an ever faster rate, as well as associated increasing customer demands. As a result of relatively rapid changes on the market, we and our suppliers have to adapt.

The KGK way

“The KGK way” is our internal Code of Conduct containing all our policies. It is part of KGK’s sustainable strategy, and the aim is to clarify our approach as employers and employees in issues that affect customers, other employees, suppliers, partners and society at large. The Code of Conduct, “The KGK way”, helps us make the right decisions on issues such as leadership, employeehip, the environment, anti-corruption and the work environment. It also acts as a guide for the laws and regulations that we need to follow.

We have updated the policies during 2022, and in 2023 we will be launching an internal training plan.

Some of the policies relate to the following topics:

Anti-corruption

KGK has zero tolerance as regards corruption. Our anti-corruption policy is based on the Swedish Code of Business Conduct, which has been developed by the Swedish Anti-Corruption Institute (IMM). The policy also contains guidelines regarding entertainment. We have a separate Code of Conduct that is aimed at suppliers and that includes special requirements linked to anti-corruption.

Whistleblowing function

One element in actively preventing corruption is our use of a whistleblowing function. Through this channel, employees can report serious irregularities including financial crime, such as theft or bribery, conflicts of interest, serious environmental offences, deficiencies in relation to safety in the workplace, as well as very serious forms of harassment and discrimination.

Environment

KGK’s greatest environmental impact is related to the fields of material consumption, energy consumption and climate impact, for example arising from transport and the sale of refrigerant. KGK is certified in accordance with ISO 14001.

We are constantly reviewing opportunities to reduce our energy consumption, waste and greenhouse gas emissions. We have to handle chemicals safely.

Working alongside customers and suppliers, KGK is able to reduce the environmental impact of our sector and continually improve our environmental work. We have to comply with the binding requirements that are placed on us.

Work environment

A good, safe work environment is an important strategic issue for us. Through systematic work environment management in collaboration with our employees and safety representatives, we are able to promote a safe and pleasant workplace that offers good opportunities for development while at the same time preventing risks and ill health.



Our systematic work environment management includes aspects such as safety rounds, the management of accidents and incidents, staff appraisals and staff surveys.

Diversity and equality

KGK prohibits all forms of discrimination. We work preventively with active measures to counter discrimination and contribute to a positive corporate culture. Our workplaces should be characterized by openness, where everyone is accepted regardless of their gender, age, ethnic or social background, disabilities or other factors that have nothing to do with their actual skills or commitment.

Risks and risk management

(KG Knutsson AB)

Selection of risks	Management
<p>Environmental and climate impact</p> <p>Our most significant negative environmental impacts primarily take the form of energy consumption in our premises and for transport, material consumption in the products we sell, as well as climate impact, for example through the sale of products such as refrigerants and the distribution of products.</p> <ul style="list-style-type: none"> Failure to comply with regulations and guidelines can cause harm to people, the environment or the brand. 	<p>We are certified in accordance with ISO 14001 and work systematically in relation to the environment. During 2022, we have begun work on drawing up proposals and prioritizing measures aimed at reducing carbon dioxide emissions from our transport operations (personnel and products). We have also started offering recycled and regenerated refrigerants in 2022.</p> <p>We are constantly monitoring and adapting our operations in line with new laws and regulations. Internal and external audits are carried out in the business.</p>
<p>Employees</p> <ul style="list-style-type: none"> Extensive sick leave, personal injuries and health problems. 	<p>We work systematically in relation to our work environment and carry out regular internal inspections and safety rounds during the year to minimize risks in our work environment. We also conduct staff appraisals and an annual staff survey.</p> <p>Our operations take various different forms – offices, warehouses, workshops and shops – with the result that the risks can vary. We tend to review the work environment more frequently in the riskier environments. There are clear instructions and procedures, as well as ergonomic aids to prevent musculoskeletal injuries. We also use protective equipment in some work environments.</p> <p>In 2022, we have carried out training in respect of fire evacuation.</p> <p>Sick leave is monitored continually within our work environment committee. Accidents and incidents are also reviewed in order to prevent and remedy risks in our work environment.</p>
<p>Suppliers</p> <ul style="list-style-type: none"> That our suppliers fail to satisfy requirements in areas such as the work environment, human rights, business ethics and the environment. 	<p>We mainly work with two tools to ensure that our suppliers live up to applicable requirements and expectations. Firstly KGK’s Code of Conduct, and secondly SAQ, both of which are specific to suppliers.</p> <p>If the Code of Conduct is not signed, the supplier’s own code of conduct does not match our wording or values and no response is provided regarding the SAQ form, we will, within a reasonable period of time, investigate which other suppliers are available and begin mapping a new supplier until we identify a supplier that meets our requirements. A supplier that fails to satisfy our requirements will eventually be phased out.</p>
<p>Customers</p> <ul style="list-style-type: none"> Dissatisfied customers due to lack of quality, absence of product data, delivery delays. 	<p>In order to minimize both the absence of product data and a lack of product quality, we constantly measure and follow up deficiencies. We employ active delivery monitoring to ensure a high level of service.</p>



Revised tram gearboxes contributing to sustainable public transport

People have always repaired broken items, although perhaps not to the same extent since the start of the industrial age compared to the situation before. Repairing what is broken has environmental benefits, however, and even greater benefits can be gained by revising and preventing something from breaking in the first case. Göteborgs Spårvägar has adopted this approach, revising tram gearboxes at KGK's ZF workshop following the procurement process.

During 2021, KGK won a contract from Göteborgs Spårvägar regarding the preventive revision of gearboxes manufactured by ZF for the M32 tram type.

Göteborgs Spårvägar's mission is to supply tram services within Gothenburg and to carry out the operation and maintenance of the tramway facilities. Through the revision, it is ensuring a lifetime extension of the equipment, in order to keep the trams in operation until planned phasing-out of the model.

The gearbox is one of many components in a tram that undergo revision. Many components are revised based on their mileage or operating time, in order not to risk costly and acute operational disruptions, breakdowns or downtime.

Göteborgs Spårvägar operates a number of different tram models covering a several decades. The components and equipment for the older vehicles are also being revised, as it can be difficult to get hold of spare parts for such old models. Examples of components that are being revised, other than the gearboxes, include electric motors and brake components.

"By revising gearboxes, we enjoy benefits in the form of lower costs, lower energy utilization compared to replacing with newly manufactured components, reduced transport operations and the reuse of materials," says Martin Davidsson, who works with vehicle development at Göteborgs Spårvägar.

The gearbox becomes almost like new

The gearboxes are removed from the trams in Gothenburg and sent to KGK's ZF workshop in Sollentuna, near Stockholm. When the gearboxes arrive at the workshop, our technicians have a great deal of work ahead of them, where they are guided through all the various stages to be performed thanks to their knowledge and experience.

"Although the gearboxes for trams are a little more straightforward than many others in technical terms, the work on them requires a higher degree of precision. When the gearboxes arrive with us, we take them apart, blast clean the housings of dirt and paint, and then wash all the components. Washing the components makes it easier for the technicians to inspect all the parts and identify those that are worn or broken. During a refurbishment, the gearboxes are disassembled, each individual part is inspected and those parts that are worn or broken are replaced with new ones. The gearboxes are then reassembled, which is a precision task that takes time and requires patience. Replaced components are adjusted down to hundredths of a millimeter, for example in order to ensure that the correct pressure is being applied on the gearbox's ball bearings. Once the gearboxes have been reassembled, they are tested on a test bench to check that the temperature in the gearbox is rising at the correct rate and that the rolling resistance is correct," explains Christian Nord, Workshop Manager.



Martin Davidsson and Håkan Hultman, working together on the revision of gearboxes at Göteborgs Spårvägar.

Knowledge and experience

Conducting revision work on gearboxes requires both specialist expertise and special equipment in the form of tools and various test benches.

"Our employees receive basic technical training, which they then build on here by attending courses for every type of gearbox they work with. They demonstrate a level of professional pride that our customers appreciate. They sometimes have to carry out detective work, as the faults can be so small as to be almost invisible. We show respect for craftsmanship and care about what we deliver. Through our work, we are able to help companies save time, money and the environment. In our workshop, we dismantle all the units with a great deal care and with the intention of retaining as much as possible. We replace anything that cannot be saved, yet first and foremost we genuinely try to reuse whatever we can. By revising the gearboxes for Göteborg Spårvägar's vehicles, we extend the service life of the gearboxes from 1,000,000 km to 2,000,000 km," concludes Christian.





KGK participating in feasibility study on circularly adapted vehicle fleet

In early summer 2022, the Business Development & Sustainability department at KGK Knutsson AB was contacted by the research institute RISE (Research Institutes of Sweden), with a request to participate in a feasibility study for the project “Den cirkulära bilen” (“The circular car”). The feasibility study will last for nine months and then be followed by a three-year project, for those partners who want to be involved.

“KGK contributes to the feasibility study with competence and working hours, and the goal is that it will lead to an exchange of knowledge. The gain for KGK will hopefully be insights that can help to facilitate the development of innovative strategies to contribute to the transition,” says Jessica Dymén, Sustainability Manager at KGK.

The preliminary study, “Den cirkulära bilen”, involves using the participating actors’ collective skills, challenges and future predictions to create a clear picture of what is required to enable Sweden to have a circularly adapted car fleet, with fossil-free and climate-neutral transport operations in just over twenty years. In order to accelerate electrifi-

cation and the transition to a circular economy, RISE wants to map the conditions and concretize visions and strategies.

The pre-study consists of a number of workshops where RISE gathers information, knowledge and thoughts from the participants. Here you can map the current situation, the challenges and the qualified intelligence that exists among the various actors. During the subsequent 3-year project, work will be carried out, for example, regarding various legislation and guidelines in order to work proactively in that area. After that, work will also be carried out in relation to circular lifestyles and circular customers, service life and design, business models and business systems, circularly adapted production systems and flows, conversion of the car fleet that is fitted with internal combustion engines and the creation of testbeds for conversion, as well as environmental assessments.

The exchange for the participants in the feasibility study will include:

- insight into scenarios for the car fleet of the future
- solutions for maintaining competitiveness in the market
- network for collaboration on new and developed circular solutions
- research support in their own development journey.

RISE

RISE has contacted various players they wanted to include in the project, and asked those who are interested in participating to apply. KGK applied and was selected to take part in the feasibility study, which started in October. The other participants include players such as Sveriges Bilåtervinnare Riksförbund (SBR), Bilja, Göteborgs Stads Leasing, Stena Circular Consulting (part of Stena Recycling) and the Swedish Association for Motor Retail Trades and Repairs (MRF), among others.

RISE works to contribute to a sustainable society and competitive business. The feasibility study aims to gather knowledge from dedicated actors throughout the value chain (from vehicle manufacturers to private and public users). The information will then be used to map opportunities and obstacles that the market has to address in pursuit of the goal of Sweden having a circularly adapted car fleet by 2045.

The three-year project that the feasibility study will lead to aims to develop a holistic concept for the car fleet of the future, where recirculation of products and components is standard in the industry. The hope is that, through circular design, an extended service life and circular production systems, this work will contribute to an accelerated transition to a circularly adapted car fleet by 2045. This will be achieved by supporting new and established actors, facilitating the changes that are required to meet our environmental and climate challenges, as well as reducing the resource challenges in the value chains. At the end of the three-year project that the feasibility study will lead to, RISE will present, among other things:

- proposals for policy measures that can support the development of a circular car fleet
- proposals for the development of systems and services that drive sustainable behaviors
- business models and design principles that enable a circularly adapted car fleet
- circular business systems, information flows and production systems for circularity
- testbeds for conversion and reuse.

“It’s great that we have the opportunity to talk, both internally and with RISE, about our view of the current situation, the challenges and the future. It feels good to be able to contribute with the knowledge that we possess, and it will be exciting to see what insights we will gain and how we can benefit from them in our business,” says Jessica.

” **The gain for KGK will hopefully be insights that can contribute to and facilitate the development of innovative strategies to contribute to the transition.**

Jessica Dymén, Sustainability Manager, KG Knutsson AB



KGK investing in start-up company EV Hub

Imagine that you take up the chance to take over a debt-ridden workshop. It is making a loss, but you believe that nothing is impossible – I can turn this around. Meanwhile, you are operating in Norway at precisely the time when sales of electric cars begin to pick up speed, and your customer start saying that their next car will probably be an electric car. This was the situation facing Nassir Farooq when he had the idea that has now evolved into EV Hub. A start-up that KGK has invested in as a majority owner, and which is developing a business relating to the repair of high-voltage components in electric cars.

Nassir is a committed and driven entrepreneur who has many irons in the fire. No wonder, considering that he has set out to do something that hardly anyone in the automotive sector has tried before – to build a viable company by repairing high-voltage parts from electric cars. Parts that are often expensive to replace and that can actually be repaired and made circular. But let's go back to the beginning of the story of how EV Hub started out.

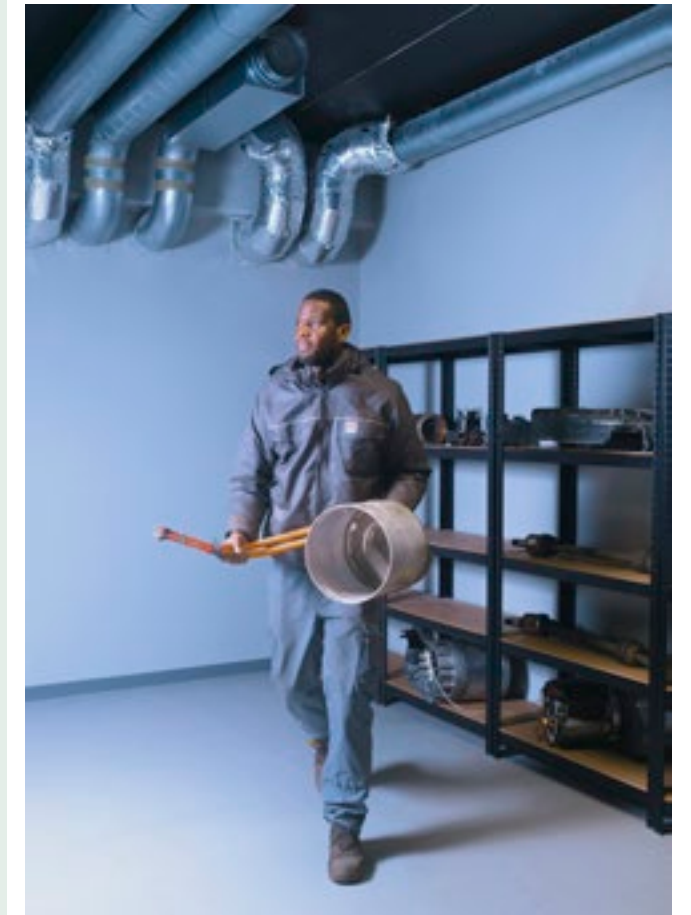
Nassir has been interested in cars since he was a child, which led him to opt for technical studies with a focus on cars.

"I did an apprenticeship at Möller Bil Norway, was awarded a diploma and then worked there until 2008. After that, I decided to head to Northern Norway and the military. There I started working on the servicing of tanks and heavy vehicles, but eventually got tired of the dark climate and moved back to Oslo. After a while, I was offered the chance to take over a debt-ridden workshop in Hølsfyr, a little way outside of central Oslo," says Nassir.

Like the optimist Nassir is, he took over the workshop, including its debts, and was determined to turn the business around. In 2015, sales of electric cars in Norway were really taking off, and many of Nassir's customers started saying that their "next car would probably be an electric car".

"It was necessary to start thinking about the situation, and to find a solution to a customer curve that would in all likelihood start pointing downwards in the future. I started by carrying out troubleshooting on batteries in Nissan Leaf models, in order to familiarize myself with electric cars. By doing this work, I gained knowledge about the faults that arise and how to fix them. After a while, I started advertising on Facebook, where I talked about the potential for carrying out repairs in various electric car groups. It wasn't long before other workshops started getting in touch with questions about how to repair batteries and other components. There and then, I realized there was a demand that no-one on the market was meeting.

In order to continue exploring electric cars, I started a new company, Evutleie, which focused on the leasing of electric cars. The company purchased a Nissan Leaf and a Tesla Model S, with the leasing operation acting as a way of financing the cars and a way of being able to study the wear on the components mile after mile. It was now that the research and development activities began to take shape, and it was this that led to what is now EV Hub," says Nassir.



EV Hub in development

EV Hub’s operations consist of research and development, training and certification of workshops, repair, warehousing of repaired EV components and support for workshops.

In the start-up phase the company is currently in, the focus is on research and development where they study damage and wear on electric cars and components. The development work takes place in Oslo, and the company is developing repair solutions and documenting methods for troubleshooting electric cars and components. The documentation and methods for troubleshooting will be one of the cornerstones of EV Hub’s offering to workshops. Components for which documentation is being developed and which will be offered to workshops include high-voltage parts such as motors, batteries, DC/DC converters, chargers and air conditioning systems.

All processes that are documented to identify faults, perform repairs and replace components will be available in a cloud-based solution called EV Cloud. In order to access EV Cloud, workshop technicians will first be trained by EV Hub on specific car models, before being allowed to carry out work on them based on EV Hub’s documentation.

By training and certifying workshops, the aim is to ensure that technicians possess the correct knowledge to troubleshoot electric cars and dismantle components that have stopped working. There are significant risks involved in working with electric cars if you don’t know how to handle the cars’ high voltage levels, up to 400 V. The workshop technicians really need to know what they are doing. As a result, EV Hub wants the workshops to be certified and, in the long run, they also want ISO certification to be available for work on electric cars.

“This type of ISO certification does not exist at present, but will probably be available in future. The sector is changing rapidly and it is self-governing,” says Nassir.

When workshops have identified damaged components, they send them to EV Hub for repair, and a previously repaired component is sent back to the workshop. This procedure means that the vehicle is off the road for the shortest possible time. At EV Hub, the staff work to repair the components that are sent in. These are then placed on the storage shelf, so that they can be sent out immediately when a workshop sends in a corresponding damaged component.

“The will must be stronger than the skill – we’re here to resolve a problem.”

Nassir Farooq, CEO and Founder, EV Hub

If the workshop should find that the component sent back by EV Hub does not resolve the problem, EV Hub will offer support to the workshop. Through close collaboration with EV Hub, the workshops will receive assistance in resolving those problems that the documented troubleshooting process has not been able to resolve. And if they fail to make progress in the troubleshooting process through support, EV Hub will offer assistance in the form of experts who travel out to the workshop in question to help resolve faults.

EV Hub will launch its services in the spring of 2023, starting with a small-scale pilot project where Autoexperten workshops in Norway will test the solutions. After that, the plan is to also roll out the offer at Autoexperten in Sweden. The uniqueness of this model is that you do not dispose of any parts and you avoid new production, resulting in both environmental and economic benefits for the customer. A repaired part can be 30 to 35 percent cheaper than a new one, and the EV Hub provides a warranty on the high-voltage parts sent to the workshops.

KGK’s choice to invest

Electric cars will become more and more numerous on our roads and in the aftermarket. In the end, some of them will end up at Autoexperten workshops or at other workshops in the country that are customers of KGK. When KGK and Nassir came into contact, the research and development activities were included in Nassir’s workshop in Helsingør.

“In order to be able to invest and separate the two different businesses, the company EV Hub was created, in which KGK is the majority owner with a 65 percent stake. Through the investment, KGK will be able to meet the market’s need for electric car components and expertise. EV Hub is becoming a supplier to KGK and others in the market. In the markets where KGK operates, we are becoming the exclusive distributor,” says Muath El Noaimi, business developer at KGK.



Expansion

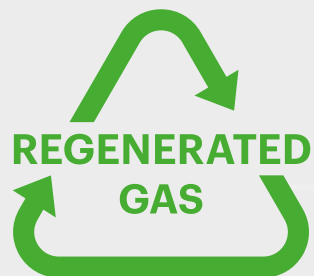
EV Hub has far-reaching plans, and the company wants to accelerate and scale up the business. Finding the right staff is a challenge that Nassir works on every day.

“We are working in a new sector within the automotive industry, where there are no staff possessing formal training and specific knowledge. However, there are people who have experience and qualities that match what we are looking to achieve. I’m looking for people who have previously been involved in resolving problems, who have an understanding of repair work and electronics, a willingness to learn and who refuse to give up until they have found a solution. Formal training is not the most important thing. What matters most is the problems you have resolved in the past and how you have acted in the execution of your professional practice. ‘The will must be stronger than the skill’ – we’re here to resolve a problem,” says Nassir.

EV Hub is looking for staff all over the world, and is striving to achieve a workforce made up of 50 percent men and 50 percent women. It is also important for staff to be able to contribute with both their technical and their cultural experiences. It soon becomes apparent why culture is so important, when Nassir talks about EV Hub’s borderless approach to its business. The plans for expansion extend beyond Norway and Sweden. When you are working with training, cloud-based solutions and logistics, you want to be able to offer your services and products all over the world. A workshop in Pakistan should be able to perform troubleshooting, dismantle components and send them to EV Hub for repair just as well as a workshop in Europe.

TARGET	7-2	TARGET	11-6	TARGET	12-5
INCREASE GLOBAL PERCENTAGE OF RENEWABLE ENERGY		REDUCE THE ENVIRONMENTAL IMPACT OF CITIES		SUBSTANTIALLY REDUCE WASTE GENERATION	





Gas for mobile AC systems becoming part of the circular economy

KGK launched the recycled and regenerated R134a gas in 2022. The gas is used in vehicle air conditioning systems to generate cooling, and is one of the climate gases with the greatest greenhouse impact that is used by the automotive industry. By using regenerated gas, the need for virgin gas is reduced at the same time as the traceability of the product is increased.

The gas R134a, which is found in the air conditioning systems of many vehicles, has a considerable environmental impact when it leaks into the environment. For example, it can leak when a stone chip punches a hole in an AC system. When damaged systems are being repaired, they are emptied of any remaining gas, which is recycled using recovery machines in the workshop. When the repair work is completed, the workshop fills up the system again with any gas that was left over, topping up with new gas until the system is full. If all the gas has escaped from the damaged system, the entire system is filled with new gas.

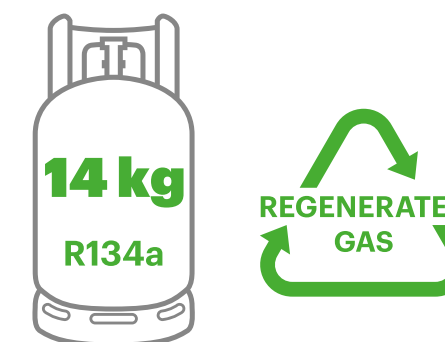
Since 2022, workshops have had the option of purchasing regenerated R134a through KGK to refill repaired AC systems. KGK's business developer for AC products, Sven Berglund, explains more:

"The significant environmental benefit of regenerated gas lies in the fact that it reduces the need for newly produced gas. This also reduces both the need for transport from Asia as well as production-related emissions. R134a is regenerated in the Nordic countries, which means that the transport distance for regenerated gas is much shorter than is the case with newly produced gas. At the same time, the traceability of the product is also increased."

The regenerated gas is supplied by Eco Scandic, with its quality being equivalent to that of newly produced gas. During the regeneration process, moisture, oil, acids and solid particles such as rust are removed. Refrigerant can be deemed to have been regenerated if it has:

- been treated by a recycling facility that meets the AHRI-700 and ISO 11650 recovery standards
- and has been analyzed in the laboratory and after completion of the process, to ensure that it meets the AHRI-700 quality standard.

The gas that is regenerated is obtained, for example, from car dismantlers and other operations in the Nordic region that use refrigeration systems. By regenerating R134a, the gas becomes part of the circular economy, helping to achieve the efficient use of natural resources and reducing the amount of waste. These points form part of the sustainability goals in the UN's Agenda 2030.



Appreciated by workshops

Sven Berglund goes on: "The regenerated gas has been well received by our customers and has also helped us to open the door to new customers, as well as achieving additional sales from existing customers. At the time of its introduction, the regenerated gas was slightly more expensive than newly produced gas, but the price is now the same as newly produced gas. This means that it doesn't cost any more for the customer to choose the environmentally friendly alternative. We have now reached a point where the demand is greater than the supply, which is positive, although we would prefer the supply to be greater."

In future, we will be working to ensure that the gas is kept in stock at more of our local Autoexperter warehouses to enable "Samma-dag-leverans" ("Same-day delivery"). This shortens the transport distances for the gas and makes better use of the transport operations, as the cylinders entail two deliveries. A first delivery when we deliver full cylinders to the workshops, and a second one when we transport empty cylinders from the workshops and refill them with regenerated gas.

Simple handling and follow-up for the workshop

To make the handling of gas cylinders as easy as possible, KGK offers regenerated refrigerant in 14 kg cylinders, the same size that is available for newly produced R134a. KGK also helps the workshop with environmental monitoring, where the workshop benefits from continuous monitoring of the extent of R134a emissions that the individual operation is contributing to.



Used car parts service expanding Autoexperten's range with 4.4 million new parts

The new "Begagnade bildelar" ("Used Car Parts") service, which has been developed in 2022, will be offered to Autoexperten's customers together with KG Knutsson AB, starting in the spring of 2023.



In order for a company to be able to meet the demands of the outside world, be competitive and contribute to the transition, it needs to be able to offer sustainable products and services. Working in collaboration with vehicle dismantling workshops, the range of Autoexperten's workshops will be expanded by 4.4 million parts. This means that customers have the option to choose used parts that are cheaper and more environmentally friendly and that may not be stocked in the ordinary range. The service contributes to a sustainable circular economy by utilizing spare parts from vehicles that have been scrapped. The products included in "Begagnade bildelar" service are quality rated and come with a 1-year warranty.

"We are proud that we will be able to offer this service. It allows our workshops to easily give their customers alternatives to new parts from our ordinary range, which is good for both the economy and the environment," says Magnus Norin, Acting Business Unit Manager, KGK.

The customer will place their order as normal in Autoexperten's catalogue. There, they are given the option of viewing available products from the used range. New and used products can be mixed in the same shopping cart, and the entire

purchase is compiled on one and the same invoice from Autoexperten. The dismantler delivers the quality-assured products directly to the workshops.

"The workshops have long had the ambition to reuse vital parts from other vehicles. "Begagnade bildelar" service makes this feasible in a simple, practical, and quality-assured way. The system underlying the service is fully integrated in the regular catalogue, which means that the workshops do not need to look for parts themselves from individual dismantlers," states Magnus.

Autoexperten's workshops consider that there is a high demand for used parts. "Begagnade bildelar" service is a user-friendly system that makes it possible to meet the needs of the end customer. In Autoexperten's catalogue, customers will easily be able to select used car parts and add them to their order.

The service is currently being presented to customers around the country. At the Automässan trade fair in Gothenburg in January 2023, at which KGK and Autoexperten shared a joint stand, many customers were highly appreciative of the long-awaited concept. Expectations are high as regards how the service will be received, and it will start to be used on a large scale in 2023.

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It allows our workshops to easily give their customers alternatives to new parts from our ordinary range.

Magnus Norin, Acting Business Unit Manager, KG Knutsson AB

Final report to Uppsala County's action plan, entitled Roadmap for a Sustainable County

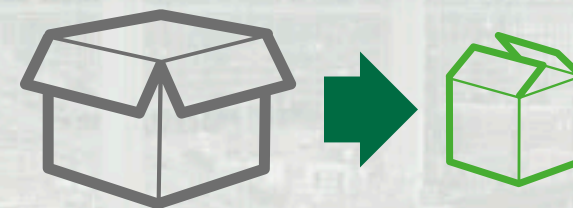
Because KGK's logistics center is located in Enköping, in Uppsala County, KGK adopted a number of sustainability promises from Uppsala County's *Roadmap for a Sustainable County* in 2019. KGK has focused on meeting the promises within the underlying *Reduced Climate Impact* action program, which aims to reduce climate-impacting emissions and streamline energy consumption. In 2022, KGK submitted its final interim report for the program.



Autoexperthen evaluates delivery rounds

On behalf of Autoexperthen, we also reported that a project was being run in 2021 to see what delivery rounds could be carried out using plug-in hybrid or electric vehicles. In this project, existing delivery vehicles were connected up to telematics and driving patterns were analyzed after a few months of driving, to see which vehicles could potentially be replaced with electric power. You can read more about the project in the 2021 Sustainability Report.

In order to achieve more positive developments for the environment and improve the conditions for achieving the environmental goals, the County Administrative Board of Uppsala presented four action programs in 2019, and gathered them together in a *Roadmap for a Sustainable County*. The roadmap as a whole is contributing to the achievement of the national environmental objectives, with KGK participating in the action plan for *Reduced Climate Impact*. The aim is to increase the rate at which measures are implemented and, in the long term, to have a positive impact on the environmental objectives in the county.



Packaging affecting climate impact

Our operations are dependent on being able to package deliveries so that they reach our customers without sustaining damage. In our reporting, we have stated, for example, that our logistics center has been working to optimize the package sizes of those goods that require disposable packaging. In practice, for example, this means that small deliveries can now be packed using a box that is even smaller than has previously been available. This reduces the amount of waste at our customers and means that transport operations are filled to a greater degree.

The logistics center has also acquired a cardboard shredder that makes it possible to reuse cardboard boxes from incoming deliveries as packing material in outgoing deliveries. At present, the center receives more cardboard than the business can use, with the result that around 30% of the cardboard material that comes in goes through the cardboard shredder and the remainder goes to recycling.



35%

Saving kWh/year

Reduced energy consumption

KGK's progress within the program has been reported continually to the County Administrative Board, with the final report being sent before the summer of 2022. In this report, we were able to announce that the logistics center is planning to replace all electric lighting with LEDs during 2022. This will entail a saving of 35% in kWh per year (from 985,000 kWh to 642,000 kWh). It has previously also been reported that we have secured renewable electricity for our operations, and that we have worked continuously on energy optimization by streamlining energy consumption at our 33,000 m² logistics center.





“Obtaining information of this type is important for many of our customers, especially those that produce sustainability reports.

Erik Bengtsson, Product Manager, KGK

Carsmart fleet service simplifying the monitoring of transport-related emissions

CARSMART



KGK's subsidiary Carsmart is a newcomer on the market. With its digital tool, it is fundamentally changing and simplifying fleet management. Carsmart's environmental report is very helpful in enabling fleet owners to monitor trends as regards emissions from their fleets.

Carsmart is a web tool that provides fleet owners with an overall picture of their fleet, making it easy for them to implement actions without intermediaries and in real time. All relevant information about the vehicles is gathered together and the fleet owner acquires a clear overview of how all the vehicles are being used and what they cost.

All Carsmart users have access to an environmental report that helps fleet owners to monitor factors such as carbon dioxide emissions from their fleet. The same report also contains information about fuel and costs, for example. The report is based on the company's refueled or laden quantity, not the mileage driven. By calculating the refueled or laden quantity, you obtain a more accurate picture of issues such as carbon dioxide emissions, as opposed to calculating emissions by mileage in combination with emissions calculations from the WLTP cycle.

"It's easy to download the environmental report and view the figures, but it isn't enough to just look at the emissions figures and make interpretations on that basis. The figures you obtain about factors such as carbon dioxide emissions and fuel consumption have to be considered in relation to previous years, for example. Only then will you get a complete

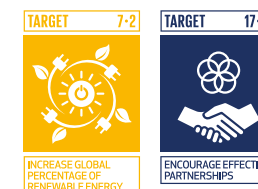
picture, where you can see trends and follow up decisions on which fuel should be prioritized, for instance. If you are an organization that has stated that refueling should only take place using HVO, it is possible to see in the report which vehicles use that fuel, how much they use and whether they can also be refueled with any other fuel.

Alternatively, it is possible to monitor whether or not refueling is performed at fuel stations with which you have a preferential agreement. Obtaining information of this type is important for many of our customers, especially those that publish their own sustainability reports," says Erik Bengtsson, Product Manager at KGK.

Adaptations of the system

Carsmart is a flexible and adaptable system. If, as an organization, you want an environmental report that is integrated with your own environmental system, this is not a problem. One valuable option relates to where you want to use your own calculation model for carbon dioxide emissions, for example. By default, carbon dioxide emissions are calculated in Carsmart using the wheel-to-wheel method from miljöfordon.se.

"In future, we are planning to develop the statistics function in the tool with graphs that can be seen directly in the system. In this way, our aim is to make the statistics even more accessible and to help organizations to get started as regards monitoring trends, for example in relation to carbon dioxide emissions or fuel consumption," Erik concludes.



Red, yellow or green man?

Laitis is investing in the well-being of its employees with the aid of pulse surveys.

In April 2022, the Laitis companies introduced weekly pulse surveys among their employees. This has already resulted in more in-depth relationships, greater trust and better communication. The hope is that it will also lead to better balance in everyday life, a more reasonable workload and reduced sickness absence.



“My perception is that we are creating excellent conditions for reversing challenging situations and preventing major problems.”

Ida Sandqvist, HR Manager, Laitis AB

The tool being used is called Howdo, and it works in such a way that all employees can take the temperature of their overall status at the end of the working week. The employees receive a text message and an email every Thursday afternoon, asking them “How has your week been?”. The response options are a green man, a yellow man and a red man. The idea is that the man you choose reflects your overall feeling for the week as regards stress levels and workload, as well as your general well-being both privately and at work.

If an employee has responded with the red man for two consecutive weeks, or with three consecutive yellow men, this will result in a follow-up being implemented in the form of a conversation with the relevant site manager. The aim is to identify early signs that employees are not feeling good, or that they perceive their workload to be too high, and to be able to prevent problematic situations from escalating.

Ida Sandqvist is the HR Manager at Laitis. She was the initiator behind the use of pulse surveys as a complement to staff surveys and performance appraisals that are conducted once a year, and the healthy attendance that is checked every month. Ida is also one of a number of site managers who receive the results of the Howdo measurements every week, and conducts follow-up discussions with her team as required.

“The pulse surveys really build trust and develop the relationship between myself and the staff for whom I am site manager. My perception is that we are creating excellent conditions for reversing challenging situations and preventing major problems. Howdo is extremely helpful to me and the other site managers when it comes to picking up signals from our employees,” says Ida.

Laitis has also noted that one benefit of the pulse surveys is that the employees are getting to practice their reflective abilities.

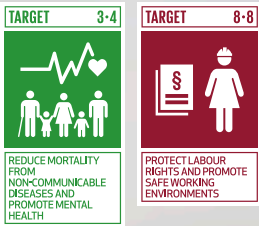
“We all recognize this, and it makes the work a lot easier. There has been a collective improvement as regards the ability to estimate workloads, plan and be able to prioritize effectively, for example, based on an individual’s current situation and how much energy they have ahead of the coming week,” says Ida.

In addition to the specific status of individual employees, the Howdo pulse surveys also identify trends within organizations and working groups. In Laitis’ case, Ida explains that it is possible to see different tendencies in different teams, providing important insights into needs at group level. In addition, it can clearly be seen how different incidents and events in the operation have an effect.

“This provides us with the potential to stay one step ahead and to support our teams positively, so that they have the conditions to cope better with more intense periods. It also makes a big difference to know that a stressful period is going to end, for example, and be followed by a more restorative work environment or additional resources that can help to manage projects that have been launched.

Laitis wants to use the insights gained from Howdo in its planning, for example in relation to how people are affected in terms of stress. After a period of time has passed and it is possible to see trends on an annual basis, it may be appropriate, for example, to arrange trade fairs and events during periods when employees are not already under particular strain.

The company behind the Howdo tool wants the pulse surveys to normalize conversations regarding well-being in the workplace. On the website, howdo.se, you can read about the aim of making it feel natural to talk about red and yellow weeks when you meet at the coffee machine.



Exoskeletons improving work ergonomics

At KGK's logistics center, the staff's curiosity and commitment to their work environment has led to the testing of new aids in the form of exoskeletons. These provide the individual with additional strength and help to stabilize the body during heavy lifting, thereby making the work easier and preventing physical injuries.

An exoskeleton is a mechanical skeleton that is worn on the outside of the body. The skeleton's bones are made of carbon fiber, for example, and the carbon fiber skeleton has been supplemented with substitutes for muscles in the form of rubber bands, springs or hydraulics that assist the person using it. In addition to passive exoskeletons of this type, there are also active ones where the person's abilities are enhanced, for example using electric motors. The passive variant is still being tested at the logistics center in Enköping.

Patrik Enberg, Warehouse Manager, says that the idea of using exoskeletons first arose a few years back when one of our technicians started reading about exoskeletons and looked into how they could be used in the business. We considered this to be an interesting option at the time, but the price was extremely high. Four years have now passed since we first talked about exoskeletons, and the prices have dropped, so we have decided to test two different types. Developments are moving at breakneck speed, and the exoskeletons that are available today can cope with the environment we work in, including various bumps and knocks, as they are not as sensitive as they were a couple of years ago. In addition, it is easy to replace spare parts on the skeletons we have opted to test.

The two skeletons differ in terms of their design and the way they assist in various work tasks. One of the models, which is technically modest in terms of its design, works with strong rubber bands along its back. This skeleton is primarily used to assist and stabilize the body when lifting items from the ground, by the means of the rubber bands supplying additional strength to the back muscles. The other skeleton is a more advanced model, which assists with the aid of springs that provide additional strength to the shoulders and arms. The skeleton is adjusted by the user, with settings that best suit the individual based on their body weight, their own



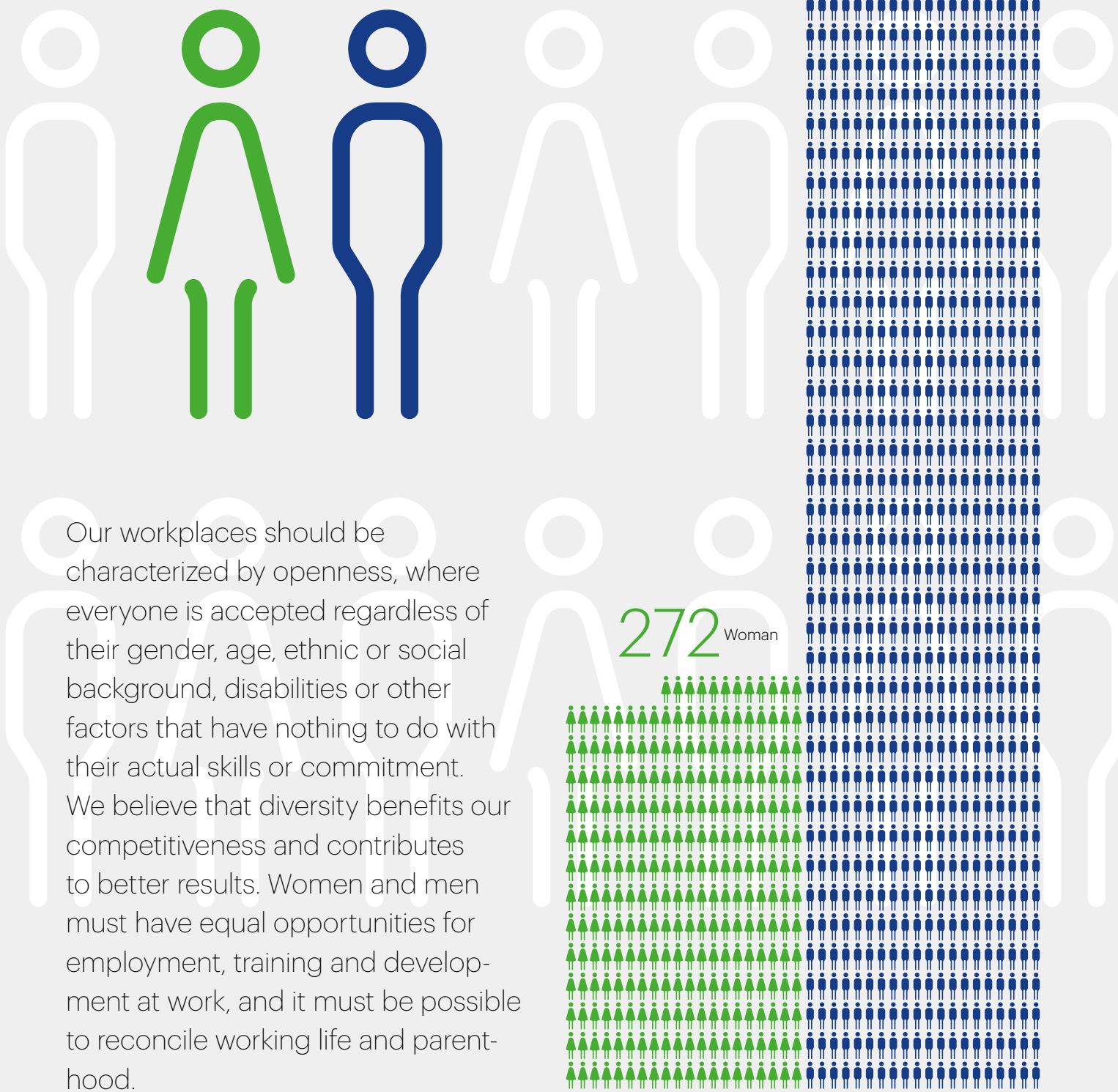
strength and the weight of the items to be lifted. This skeleton is extremely useful when working with deliveries of brake discs and leaf springs, for example.

Patrik goes on to state that the exoskeletons have been well received by the staff, who seem to prefer the version with the rubber bands. So far, it is open to speculation why this particular model appears to be being used most. It is easier to put on, however, and in terms of its appearance it is relatively discreet compared to the skeleton using the spring-based technology.

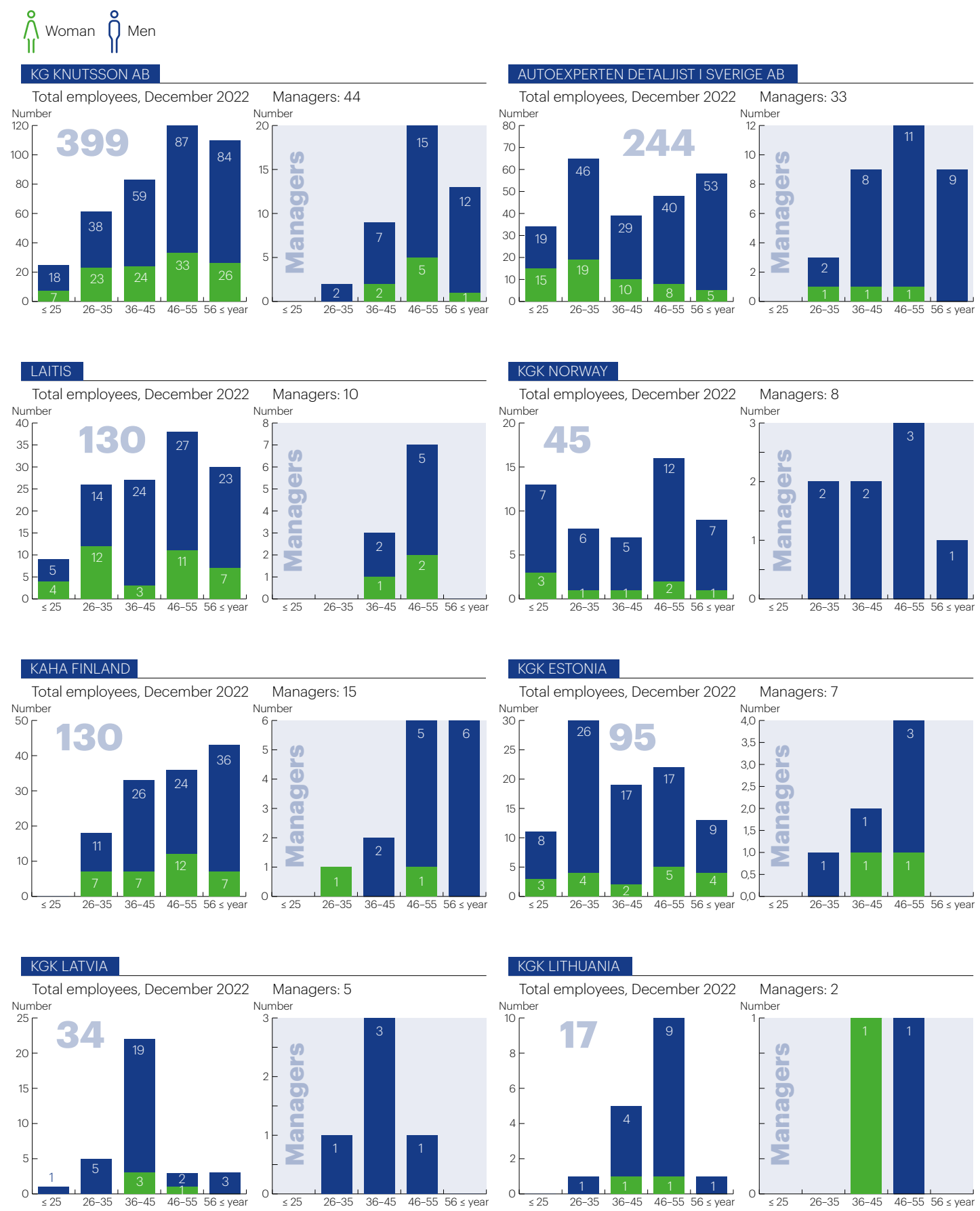
The work environment aspect is a major factor when it comes to investing in exoskeletons.

"If you feel good from a physical perspective, you will perform well. Part of our task as an employer is to create an environment where our employees feel good and have low levels of sickness absence. The exoskeleton is not the only tool when it comes to achieving this. We also offer our employees the opportunity to have 30 minutes of exercise two days a week during working hours. In addition, we have a gym that is available to our employees, with weights and equipment for cardio training. We believe that a good work environment and good leadership with a positive culture, along with the opportunity for exercise, provides us with a strong competitive advantage when we are looking to recruit employees. Bearing in mind the pace at which new logistics centers and warehouses are being built in our immediate vicinity, these factors will be important to us if we are to remain a relevant employer both now and in the future," concludes Patrik.

Staff demographics



Our workplaces should be characterized by openness, where everyone is accepted regardless of their gender, age, ethnic or social background, disabilities or other factors that have nothing to do with their actual skills or commitment. We believe that diversity benefits our competitiveness and contributes to better results. Women and men must have equal opportunities for employment, training and development at work, and it must be possible to reconcile working life and parent-hood.



Sustainability data

In our work in relation to sustainability reporting, we are supported by Global Reporting Initiatives (GRI), accounting principles and some of GRI’s topic-specific standards, although the report in itself has not been prepared in accordance with GRI Standards.

Set out below is KG Knutsson AB’s and its subsidiaries’ sustainability index.

KG Knutsson Verkstad AB is not covered by this Sustainability Report, as the company’s business concept is based on short-term and temporary ownership. KG Knutsson AB’s newly launched subsidiary EV Hub AS and Kaha OY’s subsidiary KL Parts are not reported, as we have limited access to obtain the necessary information (in respect of statistics and data) within a reasonable period of time.

SUSTAINABILITY DATA

Description	Comments	Page
ABOUT THE SUSTAINABILITY REPORT		
Reporting period	2022	1, 65
Date of publication of the most recent report	May 2, 2023	65
Reporting cycle	Annually January 1 – December 31.	65
Contact person	Jessica Dymén, jessica.dymen@kgk.se	65
Policy and application as regards external verification of the sustainability report	The report has not been verified by an external auditor.	65
Information about sustainability governance		5-63, 65

KG Knutsson AB

Description	Comments	Page
THE ORGANIZATION, INCLUDING BOUNDARIES		
Name of the organization	KG Knutsson AB.	4
Ownership structure and corporate form		4
Corporate governance	The company is privately owned and has a management team that makes decisions.	56
Companies covered by the report	KG Knutsson AB.	4
Main brands, products and/or services		4, 10, 11
Location of the head office	Sollentuna.	65
Countries in which the organization operates	Sweden.	65
Markets on which the organization operates		10, 11
Number of products	There are a total of 72,101 items stocked in our central warehouses. 55,780 articles are actively planned.	65
The organization's supply chain	Supplier base of 488 different suppliers in 2022. The top 50 suppliers account for 80% of purchases. Of the total volume purchased, 55% comes from Swedish suppliers. 43% from the rest of the EU. 0.7% from the USA. 0.7% from Asia/Pacific. 0.6% from other countries (UK, South Africa, Turkey).	65
External principles or other initiatives that are supported by the organization	KG Knutsson AB is a member of the 2030 Secretariat, Roadmap for a Sustainable Uppsala County and NMC, the Network for Sustainable Business. KG Knutsson AB is certified in accordance with ISO 9001:2015 and ISO 14001:2015.	65
Membership of trade associations	ATR International AG, Swedish Trade Federation, Sweboat Service AB, Svenska LCV Föreningen, Maskinleverantörerna, The Swedish Confederation of Transport Enterprises, Sveriges Annonssörer, the Association of Swedish Motor Vehicle Repairers, the Swedish Association for Motor Retail Trades and Repairs and Sveriges Bildelsgrossistförening.	65
Comments from the CEO		8

KG Knutsson AB

Description	Comments	Page
FINANCIAL PERFORMANCE		
Sales	SEK 1,751,529 thousand	66
EMPLOYEE INFORMATION		
Number of employees	399 employees.	63, 66
Number of new employees during the year, broken down by form of employment, permanent/probationary and substitute	New employees: permanent and probationary: 61 Substitutes: 22	66
Number of permanent and probationary staff who have left at their own request during the year	37	66
Parental leave	A total of 52 people, of whom 21 were women and 31 men.	66
Extent of injuries and sick leave	39 incidents, of which 19 resulted in personal injury. Total sick leave during the year: 4.05%.	66
Incidents linked to discrimination and action taken	No incidents during the year.	66
Composition of the Board of Directors and the management team, and breakdown of the numbers of women and men	The management team consists of 1 woman and 10 men.	66
Proportion of employees who had a regular performance and career development appraisal during the reporting period	79% have had and 12% have not had a performance and career development appraisal during the reporting period. 9% have been employed for less than a year and have therefore not had a performance and career development appraisal during the reporting period.	66

Description	Comments	Page
BUSINESS ETHICS		
Financial support received from public actors	Not applicable.	66
Confirmed incidents of corruption and actions taken	There have been no incidents of corruption.	66
Anti-corruption training	No training has been conducted during the year.	66
Total number and percentage of business partners (suppliers) to whom the organization's anti-corruption policy and procedures have been communicated.	59% of the 390 suppliers we have contacted have read and accepted our Supplier Code of Conduct.	37, 66
The organization's values, principles and Code of Conduct	Our Code of Conduct, "The KGK way", is communicated internally and is available to everyone on our intranet. "The KGK way" clarifies laws and regulations that we have to follow, as well as our approach to issues that go beyond our statutory obligations.	39, 66

Description	Comments	Page
SOCIAL IMPACT		
Employee representation on health and safety committees	Within KG Knutsson AB, we have one safety committee for Sollentuna and one for Enköping. These committees each meet round 4 times a year. The meetings have a fixed agenda, but at the same time they are an open forum for raising various issues and aspects relating to our work environment. The primary purpose of the committees is to ensure systematic work environment management. We follow up and attempt to improve our internal procedures in respect of the work environment, such as internal inspections and safety rounds in the work environment, reporting of accidents and incidents, annual sick leave, etc. The members are made up of representatives of the employer with responsibility for specific areas within the work environment, such as property issues, personnel issues and safety issues. We also have employee representatives, as well as safety representatives from Unionen, IF Metall and Partihandel.	67
Significant risks in the supply chain	478 suppliers were reviewed on the basis of product categories and countries of manufacture.	37, 67
Incidents of non-compliance as regards the health or safety effects of products and services	No incidents during the year.	67
Insufficient compliance with rules and/or voluntary codes for product and service information and labelling	No incidents during the year.	67
Cases of insufficient compliance with rules and/or voluntary codes regarding commercial communications, including advertising, marketing and sponsorship	No reported cases during the year.	67
Substantiated complaints regarding customer privacy violations and leakage of customer data	No reported complaints.	67

Description	Comments	Page
ENVIRONMENTAL IMPACT		
Use of recycled materials	The warehouse in Enköping has recycled a large amount of packaging material in 2022, estimated at 1 metric ton or more. During the year, 19,416 brake components were collected from customers and taken to the warehouse in Enköping, with a value of approximately SEK 17.5 million. During the year, the ZF workshop has renovated: 20 shafts, 86 gearboxes, 57 tram gearboxes and 50 reversing gears on behalf of customers. 155 gearboxes, 37 shafts and 7 hubs have been renovated for the replacement stock. 162 service visits have been carried for diagnostic purposes and troubleshooting at customers.	42, 67
Energy consumption within the organization	4,647 MWh of energy has been consumed during the year in the properties in which we operated. The majority of this has been in the form electrical energy and is used for lighting, ventilation and cooling, etc. District heating for heating and hot water has also been used. Electricity consumption amounts to 3,095 MWh. Electrical energy is climate-neutral. Heat energy amounts to 1,552 MWh.	67
Direct emissions from consumed refrigerants	None.	67
Indirect emissions of carbon dioxide equivalents from sold refrigerants	Refrigerant has been sold equivalent to 31,419,600 kg of CO ₂ e, calculated by (number kg) x (GWP (Global Warming Potential)). Of this, regenerated refrigerant (recycled and purified) accounts for 2,662,660 kg of CO ₂ e.	50, 67
Hazardous waste	8,327 kg	67
Non-hazardous waste	205,948 kg	67
Recycling	182,112 kg	67
Violations of environmental regulations and laws	No violations of environmental regulations and laws during the business year.	67
Suppliers reviewed on the basis of environmental criteria	478 suppliers were reviewed on the basis of product categories and countries of manufactures.	37, 67
Direct greenhouse gas emissions	314 metric tons of CO ₂ produced from our company cars.	67
Indirect greenhouse gas emissions	During the year, our transport of goods generated emissions totaling 825 metric tons of CO ₂ , measured in accordance with Well to Wheel. During the year, our business travel by air and rental cars gave rise to emissions totaling 122,528 metric tons of CO ₂ .	67

Autoexperten Detaljist i Sverige AB

Description	Comments	Page
THE ORGANIZATION, INCLUDING BOUNDARIES		
Name of the organization	Autoexperten Detaljist i Sverige AB (owned and majority-owned companies).	68
Ownership structure and corporate form		12
Corporate governance		68
Companies covered by the report	Owned and majority-owned companies: Autoexperten Detaljist i Sverige AB, Autoexperten i Kronoberg AB, Autoexperten i Kalmar AB, Autoexperten i Uppsala AB, Autoexperten i Södertälje AB, Autoexperten i Uddevalla AB, Autoexperten i Mora AB, Autoexperten i Täby AB, Bildelar i Edsbyn AB, Nya Ystad Bildelar & Däckservice AB, Autoexperten i Värnamo AB, Autoexperten i Enköping AB, HPM Distribution AB.*	68
Main brands, products and/or services	The same as for KG Knutsson AB, a large and varied range, mainly of spare parts.	10, 11, 68
Location of the head office	Sollentuna.	68
Countries in which the organization operates	Sweden.	68
Markets on which the organization operates	Workshops in the automotive sector, industries and hauliers, as well as private customers and real estate companies.	11, 12, 68
Number of products	Number of stocked items: 54,766 different item numbers.	68
The organization's supply chain	The supplier base consists of around 500 suppliers in 2022. The top 50 suppliers account for 99% of purchases, of which 94% of purchases come from Group companies (KG Knutsson AB, KGK Motor AB, Autoexperten Detaljist).	68
External principles or other initiatives that are supported by the organization	Members of the 2030 Secretariat.	68
Membership of trade associations	ATR International AG, Swedish Trade Federation, Sweboat Service AB, Svenska LCV Föreningen, Maskinleverantörerna, Sveriges Annonssörer, The Association of Swedish Motor Vehicle Repairers, Swedish Association for Motor Retail Trades and Repairs and Sveriges Bildelsgrossistförening.	68

* We have limited access to obtain the necessary information within a reasonable period of time, and therefore are not including the store's figures this year.

Description	Comments	Page
FINANCIAL PERFORMANCE		
Sales	SEK 852,848 thousand	68
EMPLOYEE INFORMATION		
Number of employees	244 employees.	63, 68
Number of new employees during the year, broken down by form of employment, permanent/probationary and substitute	Permanent and probationary employees: 48, Substitutes: 11	68
Number of permanent and probationary staff who have left at their own request during the year	27	68
Parental leave	A total of 33 people, of whom 10 were women and 23 men.	68
Extent of injuries and sick leave	Total sick leave: 6.43%.	68
Incidents linked to discrimination and action taken	No incidents during the year.	68
Composition of the Board of Directors and the management team, and breakdown of the numbers of women and men	3 women and 3 men.	68
Proportion of employees who had a regular performance and career development appraisal during the reporting period	41% have had and 44% have not had a performance and career development appraisal during the reporting period. 15% have been employed for less than a year and have therefore not had a performance and career development appraisal during the reporting period.	68
BUSINESS ETHICS		
Financial support received from public actors	Not applicable.	68
Confirmed incidents of corruption and actions taken	There have been no incidents of corruption.	68
Anti-corruption training	No training has been conducted during the year.	68
Total number and percentage of business partners (suppliers) to whom the organization's anti-corruption policy and procedures have been communicated.	90% of purchases are made from KG Knutsson AB. See KG Knutsson AB's index. We have no statistics on the other 10%.	68
The organization's values, principles and Code of Conduct	Our Code of Conduct, “The KGK way”, is communicated internally and is available to everyone on our intranet. “The KGK way” clarifies laws and regulations that we have to follow, as well as our approach to issues that go beyond our statutory obligations.	68

Description	Comments	Page
SOCIAL IMPACT		
Employee representation on health and safety committees	Within Autoexperten Detaljist, safety rounds are performed annually by the site manager together with employees.	69
Significant risks in the supply chain	478 suppliers were reviewed on the basis of product categories and countries of manufacture.	69
Incidents of non-compliance as regards the health or safety effects of products and services	No incidents during the year.	69
Insufficient compliance with rules and/or voluntary codes for product and service information and labelling	No incidents during the year.	69
Cases of insufficient compliance with rules and/or voluntary codes regarding commercial communications, including advertising, marketing and sponsorship	No reported cases during the year.	69
Substantiated complaints regarding customer privacy violations and leakage of customer data	No reported complaints.	69

Description	Comments	Page
ENVIRONMENTAL IMPACT		
Use of recycled materials	Same flow as KG Knutsson AB. See response for KG Knutsson AB.	69
Energy consumption within the organization	1,212,674 MWh.	69
Direct emissions from consumed refrigerants	None.	69
Indirect emissions of carbon dioxide equivalents from sold refrigerants	Refrigerant has been sold equivalent to 14,788,060 kg of CO ₂ e, calculated by (number kg) x (GWP (Global Warming Potential)). Of this, regenerated refrigerant (recycled and purified) accounts for 860,860 kg of CO ₂ e.	69
Hazardous waste	No information available.	69
Non-hazardous waste	No information available.	69
Recycling	No information available.	69
Violations of environmental regulations and laws	No violations of environmental regulations and laws during the business year.	69
Suppliers reviewed on the basis of environmental criteria	Same suppliers as KG Knutsson AB. 478 suppliers were reviewed on the basis of product categories and countries of manufacture.	69
Direct greenhouse gas emissions	678 metric tons of CO ₂ produced from Autoexperten's delivery vehicles.	69
Indirect greenhouse gas emissions	During the year, our business travel by air and rental cars gave rise to emissions totaling 7.02 metric tons of CO ₂ .	69

Laitis Handels AB

Description	Comments	Page
THE ORGANIZATION, INCLUDING BOUNDARIES		
Name of the organi- zation	Laitis Handels AB including subsidiaries.	70
Ownership structure and corporate form		13
Corporate gover- nance	The company is privately owned and has a management team that makes decisions.	70
Companies covered by the report	Laitis Handels AB, Laitis i Kiruna AB, Laitis i Pajala AB and Laitis i Gällivare AB.	70
Main brands, products and/or services	Automotive and industry.	70
Location of the head office	Luleå.	70
Countries in which the organization operates	Sweden.	70
Markets on which the organization operates	The automotive and industrial markets.	70
Number of products	A total of approximately 1,520,000 unique item numbers.	70
The organization's supply chain	1,319	70
External principles or other initiatives that are supported by the organization	Giving people, Nattvandrarna, Stiftelsen Aktiv Skola.	70
Membership of trade associations	Swedish Trade Federation.	70

Description	Comments	Page
FINANCIAL PERFORMANCE		
Sales	SEK 397,000 thousand	70
EMPLOYEE INFORMATION		
Number of employees	107 employees.	63, 7
Number of new employees during the year, broken down by form of employment, permanent/probation- ary and substitute	Permanent and probationary employees: 16 people. Substitutes: 4 people.	70
Number of permanent and probationary staff who have left at their own request during the year	17 people.	70
Parental leave	A total of 22 people, of whom 5 were women and 17 men.	70
Extent of injuries and sick leave	Injuries: 4 Sick leave: 5.2%.	70
Incidents linked to dis- crimination and action taken	No incidents during the year.	70
Composition of the Board of Directors and the management team, and breakdown of the numbers of women and men	Board of Directors: 7, all men. Management team: 12, 3 women and 9 men.	70
Proportion of employ- ees who had a regular performance and career development appraisal during the reporting period	76%.	70
BUSINESS ETHICS		
Financial support received from public actors	Wage subsidies for certain employees. Compensation for high level of sick leave. Compensation in the case of workplace -oriented rehabilitation.	70
Confirmed incidents of corruption and actions taken	None in 2022.	70
Anti-corruption training	No training in 2022. New employees must read through our Policy against giving and taking bribes.	70
Total number and per- centage of business partners (suppliers) to whom the organiza- tion's anti-corruption policy and procedures have been communi- cated.	132 suppliers, which corresponds to approximately 10%.	70
The organization's values, principles and Code of Conduct	Code of Conduct, treatment policy, equal- ity policy, communication policy, harass- ment policy. These policies are available to everyone on the intranet. Must be gone through with all new employees.	70

Description	Comments	Page
SOCIAL IMPACT		
Employee represen- tation on health and safety committees	Delegated work environment responsibility for each site manager. Safety represen- tatives can be found at each location. Safety rounds are performed annually by the site manager together with the safety representative. Basic safety rounds are conducted on an ongoing basis by the safety representative.	71
Significant risks in the supply chain	95% of our remaining suppliers are Swedish. Purchases via KGK and BIGgruppen are monitored centrally.	71
Incidents of non-com- pliance as regards the health or safety effects of products and services	No incidents during the year.	71
Insufficient compli- ance with rules and/ or voluntary codes for product and service information and labelling	Two comments from the Swedish Work Environment Authority regarding the lack of safety datasheets for certain items.	71
Cases of insufficient compliance with rules and/or voluntary codes regarding commercial commu- nications, including advertising, marketing and sponsorship	No reported cases during the year.	71
Substantiated complaints regarding customer privacy violations and leakage of customer data	No reported complaints.	71

Description	Comments	Page
ENVIRONMENTAL IMPACT		
Use of recycled materials	Cardboard boxes and packaging materials are recycled (Apart from sales, e-commerce, B2C).	71
Energy consumption within the organiza- tion	Electricity: 883,093 MWh. Proportion of Green electricity: 84%. Heating: 829,490 MWh. Total: 1,712,583 MWh.	71
Direct emissions from consumed refrigerer- ants	No access to statistics, as we do not own our properties and cannot influence this.	71
Indirect emissions of carbon dioxide equivalents from sold refrigerants	Refrigerant has been sold equivalent to 1,221,740 kg of CO ₂ e, calculated by (number kg) x (GWP (Global Warming Potential)).	71
Hazardous waste	2,883 kg. ¹⁾	71
Non-hazardous waste	18,210 kg. ¹⁾	71
Recycling	21,424 kg. ¹⁾	71
Violations of environ- mental regulations and laws	None in 2022.	71
Suppliers reviewed on the basis of environ- mental criteria	None in 2022.	71
Direct greenhouse gas emissions	101.45 metric tons of CO ₂ (WTW). ²⁾	71
Indirect greenhouse gas emissions	During the year, our business travel by air and rental cars gave rise to emissions totaling 20.5 metric tons of CO ₂ . Shipping: 9.76 metric tons of CO ₂ . ³⁾	71

1) Refers to the stores in Boden, Luleå, Skellefteå, Umeå, Kiruna and Gällivare. The stores in Pajala and Piteå are not included.

2) Refers to Q2-4 2022. Statistics taken from Carsmart, with which we joined forces in April 2022.

3) Shipping: Calculated on the basis of statistics from Bussgods and Schenker, which together account for approximately 87% of total shipping costs in 2022.

KGK Norge AS

Description	Comments	Page
THE ORGANIZATION, INCLUDING BOUNDARIES		
Name of the organi- zation	KGK Norge AS.	72
Ownership structure and corporate form		14
Corporate gover- nance	The company is privately owned and has a management team that makes decisions.	72
Companies covered by the report	KGK Norge AS.	72
Main brands, products and/or services	Trading in industrial products, preferably in relation to the manufacture of vehicles and machinery for use on land, at sea and in the air, including service operations, and the taking over of commercial agency contracts.	72
Location of the head office	Strømsveien 177, 0664 Oslo.	72
Countries in which the organization operates	Norway.	72
Markets on which the organization operates	Aftermarket automotive, boat, agriculture. ZF-workshop	72
Number of products	20,364 ¹⁾	72
The organization's supply chain	Same suppliers as in Sweden (100%). No statistics are currently kept regarding the number of suppliers.	72
External principles or other initiatives that are supported by the organization	Approx. 300.	72
Membership of trade associations	Member of ABL (Autobransjens Leverandørforening).	72

1) Oslo, Trondheim, Lier, ZF Oslo and Handels Oslo.

Description	Comments	Page
FINANCIAL PERFORMANCE		
Sales	NOK 124,000,000.	72
EMPLOYEE INFORMATION		
Number of employees	45 employees.	63, 72
Number of new employees during the year, broken down by form of employment, permanent/probation- ary and substitute	7 permanent	72
Number of permanent and probationary staff who have left at their own request during the year	8	72
Parental leave	None.	72
Extent of injuries and sick leave	Total sick leave: 4.02%. ¹⁾	72
Incidents linked to dis- crimination and action taken	No incidents during the year.	72
Composition of the Board of Directors and the management team, and breakdown of the numbers of women and men	Management team: A total of 8 people, of whom 6 were men and 2 women.	72
Proportion of employ- ees who had a regular performance and career development appraisal during the reporting period	None.	72
BUSINESS ETHICS		
Financial support received from public actors	NOK 0	72
Confirmed incidents of corruption and actions taken	There have been no incidents of corruption.	72
Anti-corruption training	No training has been conducted during the year.	72
Total number and per- centage of business partners (suppliers) to whom the organiza- tion's anti-corruption policy and procedures have been communi- cated.	Same suppliers as in Sweden. See index for KG Knutsson AB. With one supplier, an audit of ZF (workshop) has been carried out.	72
The organization's values, principles and Code of Conduct	The organization's values are communi- cated at meetings, by e-mail and are posted in the offices. This is also part of our quality system, Team Kimia, which will be used internally.	72

1) Sick leave and the way it is reported differ in Sweden compared to Norway. In Norway, employees can use a system known as self-certification. This can be used for up to three calendar days at a time and up to four times over the course of a year. Otherwise, a sick note from e.g. a doctor is required.

Description	Comments	Page
SOCIAL IMPACT		
Employee represen- tation on health and safety committees	HSE work and safety representatives.	73
Significant risks in the supply chain	Suppliers are reviewed on the basis of product categories and countries of manufacture.	73
Incidents of non-com- pliance as regards the health or safety effects of products and services	No reported incidents.	73
Insufficient compli- ance with rules and/ or voluntary codes for product and service information and labelling	No reported incidents.	73
Cases of insufficient compliance with rules and/or voluntary codes regarding commercial commu- nications, including advertising, marketing and sponsorship	No reported incidents.	73
Substantiated complaints regarding customer privacy violations and leakage of customer data	No reported incidents.	73

Description	Comments	Page
ENVIRONMENTAL IMPACT		
Use of recycled materials	Refurbishments/repairs of gearboxes, reversing gears and shafts for commercial vehicles and marine (ZF department).	73
Energy consumption within the organiza- tion	The power is purchased from established power suppliers in Norway. Energy consumption totals 406.33 MWh.	73
Direct emissions from consumed refriger- ants	Not relevant.	73
Indirect emissions of carbon dioxide equivalents from sold refrigerants	600,920 kg of CO ₂ e, calculated by (number kg) x (GWP (Global Warming Potential)).	73
Hazardous waste	None registered. We submit hazardous waste to a municipal recycling station. Waste oil is collected by Norsk Gjennvinning.	73
Non-hazardous waste	None registered. No statistics.	73
Recycling	None registered. No statistics.	73
Violations of environ- mental regulations and laws	No reported incidents.	73
Suppliers reviewed on the basis of environ- mental criteria	Same suppliers as in Sweden. Suppliers were reviewed on the basis of product categories and countries of manufacture.	73
Direct greenhouse gas emissions	64.8 metric tons of CO ₂ .	73
Indirect greenhouse gas emissions	During the year, our business travel by air and rental cars gave rise to emissions totaling 9.43 metric tons of CO ₂ .	73

Oy Kaha AB, Finland

Description	Comments	Page
THE ORGANIZATION, INCLUDING BOUNDARIES		
Name of the organization	OY KAHA AB.	74
Ownership structure and corporate form	Privately owned limited liability company.	15, 74
Corporate governance	CEO Bengt Wahlberg and Management Team.	74
Companies covered by the report	OY KAHA AB.	74
Main brands, products and/or services	Webasto, Calix, Bosch, ZF, Hella, Dräger.	74
Location of the head office	Snarvågen 2, 01470 Vantaa, Finland.	74
Countries in which the organization operates	Finland.	74
Markets on which the organization operates	Finland.	74
Number of products	115,000 in an active range, 80,000 in stock.	74
The organization's supply chain	In 2022, there are around 300 different goods suppliers.	74
External principles or other initiatives that are supported by the organization	KAHA is certified in accordance with ISO 9001:2015 and complies with the 5S Lean standardization method.	74
Membership of trade associations	Kaha is a member of SVOK RY (Finnish aftermarket association) as well as a member of several Finnish recycling and sustainability associations, such as Elker, Rinki, Kemidigi and Battery Recycling.	74

Description	Comments	Page
FINANCIAL PERFORMANCE		
Sales	Kaha Group turnover in 2022: EUR 107,900,000 of which Oy Kaha Ab EUR 90,500,000 and KL-Parts Oy EUR 17,400,000.	74
EMPLOYEE INFORMATION		
Number of employees	133 employees.	63, 74
Number of new employees during the year, broken down by form of employment, permanent/probationary and substitute	A total of 16 people, of whom 5 permanent and probationary employees. Substitutes: 11 people.	74
Number of permanent and probationary staff who have left at their own request during the year	2 permanent and probationary employees.	74
Parental leave	2 people.	74
Extent of injuries and sick leave	Total sick leave: 4.5%, 0 injuries.	74
Incidents linked to discrimination and action taken	No incidents during the year.	74
Composition of the Board of Directors and the management team, and breakdown of the numbers of women and men	Board of Directors 4 men, management team 7 men.	74
Proportion of employees who had a regular performance and career development appraisal during the reporting period	37 permanent employees have had development appraisals.	74
BUSINESS ETHICS		
Financial support received from public actors	Not applicable.	74
Confirmed incidents of corruption and actions taken	There have been no incidents of corruption.	74
Anti-corruption training	No training has been conducted during the year.	74
Total number and percentage of business partners (suppliers) to whom the organization's anti-corruption policy and procedures have been communicated.	210 of Kaha's suppliers, corresponding to 70%, are well-known OE manufacturers that have their own anti-corruption policies.	74
The organization's values, principles and Code of Conduct	The company's values are communicated to all employees via the Intranet.	74

Description	Comments	Page
SOCIAL IMPACT		
Employee representation on health and safety committees	One Occupational Health and Safety Commissioner and two Deputy Commissioners elected annually in free elections. They regularly meet both occupational health and HR personnel.	75
Significant risks in the supply chain	80% of the suppliers are the same as in Sweden and are reviewed by KG Knutsson AB. The risks we can see are: transport problems, lack of carrying capacity, strikes, excessively high transport costs.	75
Incidents of non-compliance as regards the health or safety effects of products and services	No incidents during the year.	75
Insufficient compliance with rules and/or voluntary codes for product and service information and labelling	No incidents during the year.	75
Cases of insufficient compliance with rules and/or voluntary codes regarding commercial communications, including advertising, marketing and sponsorship	No reported cases during the year.	75
Substantiated complaints regarding customer privacy violations and leakage of customer data	No reported complaints.	75

Description	Comments	Page
ENVIRONMENTAL IMPACT		
Use of recycled materials	20% of the packaging material in the warehouse is recycled (cardboard boxes, packaging fillers, etc.) as well as toner cartridges.	75
Energy consumption within the organization	Electricity consumption 1,501 MWh, heating 714 MWh.	75
Direct emissions from consumed refrigerants	None.	75
Indirect emissions of carbon dioxide equivalents from sold refrigerants	Refrigerant has been sold equivalent to 38,334,807.9 kg of CO ₂ e, calculated by (number kg) x (GWP (Global Warming Potential)).	75
Hazardous waste	No statistics available.	75
Non-hazardous waste	No statistics available.	75
Recycling	No statistics available.	75
Violations of environmental regulations and laws	No violations of environmental regulations and laws during the business year.	75
Suppliers reviewed on the basis of environmental criteria	80% of the suppliers are the same as for KG Knutsson AB in Sweden, which means that at least 98% of the common suppliers have been reviewed on the basis of product categories and countries of manufacture.	75
Direct greenhouse gas emissions	Data not measured.	75
Indirect greenhouse gas emissions	During the year, our business travel by air and rental cars gave rise to emissions totaling 6,724 metric tons of CO ₂ .	75

AS K.G. Knutsson, Estonia

Description	Comments	Page
THE ORGANIZATION, INCLUDING BOUNDARIES		
Name of the organization	AS K.G. Knutsson.	76
Ownership structure and corporate form	Limited liability company.	15, 76
Corporate governance	The company is privately owned and decisions are made by the management team.	76
Companies covered by the report	AS K.G. Knutsson.	76
Main brands, products and/or services		76
Location of the head office	Saeveski 12, Tallinn, Estonia.	76
Countries in which the organization operates	Estonia.	76
Markets on which the organization operates	Estonia.	76
Number of products	The central warehouse in Tallinn stocks 49,700 different products, but only 25,000 are included in the active product planning.	76
The organization's supply chain	Purchases from 226 different suppliers in 2022.	76
External principles or other initiatives that are supported by the organization	No.	76
Membership of trade associations	Estonian Chamber of Commerce and Industry, Finnish-Estonian Chamber of Commerce, Swedish Chamber of Commerce in Estonia, FICE, ATR.	76

Description	Comments	Page
FINANCIAL PERFORMANCE		
Sales	EUR 17,538,747.	76
EMPLOYEE INFORMATION		
Number of employees	95 employees.	63, 76
Number of new employees during the year, broken down by form of employment, permanent/probationary and substitute	New employees: 14, of which 10 permanent positions, 4 probationary positions and 5 temporary positions.	76
Number of permanent and probationary staff who have left at their own request during the year	9 who have left at their own request.	76
Parental leave	Total 5.	76
Extent of injuries and sick leave	0 injuries. Total sick leave during the year: 3.43%.	76
Incidents linked to discrimination and action taken	0 incidents during 2022.	76
Composition of the Board of Directors and the management team, and breakdown of the numbers of women and men	One Board member (man), the management team comprises 2 women and 4 men.	76
Proportion of employees who had a regular performance and career development appraisal during the reporting period	94% have undergone an appraisal of their performance and career development.	76
BUSINESS ETHICS		
Financial support received from public actors	The Estonian unemployment insurance fund's pay subsidy EUR 4,700.	76
Confirmed incidents of corruption and actions taken	There have been no incidents of corruption.	76
Anti-corruption training	No training has been conducted during the year.	76
Total number and percentage of business partners (suppliers) to whom the organization's anti-corruption policy and procedures have been communicated.	We have 226 suppliers, 95% of whom are the same as in Sweden. See KG Knutsson AB's index.	76
The organization's values, principles and Code of Conduct	Our Code of Conduct, "The KGK way", is largely integrated.	76

Description	Comments	Page
SOCIAL IMPACT		
Employee representation on health and safety committees	One specialist as regards occupational health care, no safety committees.	77
Significant risks in the supply chain	95% of the total number of suppliers are the same as in Sweden, which means that at least 98% of the common suppliers have been reviewed on the basis of product categories and countries of manufacture. 30 are ATR contracts or KGK Group agreements.	77
Incidents of non-compliance as regards the health or safety effects of products and services	No incidents during the year.	77
Insufficient compliance with rules and/or voluntary codes for product and service information and labelling	No incidents during the year.	77
Cases of insufficient compliance with rules and/or voluntary codes regarding commercial communications, including advertising, marketing and sponsorship	No reported cases during the year.	77
Substantiated complaints regarding customer privacy violations and leakage of customer data	No reported cases during the year.	77

Description	Comments	Page
ENVIRONMENTAL IMPACT		
Use of recycled materials	We use old cargo pallets and cardboard boxes from our suppliers to send goods to Autoexpertern's operations. These are used until they are no longer usable, after which they are scrapped.	77
Energy consumption within the organization	Electrical energy consumption totaled 249 MWh. Heat energy amounted to 302 MWh.	77
Direct emissions from consumed refrigerants	No direct emissions from consumed refrigerants.	77
Indirect emissions of carbon dioxide equivalents from sold refrigerants	We sold R134a gas equivalent to 8,374,080 kg of CO ₂ .	77
Hazardous waste	6,817 kg.	77
Non-hazardous waste	22,293 kg.	77
Recycling	14,132.6 kg.	77
Violations of environmental regulations and laws	There were no environmental violations.	77
Suppliers reviewed on the basis of environmental criteria	95% of the total number of suppliers are the same as in Sweden, which means that at least 98% of the common suppliers have been reviewed on the basis of product categories and countries of manufacture. 30 are ATR contracts or KGK Group agreements.	77
Direct greenhouse gas emissions	103.4 metric tons of carbon dioxide from company vehicles.	77
Indirect greenhouse gas emissions	Our business travel during the year resulted in emissions of 4.75 metric tons of CO ₂ .	77

KG Knutsson SIA, Latvia

Description	Comments	Page
THE ORGANIZATION, INCLUDING BOUNDARIES		
Name of the organi- zation	KG Knutsson SIA.	78
Ownership structure and corporate form	Limited liability company.	78
Corporate gover- nance	The company is privately owned and deci- sions are made by the management team.	78
Companies covered by the report	KG Knutsson SIA.	78
Main brands, products and/or services		78
Location of the head office	Green Park Lidosta, Dzirnietu street 24, Mārupe, Mārupes county, LV-2167, Latvia.	78
Countries in which the organization operates	Latvia.	78
Markets on which the organization operates	Latvia.	78
Number of products	A total of 17,000 different products are stocked at the central warehouse in Riga.	78
The organization’s supply chain	We purchased from 60 different suppliers in 2022. The largest suppliers are: ZF, KGK SWE and KAHA. Both direct contracts and the number of suppliers are growing.	78
External principles or other initiatives that are supported by the organization	No.	78
Membership of trade associations	Member of: - “Latvian Authorized Automobile Dealers Association” (LAADA). - “Zero emission mobility support society” (BIMAB in Latvian). - “LATVIA ASSOCIATION OF AUTOMOBILE ENGINEERS” (LAIA). - ATR.	78

Description	Comments	Page
FINANCIAL PERFORMANCE		
Sales	EUR 8,139,709.	78
EMPLOYEE INFORMATION		
Number of employees	34 employees.	63, 78
Number of new employees during the year, broken down by form of employment, permanent/probation- ary and substitute	New employees: 5, all 5 permanent employees.	78
Number of permanent and probationary staff who have left at their own request during the year	1 who left at their own request.	78
Parental leave	0	78
Extent of injuries and sick leave	0 injuries. Total sick leave during the year: 1%.	78
Incidents linked to dis- crimination and action taken	0 incidents during 2022.	78
Composition of the Board of Directors and the management team, and breakdown of the numbers of women and men	One Board member (man), the management team comprises 2 women and 3 men.	78
Proportion of employ- ees who had a regular performance and career development appraisal during the reporting period	97% have undergone an appraisal of their performance and career development.	78
BUSINESS ETHICS		
Financial support received from public actors	0	78
Confirmed incidents of corruption and actions taken	There have been no incidents of corruption.	78
Anti-corruption training	No training has been conducted during 2022.	78
Total number and per- centage of business partners (suppliers) to whom the organiza- tion’s anti-corruption policy and procedures have been communi- cated.	We have 60 suppliers, 98% of whom are the same as in Sweden. See KG Knutsson AB’s index.	78
The organization’s values, principles and Code of Conduct	“Let’s make KGK Great again” – and to be a “Reliable partner for the automotive industry and a good employer”.	78

Description	Comments	Page
SOCIAL IMPACT		
Employee represen- tation on health and safety committees	The CEO is responsible as the occupa- tional safety specialist and HR manager. His responsibilities include being a health specialist, as we don’t have this profession.	79
Significant risks in the supply chain	98% of the total number of suppliers are the same as in Sweden, which means that at least 98% of the common suppliers have been reviewed on the basis of product categories and countries of manufacture.	79
Incidents of non-com- pliance as regards the health or safety effects of products and services	No incidents during the year.	79
Insufficient compli- ance with rules and/ or voluntary codes for product and service information and labelling	No incidents during the year.	79
Cases of insufficient compliance with rules and/or voluntary codes regarding commercial commu- nications, including advertising, marketing and sponsorship	No reported cases during the year.	79
Substantiated complaints regarding customer privacy violations and leakage of customer data	No reported cases during the year.	79

Description	Comments	Page
ENVIRONMENTAL IMPACT		
Use of recycled materials	We use old pallets and cardboard boxes from other suppliers to send goods to customers (including) Autoexperten. We also sell old pallets if we have too many of them.	79
Energy consumption within the organiza- tion	Electricity: 133 MWh (Autoexperten + warehouse + office), gas consumption (thermal energy): 4,500 m3 = 47,475 MWh (warehouse and office).	79
Direct emissions from consumed refriger- ants	No direct emissions from consumed refrigerants.	79
Indirect emissions of carbon dioxide equivalents from sold refrigerants	We sold R134a and R1234yf gas equivalent to 2,000 kg of carbon dioxide.	79
Hazardous waste	5,110 kg.	79
Non-hazardous waste	approx. 15,000 kg.	79
Recycling	Paper - 6,950 kg, Plastic - 140 kg.	79
Violations of environ- mental regulations and laws	There were no environmental violations.	79
Suppliers reviewed on the basis of environ- mental criteria	98% of the total number of suppliers are the same as in Sweden, which means that at least 98% of the common suppliers have been reviewed on the basis of product categories and countries of manufacture.	79
Direct greenhouse gas emissions	46.4 metric tons of CO ₂ from company vehicles.	79
Indirect greenhouse gas emissions	No reporting.	79

UAB KG Knutsson, Lithuania



Description	Comments	Page
THE ORGANIZATION, INCLUDING BOUNDARIES		
Name of the organization	UAB KG Knutsson.	80
Ownership structure and corporate form	Limited liability company.	17, 80
Corporate governance	The company is privately owned and decisions are made by the management team.	80
Companies covered by the report	UAB KG Knutsson.	80
Main brands, products and/or services	THULE, WEBASTO, ZF, VDO, BRINK, Volvo steering gear refurbishment.	80
Location of the head office	Jocioniu 14, Vilnius, LT02300, Lithuania.	80
Countries in which the organization operates	Lithuania.	80
Markets on which the organization operates	Lithuania.	80
Number of products	The central warehouse in Vilnius stocks 30,763 different products, but only 18,000 are included in the active product planning.	80
The organization's supply chain	We purchased from 60 different suppliers in 2022.	80
External principles or other initiatives that are supported by the organization	No.	80
Membership of trade associations	ATR, Swedish Chamber of Commerce in Lithuania, Finnish Chamber of Commerce in Lithuania.	80

Description	Comments	Page
FINANCIAL PERFORMANCE		
Sales	EUR 4,521,933.	80
EMPLOYEE INFORMATION		
Number of employees	17 employees.	
Number of new employees during the year, broken down by form of employment, permanent/probationary and substitute	0	63, 80
Number of permanent and probationary staff who have left at their own request during the year	0	80
Parental leave	0	80
Extent of injuries and sick leave	0 injuries. Total sick leave during the year is 1.55%.	80
Incidents linked to discrimination and action taken	0 incidents.	80
Composition of the Board of Directors and the management team, and breakdown of the numbers of women and men	One board member (man). The management team consists of 1 woman and 1 man.	80
Proportion of employees who had a regular performance and career development appraisal during the reporting period	100% have undergone an appraisal of their performance and career development.	80
BUSINESS ETHICS		
Financial support received from public actors	No support from the public sector.	80
Confirmed incidents of corruption and actions taken	There have been no incidents of corruption.	80
Anti-corruption training	Annual review of anti-corruption (this is not a training course).	80
Total number and percentage of business partners (suppliers) to whom the organization's anti-corruption policy and procedures have been communicated.	We have 60 suppliers, 98% of whom are the same as in Sweden. See KG Knutsson AB's index.	80
The organization's values, principles and Code of Conduct	Our Code of Conduct, "The KGK way", is integrated. Code of Conduct, Customer Service Policy, Harassment Policy are available to everyone on the intranet. Discussed with all new employees.	80

Description	Comments	Page
SOCIAL IMPACT		
Employee representation on health and safety committees	We have an OHSAS 18001:2007 system. Since our organization is very small, the safety committee normally has one meeting per year. The agenda is fixed, but if necessary is open to various questions and aspects relating to occupational health and safety. We follow up and attempt to improve our internal work environment procedures, such as internal inspections of the work environment, reporting of accidents and incidents, annual sick leave, etc.	81
Significant risks in the supply chain	98% of the total number of suppliers are the same as in Sweden, which means that at least 98% of the common suppliers have been reviewed on the basis of product categories and countries of manufacture.	81
Incidents of non-compliance as regards the health or safety effects of products and services	No incidents during the year.	81
Insufficient compliance with rules and/or voluntary codes for product and service information and labelling	No incidents during the year.	81
Cases of insufficient compliance with rules and/or voluntary codes regarding commercial communications, including advertising, marketing and sponsorship	No reported cases during the year.	81
Substantiated complaints regarding customer privacy violations and leakage of customer data	No reported cases during the year.	81

Description	Comments	Page
ENVIRONMENTAL IMPACT		
Use of recycled materials	Our refurbishment workshop uses special, reusable wooden pallets for the delivery of steering gears to Volvo. It also produces: 476 steering gears for Volvo, 46 for Renault (in 2022). ZF service workshop renovated: 5 shafts, 3 gearboxes. Our warehouse uses old pallets and cardboard boxes from our suppliers to send orders to our customers, and we only purchase minimal cardboard boxes.	81
Energy consumption within the organization	Electrical energy consumption totaled 86 MWh. Electrical energy is climate-neutral. All the electricity we purchase comes from renewable energy sources.	81
Direct emissions from consumed refrigerants	No direct emissions from consumed refrigerants.	81
Indirect emissions of carbon dioxide equivalents from sold refrigerants	We sold R134a gas equivalent to 2,437,000 kg of CO ₂ .	81
Hazardous waste	5,680 kg.	81
Non-hazardous waste	3,891 kg.	81
Recycling	58,686 kg.	81
Violations of environmental regulations and laws	An inspection was carried out by the state environmental authority in September 2022. There were no environmental violations.	81
Suppliers reviewed on the basis of environmental criteria	98% of the total number of suppliers are the same as in Sweden, which means that at least 98% of the common suppliers have been reviewed on the basis of product categories and countries of manufacture.	81
Direct greenhouse gas emissions	46.41 metric tons of carbon dioxide from company vehicles.	81
Indirect greenhouse gas emissions	Our business travel during the year resulted in emissions of 1.38 metric tons of CO ₂ .	81

Prioritized goals Agenda 2030

Prioritized Goals	Interim Goals	Essential for KGK's Stakeholders	A Selection of KGK's Contributions to Agenda 2030
3 GOOD HEALTH AND WELL-BEING 	3.5	Prevention guidelines regarding drug abuse.	Alcohol and drug testing.
	3.6	No fatalities or serious injuries in road traffic.	Accessories that improve road safety, such as warning lights and alcohol interlocks. Maintenance and service at our workshops.
	3.8	Improved medical equipment.	Products that are included in assistive devices that improve patients' quality of life.
	3.D	Risk reduction and management of health risks.	Wellness activities. Nudging for lifestyle changes.
5 GENDER EQUALITY 	5.5	Equal opportunities for women and men.	KGK's express goal is to increase diversity in its workforce, and it is investing in attracting more female applicants to vacant positions.
7 AFFORDABLE AND CLEAN ENERGY 	7.2	Higher proportion of renewable energy.	Renewable electricity in our operations.
	7.3	Higher energy efficiency.	Energy optimization in our properties. KGK offers Carsmart customers the opportunity to monitor CO ² and energy consumption in a Fuel Cost and Environment Report. We provide solutions for the electric car market through our sales of charging posts and charging boxes, as well as other accessories for electric cars.
8 DECENT WORK AND ECONOMIC GROWTH 	8.3	Promoting policies for job creation and increased enterprise.	Encouraging and supporting entrepreneurship and co-ownership within Autoexperten.
	8.4	Improved resource efficiency in production and consumption.	Business model and strategy for circular economy.
	8.8	Safe workplaces.	Systematic work environment – internal inspections of the work environment and safety committee.
11 SUSTAINABLE CITIES AND COMMUNITIES 	11.2	Improved road traffic safety and reliable public transport.	Renovation of heavy vehicles. Designs for metro trains.
	11.6	Improved air quality.	Solutions for the electric car market. Conversion kits for reduced emissions and reduced climate impact. Improved complaints process leading to fewer transport operations.
	11.B	Inclusive societies.	Assistive devices in vehicles for individuals with physical disabilities.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	12.4	Safe handling of chemicals.	The Kemdb chemicals database. Safe chemical warehouse in Enköping. ADR training for everyone working in Autoexperten's stores.
	12.5	Reduced amount of waste.	Long warranty periods. Brake component management with deposit system. Improved picking and packing. Products that can be upgraded instead of being replaced. Purchase of reconditioned IT equipment.
13 CLIMATE ACTION 	13.1	Reduced climate change.	Products that contribute to reduced fuel consumption, such as engine preheaters. Reuse of packaging materials at the logistics center. We provide solutions for the electric car market through our sales of charging posts and charging boxes, as well as other accessories for electric cars.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	16.2	Respect for the human rights of the people in the manufacturing chain.	Code of Conduct and risk model for the supply chain.
	16.5	Transparency and anti-corruption.	External Code of Conduct. Internal Code of Conduct, "The KGK way".
	16.7	Ensure responsive, inclusive and representative decision-making.	Open seminars at our workplaces to promote a culture where all employees contribute with suggested improvements.
17 PARTNERSHIPS FOR THE GOALS 	17.16	Partnerships leading to sustainable development.	Improved quality, environment and safety through Approved Auto Repair Shop. Skills-enhancing activities and collaborations. Members of the 2030 Secretariat and trade associations.



KGK

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