



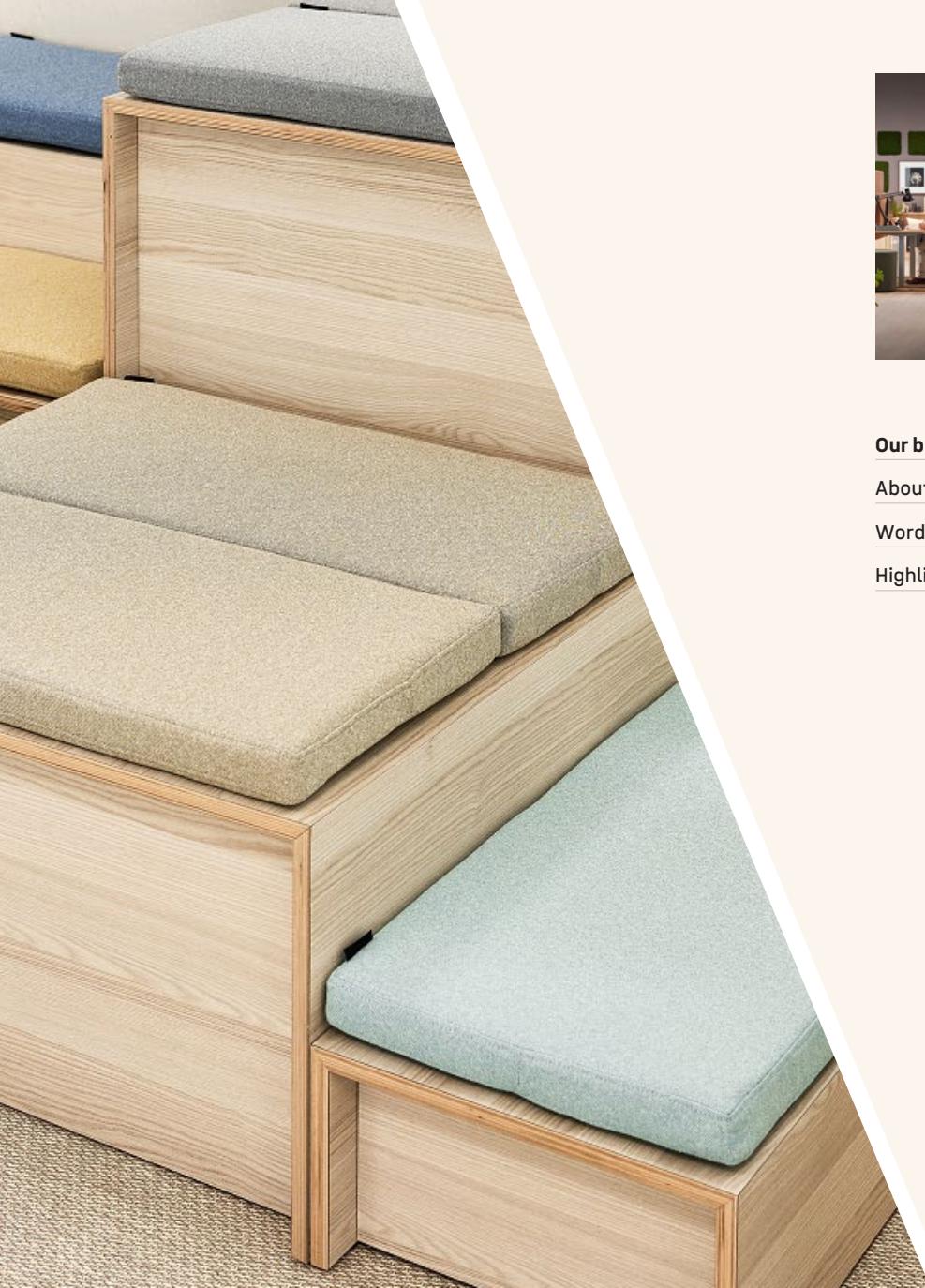
Sustainability report 2024



ajproducts.com



A first glance



Our business	3
About us	4
Words from the CEO	7
Highlights of 2024	8

Our sustainability work	9
Value chain	11
Material topics	12
Stakeholders	13
Method of the materiality assessment	14
Overarching goals	15
Steering and governance	16
About the report	16

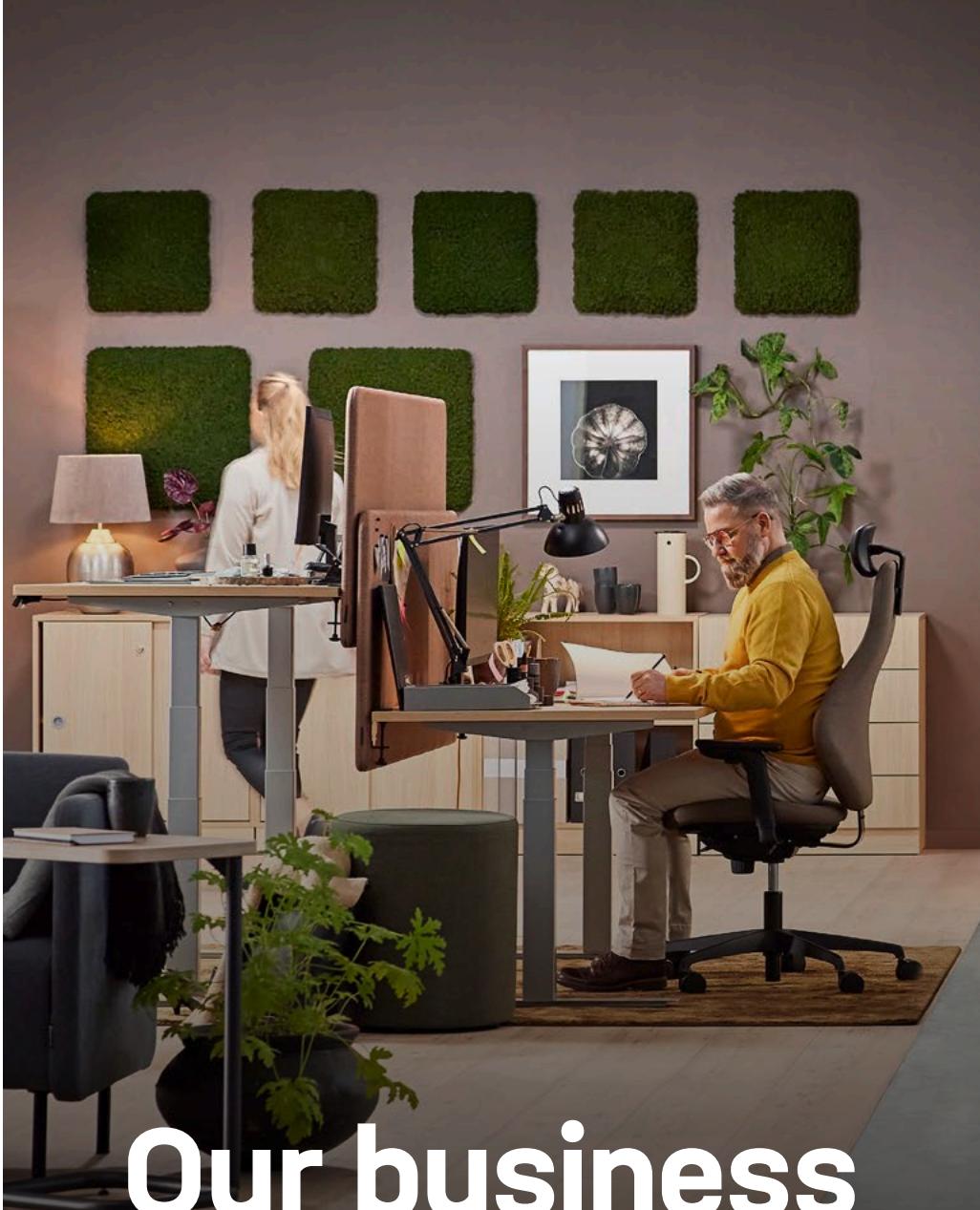
Environment	17
Climate impact and energy	18
Pollution, water and biodiversity	23
Circular offer, services and solutions	24

Social	31
Our own workforce	32
Workers in the supply chain	37
Customer health and well-being	40
Social engagement	42

Governance	43
Business ethics and anti-corruption	44



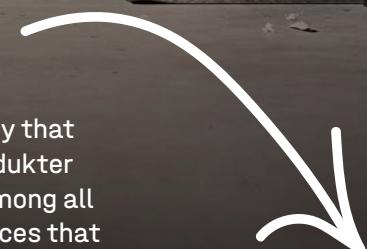
Our business	3
About us	4
Words from the CEO	7
Highlights of 2024	8
Our sustainability work	9
Environment	17
Social	31
Governance	43



Our business - back to the core



AJ Produkter AB is an entrepreneurial company that celebrates its 50th birthday this year. AJ Produkter aims to encourage good working conditions among all its customers by providing products and services that improve workplaces for offices, schools and industry. In 2024, the group structure was clarified, and a new strategy was established.



A part of Tollsbo Group

Our business	3
About us	4
Words from the CEO	7
Highlights of 2024	8
Our sustainability work	9
Environment	17
Social	31
Governance	43

In 2024, the group name was changed from AJ Products Group to Tollsbo Group. The intention is to better reflect our future direction and more clearly define the different companies' roles within the organization. The name, Tollsbo Group, is also a way to connect with our heritage in Hyltebruk, where AJ Produkter first started.

The group also includes a production company (AJ Produktion AB), an investment corporation (AJ Butiken AB), Cowab AB, a property company (AJ Fastigheter Holding AB) and DPJ Holding AB.

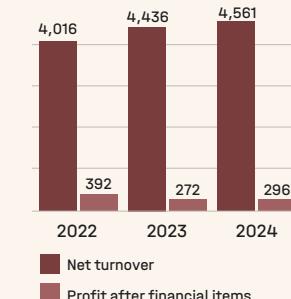
The group had approximately 1,100 employees in total at the end of the year.

In recent years we have had an increase growth overall and have also grown in several of our markets. During 2024 the profit after financial items has increased with 24 MSEK and amounts to 296 MSEK.

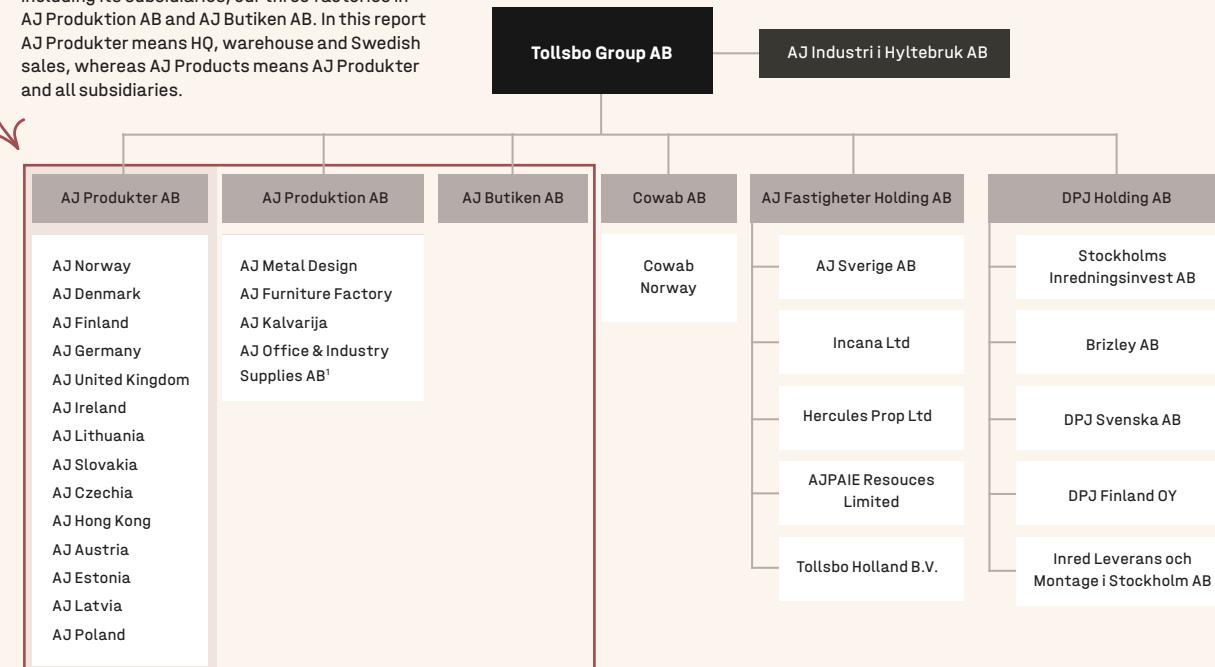
1,100

Employees within Tollsbo Group

Net turnover (MSEK)



This sustainability report covers AJ Produkter AB including its subsidiaries, our three factories in AJ Produktion AB and AJ Butiken AB. In this report AJ Produkter means HQ, warehouse and Swedish sales, whereas AJ Products means AJ Produkter and all subsidiaries.



1. Is a legal entity without physical operations



About us

Our business	3
About us	4
Words from the CEO	7
Highlights of 2024	8
Our sustainability work	9
Environment	17
Social	31
Governance	43

AJ Products

AJ Produkter's history began in 1975 in Hyltebruk, Sweden. Today, the head office and central warehouse are in Halmstad, and the family company has grown into an international corporation. What started as a mail order company is now a trading company, making large investments in digital presence and e-commerce.

The range consists of approximately 14,200 products across our standard assortment for offices, schools, warehouses and industrial facilities, along with interior décor solutions, all designed to contribute to friction-free workplaces.

We operate in 20 countries across Europe. We have subsidiaries in 14 markets and sell through agents in the remaining countries. Our largest markets are in the Nordics, followed by the Baltics, Central Europe and the combined UK and Ireland markets. We have approximately 540,000 customers that range from small and mid-sized companies to multinationals and public organizations. In 2024, we entered a new market in the Netherlands.



519

employees at AJ Products

14,200

standard assortment products

540,000

customers throughout Europe

14

subsidiaries

20

markets (countries)



At AJ we empower sustainable, attractive, efficient and healthy workplaces by reducing bad friction at every turn. "That is Happiness at work."

Core focus

We create friction-free workplaces for industry customers. We do this by offering industrial and office products and services enabled through high service levels and availability.

Core values
Engaged
Responsive
Knowledgeable
Genuine

ISO 9001 & ISO 14001 certified

Our business	3
About us	4
Words from the CEO	7
Highlights of 2024	8
Our sustainability work	9
Environment	17
Social	31
Governance	43

About us

AJ Produktion AB

Within Tollsbo Group, we own three factories located in Poland, Slovakia and Lithuania, which manufacture office and school furniture, storage cabinets and pallet racking, as well as office screens and soft seating. Their main sales are within Tollsbo Group, but they also sell towards external customers.

AJ Furniture Factory - Poland

The AJ Furniture Factory produces wooden furniture for offices, schools and industrial environments. The factory in Slupsk became a part of the AJ Group in 1996 and has expanded over the years such that it currently has 234 employees. The AJ Furniture Factory is ISO-certified according to 9001, 14001 and 45001 standards, as well as in accordance with FSC Chain of Custody, meaning that the factory can handle and keep traceability of FSC-certified wood.

AJ Metal Design - Slovakia

AJ Metal Design produces metal furniture, such as storage cabinets, school lockers, pallet racks and shelving. The factory became a part of the group in 1994. It is located in the Hrnciarovce nad Parnou area and employs 225 people. AJ Metal Design is certified according to ISO 9001, ISO 14001, ISO 45001 and ISO 50001.

AJ Kalvarija - Lithuania

AJ Kalvarija specializes in manufacturing textile furniture, such as acoustic screens and sofas. AJ Produkter has been a partner in the company since 2016, but, in 2022, the furniture manufacturing company was acquired and is now a part of Tollsbo Group. The factory is in the Lithuanian town of Kalvarija, approximately 170 km west of the capital Vilnius, and has 49 employees. AJ Kalvarija is preparing for ISO-certification according to 9001, 14001, 45001 and FSC Chain of Custody during 2025.



Words from the CEO

Our business	3
About us	4
Words from the CEO	7
Highlights of 2024	8
Our sustainability work	9
Environment	17
Social	31
Governance	43

The way the world works today, we are far from sustainable societal development. Sadly, there are strong forces pushing in the wrong direction. This makes it more important than ever to take a stand, as a company as well as personally. At AJ, we have a long-term view of our business and our value creation. Perhaps this is made easier by the fact that we are a family-owned company. That means the ownership is not only interested in maintaining our business and delivering today, but also in being relevant and continuing to create value for the future and the next generations. We know the direction we want to go and that is towards true sustainable business development. At the same time, we must get the short-term business equation right, which I admit can be challenging.

The year 2024 was characterized by a troubled world where geopolitical tensions and conflicts affected market trends and lead to general uncertainty. The effects of climate change and ongoing wars have had noticeable consequences on global supply chains and transport flows. This year, we also experienced increased pressure and competition from low-priced products manufactured in Asia. The trend we have seen in recent years, with growing interest in more local sourcing, seems to have halted.

The economic situation in our home markets has continued to be subdued, with restraint among many of our customers. Overall, this means a weaker financial result for AJ Produkter, and we have not achieved our

financial targets. Still, in comparison with our peers and the industry in general, we have performed well.

To navigate and continue to create value in a changing world, we need a clear long-term plan while being able to adapt and make changes along the way. With the goal of becoming a more sustainable company from all perspectives, we have made an important and decisive shift. I look back at 2024 as the year when we have seriously integrated sustainability throughout the entire group and can now move forward towards a more circular business and sustainable offerings. This means that social and environmental issues are, and should be, an obvious focus and concern for everyone in our company, and not just something on a checklist.

We see that many of our customers and suppliers are also increasingly integrating sustainability issues into their business, and our collaboration with them is a crucial success factor. During the year, we continued to invest in setting and following up on requirements for environmental and social responsibility in the supply chain, and in expanding collaborations for more sustainable, resource-efficient and circular products, such as our new HURRAY chair. Consequently, we are moving towards closer collaboration with fewer suppliers to further improve sustainability performance in the value chains. Among our customers, the public sector is still one step ahead when it comes to placing requirements on our products' sustainability performance,

but many private companies also have high expectations. Customers value our ability to respond to their requirements and appreciate that we are striving for resource efficiency and more circularity, having also provided more Environmental Product Declarations and eco-labelled products, among other developments. Additionally, we were able to decrease the climate impact from our own operations through investments in solar panels and a larger share of renewable electricity.

The most important foundation of our business is all our employees. I am proud and grateful for the inclusive and positive work environment we create together every day. This year's employee survey shows high levels of engagement and participation, and demonstrates that we are a value-driven company and a good place to work!

For 2025, we still need to be equipped to handle a turbulent world. I am concerned that acute conflicts might push the climate and sustainability agenda aside. We don't have time for that.

This is why we will stand firmly on our sustainability commitments. I hope to see this approach shared by our value chain stakeholders, so that we can continue our joint work towards a better future.



ENOCK JOHANSSON, CEO



It is more important than ever to take a stand, as a company as well as personally.



Highlights of 2024

Our business	3
About us	4
Words from the CEO	7
Highlights of 2024	8
Our sustainability work	9
Environment	17
Social	31
Governance	43



New strategy and double materiality analysis

In 2024, a double materiality analysis was conducted covering the value chains within Tollsbo Group. For AJ Products, we developed a new business strategy with sustainability well integrated into all aspects of our operations. We have also set new, overarching sustainability goals based on the material analysis for all companies in the group.

Low TCIR score - Increased health and safety

Health and safety are high priority for us, and one way to measure this is through TCIR (Total Case Incidents Rate). In our factories, where the risks of incidents are higher, we have positive trends. For instance, there have been no accidents at our Kalvarija factory for over 600 days; overall, we are well below the maximum goal in all our factories. In 2024, we also started to measure the TCIR at our subsidiaries and AJ Produkter headquarters.



Third-party labels and material portal

In 2024, we focused on increasing the number of Möbelfakta-labeled products, adding 938 items during the year, giving us a total of 2,288 labeled items. This third-party label includes criteria for quality, environment, working conditions, and responsible supply chains. Additionally, we have added 704 new materials in our Material portal, where we collect and verify the documentation of the materials in our products.

Circular development and partnership

We have extended our circular initiatives adding a new collaboration in Sweden besides the one already existing in Norway. These partners specialize in reselling furniture that has been returned by our customers, are unsold or about to become waste. To prolong the life cycle of our products, we have increased the number of spare parts available to a total of nearly 4,000 items.



Career company award

We received awards from Karriärföretagen, which recognizes the most attractive employers for students and young professionals in Sweden. AJ Produkter was appointed as a "Career Company" and won the category "Newcomer of the Year".



Launched HURRAY

We launched HURRAY, our new office chair, which has several sustainable features. It offers the opportunity to exchange parts, making it easy to repair. Plus, the fabric cover can be removed and replaced, and is made of 100% recycled materials. HURRAY is designed to provide excellent ergonomic comfort.



Deepened partnership with Attention

About 10% of all students have some form of neurodivergence and may struggle with school on a daily basis. Our focus is on helping schools adapt the physical learning environment so more students can manage a full day at school. We have therefore deepened our collaboration with the organization Attention, which has the expertise to review our product assortment and help us create classroom concepts. We have evolved our acoustic assortment to provide undisturbed areas for studies. In 2024, Attention also provided training about neurodiversity to our employees.

Our business 3

Our sustainability work 9

Value chain 11

Material topics 12

Stakeholders 13

Method for the materiality assessment 14

Overarching goals 15

Governance 16

About the report 16

Environment 17

Social 31

Governance 43



Our sustainability work

In the previous year, we started our journey towards a more circular and sustainable operation within Tollsbo Group, including preparations for the new reporting directive, CSRD (Corporate Sustainability Reporting Directive) and other new EU legislation. According to the EU-decision in November 2022, Tollsbo Group, will be affected by CSRD from the fiscal year of 2025.

Our sustainability work and governance

We have further developed our way of working based on former internal procedures and our ISO management systems. A double materiality analysis was conducted, and a new sustainability strategy was established. With the strategy as a starting point, we have initiated new routines and structures, and reviewed or developed steering documents to enhance sustainability governance within the group.

New legislation

As an effect of the Green Deal decided by the EU in 2019, an extensive range of new European sustainability legislation has been established, which will affect Tollsbo Group to a large extent. Therefore, we have taken actions towards securing compliance with the Green Claims Directive, the Corporate Sustainability Due Diligence Directive (CSDDD), the Ecodesign for Sustainable Products Regulation (ESPR) and the EU Deforestation Regulation (EUDR), to mention but a few. It is also of huge importance for us to support our corporate customers that have high ambitions for their own sustainability agendas or are affected by new legislation.

Digital tools

All this calls for more data to be handled, organized, shared and archived. Consequently, we have started to

implement digital tools to facilitate an efficient and trustworthy way of working. As a B2B company, we are expected to support our corporate customers with the information they need for their sustainability work and reporting.

New sustainability strategy

Starting in 2023, the first stepping-stones were laid for the sustainability strategy throughout the Tollsbo Group, including each and every brand and company in the group. Customer and employee surveys were crucial as input to the development. Last year, AJ Products initiated a comprehensive piece of work to define its overall business strategy, and these processes were merged. Sustainability is well integrated and positioned as one of five key focus areas: "Circular & more sustainable operations and offer". In parallel, Cowab and DPJ Workspace have defined their new business strategies.

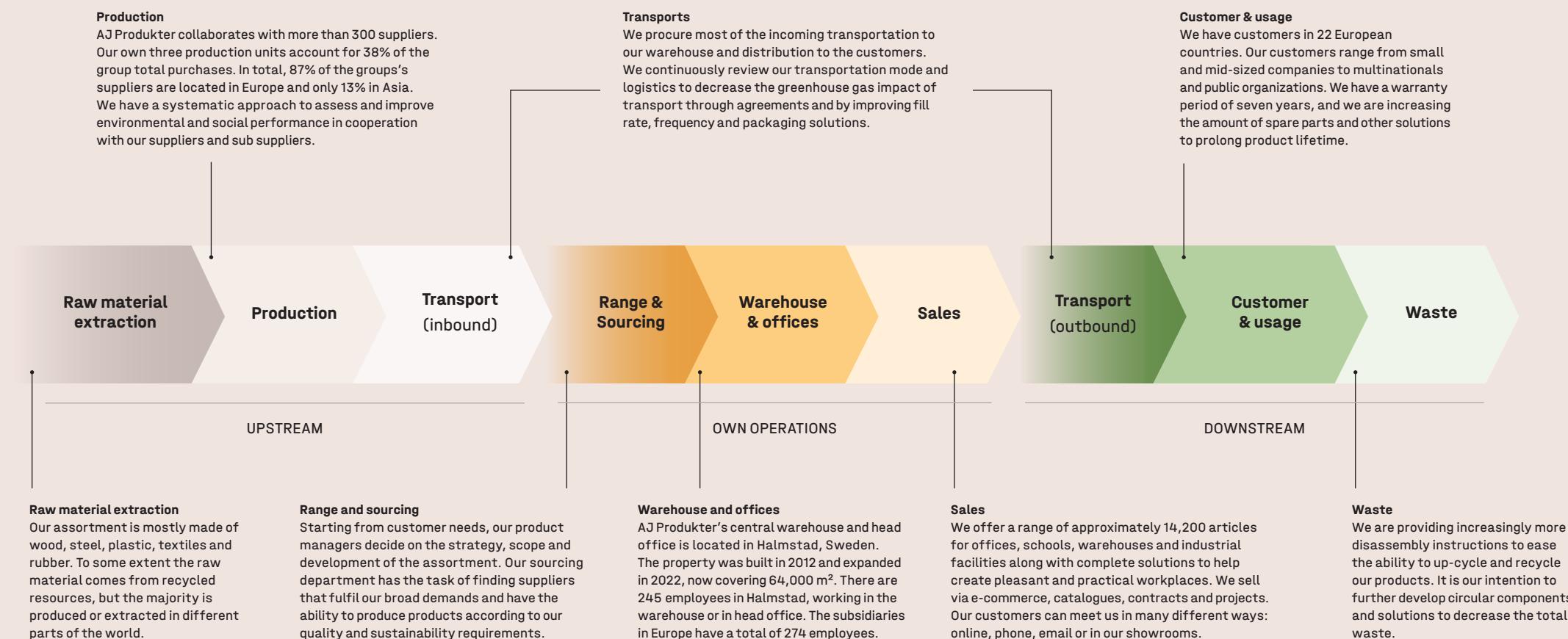
The AJ Products business strategy is to create friction-free workplaces for customers by offering products and services enabled through high service levels and availability. The new strategy clarifies the interconnection between sustainability and business operations in general.



Our value chain

Our business	3
Our sustainability work	9
Value chain	11
Material topics	12
Stakeholders	13
Method for the materiality assessment	14
Overarching goals	15
Governance	16
About the report	16
Environment	17
Social	31
Governance	43

Our value chain stretches from extraction of raw materials to waste or recycling of our products. In every stage of the value chain, we can have both positive and negative impact on the climate, environment, people and society. This value chain represents the main activities within Tollsbo Group and specifically AJ Products. Our own production units are part of upstream in this illustration. In accordance with our double materiality analysis, it is our responsibility to act within our value chain to reduce emissions and negative impact wherever possible.



Our material topics

Our business	3
Our sustainability work	9
Value chain	11
Material topics	12
Stakeholders	13
Method for the materiality assessment	14
Overarching goals	15
Governance	16
About the report	16
Environment	17
Social	31
Governance	43

In spring 2024, we conducted a double materiality analysis in accordance with CSRD and ESRS (European Sustainability Reporting Standards). This new analysis forms the basis of our governance and reporting, encompassing all companies within the Tollsbo Group. It highlights our sustainability matters in two dimensions: our external impact on the environment and society, and the financial impact on our company. The materiality analysis covers the entire value chain, both upstream, downstream and our own operations.

The double materiality analysis resulted in nine material topics and 18 subtopics, see table. The outcome shows that climate change is the area where we have the most severe negative impact. The largest risk from a financial perspective concerns climate and

circular economy. The financial analysis concluded that "consumers and end-users" is a material opportunity together with circular economy.

Compared to the materiality analysis conducted in 2022, there were a few changes. The materiality analysis in 2024 covered all the companies in the Tollsbo Group, which was not the case in 2022. New topics that became material from the double materiality analysis in 2024 were:

- Pollution, with sub-topics including soil pollution, air pollution, water pollution and substances of concern.
- Water and Marine Resources, with the sub-topic of water.
- Biodiversity and Ecosystems, with the sub-topic of direct impact drivers of biodiversity loss.



Material topics and sub-topics for Tollsbo Group

ESRS topic	Sub-topic	Material perspective	
		Impact	Financial
Climate Change	Climate change mitigation	X	X
	Energy	X	X
	Pollution of soil	X	
	Pollution of air	X	
Pollution	Pollution of water	X	
	Substances of concern	X	
	Water	X	
	Water and Marine Resources	X	
Biodiversity and Ecosystems	Direct impact drivers of biodiversity loss	X	
	Resource inflows, including resource use	X	X
	Resource outflows related to products and services	X	X opportunity
	Waste	X	X
Own Workforce	Working Conditions (for Own Employees)	X	
	Equal treatment and opportunities for all	X	
Workers in the Value Chain	Working Conditions (for Workers in the Value Chain)	X	
	Other work-related rights	X	
Consumers and end-users	Personal safety of consumers/end-users	X positive and negative	X opportunity
Business Conduct	Management of relationships with suppliers	X	
	Corruption and Bribes	X	

Our stakeholders

Our business	3
Our sustainability work	9
Value chain	11
Material topics	12
Stakeholders	13
Method for the materiality assessment	14
Overarching goals	15
Governance	16
About the report	16
Environment	17
Social	31
Governance	43

KEY AFFECTED STAKEHOLDERS

Business partners, entrepreneurs and transportation companies	Owners	Board	Customers	Employees & unions	Academia /research	Financial institutes	Politicians & authorities	Non Governmental Organizations
Meetings, dialogues, portals.	Regular meetings, annual assembly.	Board meetings.	Meetings, surveys including NPS (Net Promotor Score), dialogues, customer service, homepage, social media.	Employees meetings, surveys, intranet, performance dialogues and safety committee.	Network, interns, sector organisations.	Meetings.	Consultations, sector organisations, networks, referrals.	Sector organisations.
Business development, sustainability performance.	Governance of the company.	Governance of the company.	Business development, sustainability performance.	Working conditions, safety, equality, competence development.	Business and product development.	Financial support and business development.	Planning, environment, knowledge sharing.	Improvements of environmental, human and societal challenges.

EXPECTED USERS OF THE SUSTAINABILITY STATEMENT

READ MORE ABOUT OUR
STAKEHOLDER DIALOGUES
ON PAGE 14 →

Our business	3
Our sustainability work	9
Value chain	11
Material topics	12
Stakeholders	13
Method for the materiality assessment	14
Overarching goals	15
Governance	16
About the report	16
Environment	17
Social	31
Governance	43

Our method for the materiality assessment

To be able to understand the context and as input to our double materiality analysis, we conducted several stakeholder dialogues with our key affected stakeholders in different formats. We made an employee survey, compiled information from customer surveys, and we interviewed our large customers, suppliers and our health and safety committee. We also got input from owners and the board. The main purpose of the engagement was to consult with our affected stakeholders and incorporate their views into the materiality assessment, thereby identifying the most significant sustainability risks and opportunities.

The next step was to identify our actual and potential impacts, risks and opportunities related to sustainability matters. We based our analysis on the topics and sub-topics of the ESRS standards. A sustainability agency made the initial assessment, and then we conducted workshops with representatives from the management teams of the group. The assessment considered whether the company has a negative or positive impact in different time horizons: short, medium or long term.

Impact assessment

The threshold values were based on a developed methodology, where we used a five-point scale in our assessments for scale, scope, irremediable character and likelihood. The positive potential impact in the quantitative

analysis was calculated by adding the value for scale and scope multiplied with the likelihood. When assessing a negative potential impact, a value for scale, scope and irremediable character was added and multiplied with the likelihood. The impact was considered material if the value was higher than 24 for positive impact or higher than 25 for negative impact.

Financial impact

To understand the financial impact, relevant risks and opportunities were defined based on the business and the sub-topics in ESRS. In total, 24 financial risks and three financial opportunities were listed. Each risk (negative financial impact) or opportunity (positive financial impact) were described for different time horizons: short, medium and long term. To assess financial materiality, a risk analysis was done where we evaluated the financial consequences of sustainability risks depending on magnitude and likelihood. Here, we also used a five-point scale for the assessment of magnitude and likelihood. It was decided that a result of ≥ 11 for risks and opportunities indicates that the area is significant from a financial perspective.

Finally, the Board confirmed and decided upon the outcome of the double materiality analysis with the impacts, risks and opportunities related to sustainability matters.



Overarching goals

The Board of Tollsbo Group has stipulated a directive to the organization that "we shall contribute to the UN sustainability goals and this will strengthen the company brand, increase trust among customers, employees and stakeholders, and generate sales and sustainable growth". With the board directive as a baseline, we have developed overarching and long-term goals connected to each of our material topics. To be able to measure progress, we have decided on indicators that we will use as tools to follow up our performance. More detailed targets are set at every department and company level.



OVERARCHING GOALS	MATERIAL TOPIC
Climate neutral 2040¹ 1. To be verified by SBTi.	CLIMATE CHANGE MITIGATION ENERGY
No negative impact on the environment in operations or supply chain - long term	POLLUTION TO SOIL, AIR & WATER SUBSTANCES OF CONCERN WATER & BIODIVERSITY
Viable circular services 2030	RESOURCE USE AND CIRCULAR ECONOMY
Healthy and safe working conditions promoting wellbeing and engagement	OWN WORKFORCE
All workers in the value chain have good working conditions - long term	WORKERS IN THE VALUE CHAIN
Improved workspaces	CONSUMERS AND END-USERS
Ethical, trustworthy & compliant businesses and culture	BUSINESS CONDUCT

Steering and governance

With the objective of facilitating implementation and follow up, we have initiated new ways of working and started to establish additional governance structures. To enhance this, the annual wheels for the company and supervisory bodies have been reviewed which also includes sustainability.

The Board ensures and follows up that ESG considerations are integrated into the overall strategy and operations, identifies sustainability risks and oversees the accuracy and completeness of the reporting. CEO has the overall responsibility of the company operation including sustainability, and each manager has the delegated responsibility to execute the decided actions within the area.

Steering documents

Some steering documents were reviewed or created to fulfill the needs of our work and secure compliance. Our internal Code of Conduct and Supplier Code of Conduct were updated and are now valid for all companies in the group, and in line with international frameworks and customer demands.

Our Health & Safety policy was reviewed as well as our Anti-Slavery Statement. A new Sustainability policy was developed and approved, including our former Environmental and Quality policies. This new policy clarifies the importance of due diligence way of working in our own operation as well as

in our value chain, meaning that we should continuously a) identify and assess adverse impacts, b) prevent, cease or minimize actual and potential adverse impacts, c) monitor and assess the effectiveness of measures and d) communicate and provide remediation. If negative impacts are revealed, we should take action to reduce negative consequences and risks to whatever extent possible.

Management systems

Our certified management systems support our governance. In December, the ISO-systems covering AJ Produkter including subsidiaries, for ISO 9001 and ISO 14001 for quality and environment were audited, resulting in nine minor deviations and two suggested improvements. The certificates are valid until 2027.

AJ Furniture Factory is certified according to ISO 9001, ISO 14001, and ISO 45001 standards. This year, internal and external audits were conducted without any deviations. Additionally, the factory underwent an FSC audit.

AJ Metal Design Factory holds certifications for ISO 9001, ISO 45001, ISO 14001, and ISO 50001 management systems. The external audit identified some opportunities for improvement, which are addressed.

AJ Kalvarija is in the process of preparing for the implementation of ISO 9001, 14001, 45001 and FSC Chain of Custody, with certification expected in 2025.

The Annual wheel



The starting point for the annual wheel is the board directive, company vision, mission & overall strategy together with our material topics and legal demands. Every year, we will review our policies, action plans and targets. We will evaluate our progress, do risk assessments, train our employees and ensure that we follow up and communicate our work.

About the report

This is the 8th sustainability report covering the financial year 2024, with some details reaching into 2025. The report covers parts of Tollsbo Group and corresponds to the statutory sustainability report for AJ Produkter AB (556190-7329) and AJ Butiken AB (556110-4588). This report includes information about AJ Produkter with its subsidiaries (called AJ Products), the performance of our three factories (AJ Produktion) and other relevant achievements within Tollsbo Group (former AJ Products Group). According to the EU-decision in November 2022, Tollsbo Group is obliged to report according to CSRD for the fiscal year of 2025. While we are preparing for the legislation, this report is extended compared to last year but not yet fully CSRD-aligned. The scope of this report includes the new double materiality analysis covering the whole value chain, and we have taken steps to broaden the reporting on the material topics even though we do not yet have the information to report on all required ESRS disclosures. This report, as well as our policies, goals and activities, are focused on our own operations and supply chain, and, to some extent, downstream in our value chain.

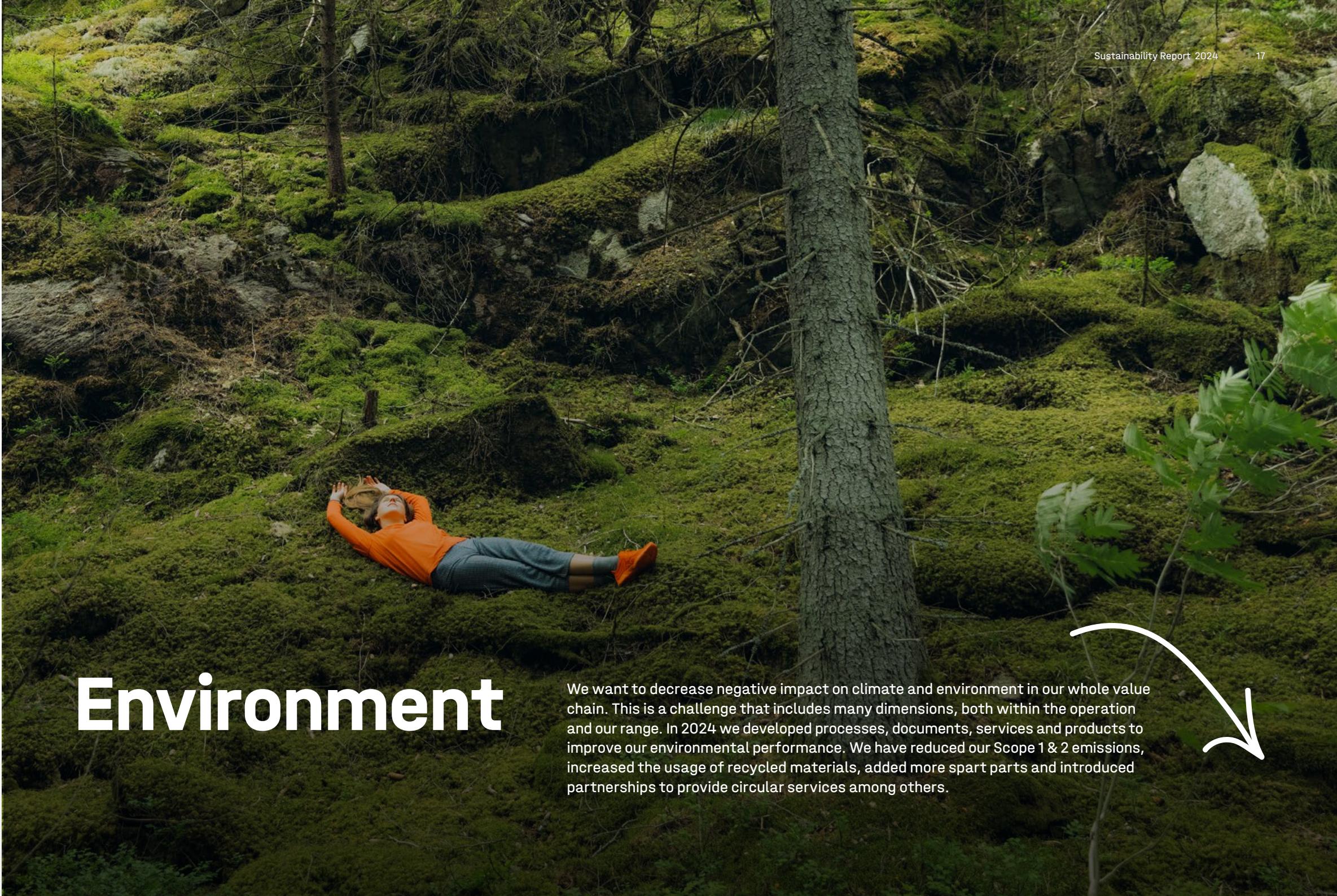
This sustainability report was compiled in accordance with the regulations of the Swedish Annual Accounts Act, chapters 6 and 7.

The board of directors of Tollsbo Group and AJ Produkter AB has approved the sustainability report in April 2025.

Our business	3
Our sustainability work	9

Environment	17
Climate impact and energy	18
Pollution, water and biodiversity	23
Circular offer, services and solutions	24

Social	31
Governance	43



Environment

We want to decrease negative impact on climate and environment in our whole value chain. This is a challenge that includes many dimensions, both within the operation and our range. In 2024 we developed processes, documents, services and products to improve our environmental performance. We have reduced our Scope 1 & 2 emissions, increased the usage of recycled materials, added more spart parts and introduced partnerships to provide circular services among others.

Our business	3
Our sustainability work	9
Environment	17
Climate impact and energy	18
Pollution, water and biodiversity	23
Circular offer, services and solutions	24
Social	31
Governance	43

Climate impact and energy

Climate change mitigation and Energy are major material topics for Tollsbo group and all companies in the group. The major part of the climate impact comes from the products that we purchase and sell on the market, specifically from the raw materials, production and end-of-life disposal. Within our own operations, our energy use, our purchased transports and the effects of employees commuting are significant sources of climate impact. To reduce our total impact, we need to improve the product assortment across the whole value chain as well as reducing negative climate impact from our own operations.

Climate goals

As a part of the process of developing our Sustainability strategy for the group last year, climate goals were set and approved by the Board. Our overarching goal is to become climate neutral by 2040. Furthermore, the objectives are to transform the production processes at our factories to be fossil free by 2035, and for all purchased transport to use fossil-free fuels by 2030. We will verify our climate goals through the Science Based Targets initiative (SBTi) to ensure they are aligned with the Paris Agreement. Additionally, we will define our climate transformation plan.

Steering towards less CO₂e

In the new Sustainability Policy, we have clarified that we want to "reduce our greenhouse gas emissions in the whole value

chain, by prioritising energy consumption & energy efficiency and fossil-free transportation, production & investments and also increase the use of renewable and recycled materials. When relevant, we make climate adaptation actions."

With the Sustainability strategy as a base, each and every department and company has set their relevant climate activities in their respective business plans to reduce the climate impact. For instance, investments in own electricity production, an incremental increase in the use of fossil-free fuels in transportation, and the development of the assortment to use more recycled materials and become more circular. Our investment company within the group, has already decided to exclude investment in oil and gas industry.

Extended climate calculation

We are compiling and calculating data according to the GHG protocol for the third year in a row. Our initial focus has been on the companies within AJ Products and the factories. Starting in 2025, all companies in the Tollsbo Group will be included. We utilize a software and sustainability reporting tool.

We have extended our Scope 3 reporting to include more activities as we gain more knowledge and improve our measurements. Currently, we report on nine categories, which we have identified as the most significant and manageable to compile and report. In 2024, we added employee commuting (category 7).



Our business	3
Our sustainability work	9
Environment	17
Climate impact and energy	18
Pollution, water and biodiversity	23
Circular offer, services and solutions	24
Social	31
Governance	43

Climate impact and energy

Scope 1

This year, our direct Scope 1 emissions decreased by 18% (compared to 6% in 2023). This reduction is primarily due to energy-saving activities implemented at our factory in Slovakia, which led to a decreased use of natural gas. Refrigerant leakage was lower, with refilling needed only at one sales office.

In mobile combustion, we report emissions for company cars and a company airplane. Emissions from both company-operated cars and the airplane have decreased, by a total of 10%. Across our subsidiaries, factories and head office, many vehicles have been transitioned from fossil-fuel driven to hybrid or electric cars throughout the year. For example, in Sweden, the share of electric and hybrid cars now amounts to 81% of the car fleet, compared to last years' 24%. Our adoption of Sustainable Aviation Fuel (SAF) contributes to the reduction of emissions. We have updated the calculation of airplane usage to now report in terms of fuel consumption.

Scope 2

Our indirect emissions in Scope 2 have decreased by 3%. This is highly related to our transformation towards more renewable energy sources, encompassing both less purchased electricity due to the installation of more solar panels and to a larger share of purchased renewable energy.

Emissions from purchased heating were further reduced because one of our subsidiaries now purchases district heating produced entirely from renewable sources.

Scope 3

In, 2024 there was an increase of Scope 3 emissions due to increased emissions from transportation and distribution (category 4). Read about the reasons for increased emissions from transportation on page 20. Scope 3 emissions now account for 95% of our total reported activities (2023, 94%). Our largest part of emissions originates from the purchase of goods and services, followed by transportation and distribution and end-of-life treatment of sold products. This year, we expanded our Scope 3 calculation to include the employee commuting category.

Our emissions from purchases of goods and services (category 1) decreased by 7% due to lower material purchases and overheads across all units. Category 1 is currently reported with a spend-based approach.

Emissions from capital goods (category 2) increased sixfold due to the completion of the expansion in Halmstad. Emissions from waste generated in our operations (category 5) stayed at same amounts as last years.

We changed business travel system in 2024, resulting in an uncertainty in the numbers connected to this Scope 3 category, and, thereby, we have not been able to obtain reliable comparable data to previous years. The increase in emissions from business travel (category 6) that is shown could be due to more extensive travelling after the pandemic years but could also be affected by the implementation of the new system.

Total emissions from AJ Products and AJ Produktion, per source (ton CO₂e)

	2022	2023	2024	Change 2023/2024
Scope 1				
Fugitive combustion (refrigerants)	2	24	4	-83%
Mobile combustion	188	290	262	-10%
Stationary combustion	981	787	635	-19%
TOTAL CO₂ EMISSIONS, SCOPE 1	1,171	1,101	901	-18%
Scope 2				
Purchased electricity (Location-based)	2,918	2,482	2,362	-5%
Purchased electricity (Market-based)	3,221	2,872 ²	2,776	-3%
Purchased heating	16	19	16	-17%
Purchased cooling	0	0	0	N/A
TOTAL CO₂ EMISSIONS, SCOPE 2 (LOCATION-BASED)	2,934	2,502	2,378	-5%
TOTAL CO₂ EMISSIONS, SCOPE 2 (MARKET-BASED)	3,237	2,891	2,792	-3%
Scope 3				
Category 1: Purchased goods and services	0	47,468 ⁴	44,283	-7%
Category 2: Capital goods	0	323	1,834	468%
Category 3: Fuel- and energy-related activities	0	796 ²	774	-3%
Category 4: Upstream transportation and distribution	4,592	5,068	15,873	213%
Category 5: Waste generated in operations	103	62 ³	63	0%
Category 6: Business travels	253	345	366	6%
Category 7: Employee commuting	0	0	1,135	N/A
Category 8: Upstream leased assets	0	0	0	N/A
Category 9: Downstream transportation and distribution	0	0	0	N/A
Category 10: Processing of sold products	0	0	0	N/A
Category 11: Use of sold products	0	0	0	N/A
Category 12: End-of-life treatment of sold products	0	5,766	5,915	3%
Category 13: Downstream leased assets	0	27	26	-4%
Category 14: Franchises	N/A	N/A	N/A	N/A
Category 15: Investments	0	0	0	N/A
TOTAL CO₂ EMISSIONS, SCOPE 3	4,948	59,855	70,267	17%
TOTAL FOR REPORTED ACTIVITIES¹	9,356	63,847	73,960	16%

1. Based on the market-based Scope 2 figure.

2. Figure updated due to incorrect reporting of an EAC for one subsidiary.

3. Figure updated due to incorrect reporting of combustible waste in one subsidiary. Also, an error affecting the transport emissions for the recycling and EfW (Energy from waste) factors has been corrected. The transport emissions associated with these disposal approaches were reduced.

4. Updated value since we added data for the three factories.

Our business	3
Our sustainability work	9
Environment	17
Climate impact and energy	18
Pollution, water and biodiversity	23
Circular offer, services and solutions	24
Social	31
Governance	43

Climate impact and energy

Our product sales remained at a similar level to 2023, resulting in roughly equivalent emissions of end-of-life treatment of sold products (category 12). Category 12 is currently based on weight. Our assumptions in the distribution of waste methods have been based on the EU level, which will be refined in the future as the proportion of landfill is now high considering that our largest sales are in the Nordic countries, where landfill is not common.

Our future objective is to improve the quality of the data and calculations and to report on relevant Scope 3 categories. Our focus in 2025 will be to on-board all companies in the group to calculate according to the GHG protocol.

Purchased transports

In upstream transportation and distribution (category 4), we calculate the transports for which we are responsible,

both inbound and outbound. Our figures indicate that emissions are increasing, particularly this year due to the conflict in Gaza. Instead of passing through the Suez Canal, all sea transports had to reroute around the Cape of Good Hope, resulting in a 1,370% increase in CO₂ emissions from ocean transports.

The transport to the warehouse in Halmstad includes flows from Asia as well as from our European suppliers, which includes our own factories.

In general, we are trying to increase railway usage and renewables in the fuel used for road-based transportation when feasible.

The outbound flows from the factory in Lithuania to their external customers, as well as project sales orders outside the standard assortment, are still not included in the reported emissions.

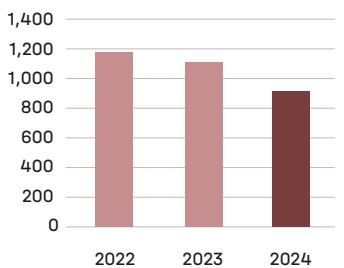
Employee commuting

In 2024 we conducted a questionnaire among all employees in Tollsbo Group with the main purpose to understand our climate impact from employee commuting (category 7). We also wanted to broaden our understanding how our co-workers can be supported to do their daily travel less climate negative.

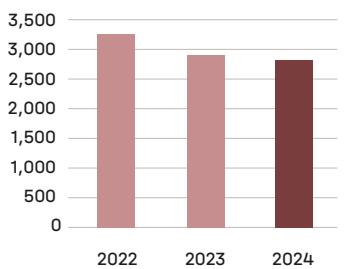
We have changed our policy for remote working within AJ Products, which now allows many employees to work remotely one day per week. Additionally, the co-workers suggested co-riding support and leasing of bicycles, among others.

Scope 1, 2 and 3 emissions from AJ Products & AJ Produktion (tons of CO₂ e)

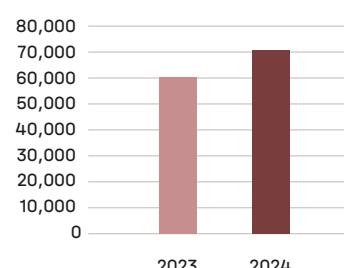
Scope 1 emissions



Scope 2 emissions (Market-based)



Scope 3 emissions



Climate impact and energy

Our business	3
Our sustainability work	9
Environment	17
Climate impact and energy	18
Pollution, water and biodiversity	23
Circular offer, services and solutions	24
Social	31
Governance	43

Energy

All our factories have shown a reduction in energy usage, while the companies in AJ Products maintained approximately the same consumption as last year. Stationary combustion of natural gas decreased by 20%, and our total electricity usage decreased by 4%. Electricity from own production increased by 101%. Over the years, the share of renewable energy of our consumed energy, within AJ Products and AJ Produktion has increased and today accounts for 36% of all energy used.

We report energy from renewable sources based on: electricity with green certificates, own generated electricity, certified district heating and stationary combustion from wood chips.

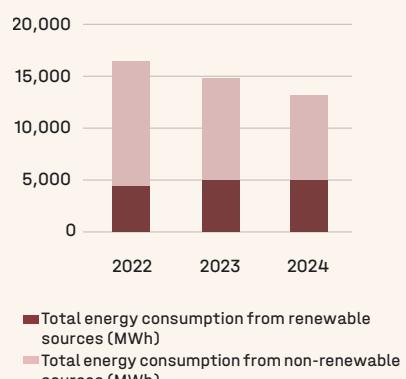
AJ Produkter, Halmstad

The headquarters and warehouse in Halmstad cover a total area of 64,000 m². Our energy consumption primarily comes from renewable sources, except for a small amount of diesel used for testing the security system and backup power plant. The renewable purchased electricity is labelled as Good Environmental Choice. Additionally, we produce our own electricity from solar panels with a peak output of 500 kW.

The property is heated with certified district heating, also known as P-marked or green district heating. The certified district heating is generated from heat production that primarily uses wood chips, biogas and industrial waste heat as fuel.

The total energy consumption remained nearly the same as last year. Our usage of purchased electricity decreased by 14%, while our own electricity production increased by 167%. This is the first year we can see the full output from our solar cell installation, which was completed in the summer of 2023.

Total energy consumption in AJ Products and AJ Produktion, renewable/non-renewable (MWh)



9%

total reduction of energy consumption on all units

546,588 kWh

electricity from solar panels in AJ Produkter - Halmstad, Sweden, AJ Produktai - Lithuania and AJ Furniture Factory - Poland.



Total energy consumption all units

	2022	2023	2024	Change 2023/2024
Diesel (MWh)	2	2	4	54%
Natural gas (MWh)	5,274	4,222	3,389	-20%
Wood chips (MWh) - renewable	957	846	726	-14%
Electricity (MWh) purchased	6,675	5,595	5,181	-7%
Electricity (MWh) purchased - renewable	2,129	1,971	1,774	-10%
Electricity (MWh) own production, solar cells - renewable	96	272	547	101%
District heating (MWh)	112	122	72	-41%
District heating (MWh) - renewable	1,167	1,833	1,868	2%
Total Energy consumption (MWh)	16,413	14,864	13,561	-9%
Total energy consumption from renewable sources (MWh)	4,349	4,922	4,915	0%
Total energy consumption from renewable sources (%)	26%	33%	36%	9%
Total energy consumption from non-renewable sources (MWh)	12,064	9,942	8,646	-13%
Total energy consumption from non-renewable sources (%)	74%	67%	64%	-5%
Greenhouse gas emissions from energy consumption				
Direct GHG emissions from energy consumption - Scope 1 (tCO ₂ e)	981	787	635	-19%
Indirect GHG emissions from energy consumption - Scope 2 (tCO ₂ e) (location-based)	2,934	2,502	2,378	-5%
Indirect GHG emissions from energy consumption - Scope 2 (tCO ₂ e) (market-based)	3,237	2,891	2,792	-3%
Total GHG emissions from energy consumption (tCO₂e)¹	4,218	3,678	3,427	-7%

1. Based on Scope 1 figures and the market-based Scope 2 figures.

The total energy consumption for all companies in AJ Products and the three factories under AJ Produktion (AJ Metal Design, AJ Furniture Factory and AJ Kalvarija).

Our business	3
Our sustainability work	9
Environment	17
Climate impact and energy	18
Pollution, water and biodiversity	23
Circular offer, services and solutions	24
Social	31
Governance	43

Climate impact and energy

AJ Furniture Factory

In 2024, AJ Furniture Factory reduced their energy consumption by 6%, while maintaining similar production volumes. The factory's electricity comes from purchased sources and its own solar cells. Purchased electricity has decreased due to the increase in own electricity production.

Additionally, the factory recycles sawdust from manufacturing into energy to heat the facility. Currently, 21% of their energy comes from renewable sources, with plans to increase this by purchasing more renewable electricity.

During the year, the installation of solar panels was completed, with a peak output of 500 kW. The installation was done in three phases, with 100 kW currently in use. Therefore, 2025 will be the first year to see the full output.

AJ Metal Design

AJ Metal Design has a structured way of working and is certified according to the energy management system ISO 50001. This year they reduced their energy consumption by 16%, which has to do with both energy-saving activities and lower production volumes.

The combustion of natural gas was significantly reduced again this year, by 850 000 kWh. The activities that contributed to this reduction include:

- Replacing old heating boilers with more efficient ones.
- Lowering the temperature on the painting line.

Increasing production on the new painting line, which was commissioned in 2023.

The project of investing in solar cells is still ongoing and there is investigation underway into new types of solar panels that would be lighter and better suited to the roof. The intention is to have a peak power of 500 kW.

AJ Kalvarija

The energy-saving activities at AJ Kalvarija led to a 17% reduction in energy consumption at the factory in 2024. Despite increased production volumes, they managed to lower their energy usage. Both purchased electricity and the combustion of wood pellets have decreased. In 2023, the team began sending wood waste to a local wood manufacturer, which recycles the waste into woodchips. In 2024, they installed an automatic heating control system and more efficient air compressors in production.

Starting in January 2025, the factory will purchase electricity from fossil free sources.

Sales companies in AJ Products

The sale companies' development shows a reduction in greenhouse gas emissions from energy use by 14%, even though their energy consumption remains at the same level. This is a result of purchasing more renewable energy and increasing our own electricity production. The share of renewable sources in the total energy consumption

has increased and is now up to 42% for the sales companies.

Some sales companies own their facilities, while others rent, which affects our ability to make changes to the properties. Various sources are used for heating including natural gas, district heating and purchased heating. The sales company in Finland switched to district heating now originating from renewable sources, resulting in decrease of the CO₂-emissions.

Our goal for the sales companies, was to only use electricity generated from renewable sources by 2024. Even though we increased the purchase of renewable electricity by 10% and our own electricity production by 17% in 2024, we are far from the goal, with a current share of 63%. This figure is based on electricity with green certificates and our own generated electricity.

The sales company in Lithuania installed solar panels on the roof when their new office and warehouse were built in 2022. In the budget for 2025, there are plans to install solar panels on the AJ Latvia building. The sales companies in Estonia, Finland and Norway have green certificates for purchased electricity.

In Norway, they began using an AI-based power-saving system in April 2024, which reduces consumption for heating, ventilation and cooling. This system has been effective from the start, already resulting in an 8% reduction in consumption compared to last year.

17%

reduction in energy consumption at Kalvarija, Lithuania



Our business	3
Our sustainability work	9
Environment	17
Climate impact and energy	18
Pollution, water and biodiversity	23
Circular offer, services and solutions	24
Social	31
Governance	43



Our new material topics - a start of a new journey.

Pollution, water and biodiversity

The double assessment analysis from 2024 showed that more topics were considered material compared to the materiality analysis from 2022. These encompass pollution, water & marine resources and biodiversity & ecosystems, and some of the connecting sub-topics.

We have identified water usage and pollution as material topics mainly in our supply chain. We have the ability to compile information on emissions from transportation and water usage in our operations.

Going forward, we need to increase our knowledge about our upstream impact, to be able to disclose information about pollution of air, soil and water.

We have taken actions with regard to biodiversity & ecosystems in different ways. Significantly, by FSC-certifying the forests owned by Tollsbo Group and buying FSC-certified raw material. Clearly, more actions need to be taken in this area by us and other actors due to the vast loss of biodiversity on the planet.

Our business	3
Our sustainability work	9
Environment	17
Climate impact and energy	18
Pollution, water and biodiversity	23
Circular offer, services and solutions	24
Social	31
Governance	43

Circular offer, services and solutions

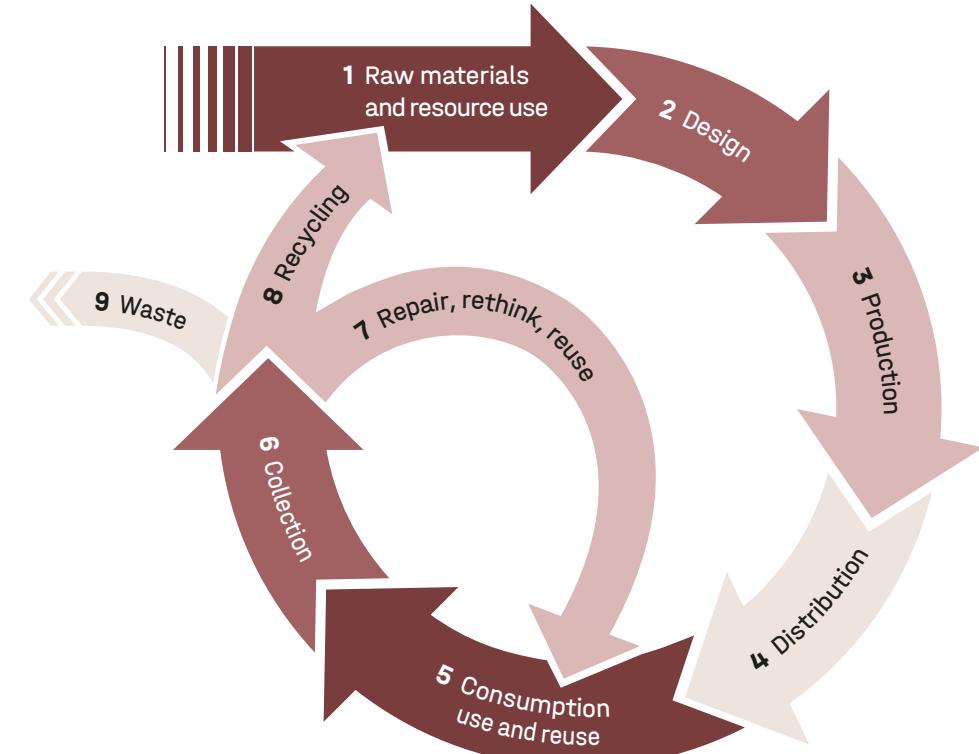
Circular offer and services are an important part of the new business strategy. We see circular solutions as pivotal to reduce climate impact and material usage, and to contribute to long-term profitability. Increased insights, shared knowledge and hands-on improvements characterized the year.

Circular requirements

Circular solutions are a strategic part of our industry going forward. In 2024, ISO communicated their new standards for circular economy as guidance and in Sweden, Hållbar Interiör

(Sustainable Interiors) a new eco-label for furniture and interiors was launched, focusing on reused products. The EU is continuing to develop new requirements for products and packaging to enhance recycled and reused materials, meanwhile customers are increasingly demanding reused and repaired furniture instead of buying new.

Within AJ Products and Tollsbo Group, circular economy is one of our material topics, covering "materials and resource use", "products and services" as well as "waste".



The cycle of materials

The above illustration shows the different parts of the process to achieve a circular economy. We are increasingly taking steps towards more circularity. In this chapter we have outlined the performance and actions taken within the different parts of the cycle.

As steering documents for circular economy, we have a Sustainability Policy, which also covers environment and quality, the Supplier Code of Conduct, Range Identity and Circular Design Principles.

Our business	3
Our sustainability work	9

Environment	17
Climate impact and energy	18
Pollution, water and biodiversity	23

Circular offer, services and solutions	24
---	-----------

Social	31
Governance	43

↳ Circular offer, services & solutions



Raw materials and resource use

In the Material portal, we collect and verify the documentation of the materials in our products in a structured way. At product level, data is collected on the type and amount of material, content of substances and the proportion of recycled material.

We implemented the portal in 2023 and in 2024 we both increased the number of registered materials (+704) and introduced more suppliers (+38) to the portal.

All registered materials meet our base level requirements. If we find any materials that do not fulfill our basic demands these must be changed or removed from our assortment. We have three different levels into which the materials can be classified. All materials must meet our basic demands, which means legal requirements in addition to stricter demands for certain types of materials. The levels are set so that we can determine which materials meet external requirements, such as Möbelfakta, or demands in public procurement.

So far, the suppliers that have been introduced in the portal have been new suppliers and our largest suppliers. Furthermore, our focus will be on materials in the products that we intend to eco-label.

Development in the material portal	2023	2024	Change 2023/2024
Number of registered materials	236	940	+704
Number of suppliers in the portal	10	48	+38

Restricted substances list (RSL)

In connection with the update of AJ Produkter's supplier agreements in 2024, AJ Produkter's restricted substances list was introduced. This list compiles the requirements we have on the content of undesirable substances in our products. As our products are sold in several markets with different regulations as well as through agreements with stricter requirements, by creating a RSL that meets the minimum standards at which the product can be supplied regardless of market and customer, we ensure that our products always meet high standards for safety and the environment. This minimizes the risk of undesirable substances and strengthens our commitment to delivering safe and sustainable solutions.

Product chemical testing

To ensure that our products fulfil legal requirements and our own stricter standards, we conduct both internal testing with a XRF scanner and, if needed, external testing. In 2024, we continued our work testing products for RoHS compliance using our XRF scanner. Any deviations identified were addressed by contacting the suppliers and implementing an action plan. In two cases, lead was discovered, which was covered by RoHS exemptions but had not been disclosed by the supplier.

Additionally, external testing was conducted for disallowed substances. One product failed due to SCCP (short-chain chlorinated paraffins) and phthalates. The product was halted, and a corrective action plan was implemented both internally and with the supplier.



Our business	3
Our sustainability work	9

Environment	17
-------------	----

Climate impact and energy	18
---------------------------	----

Pollution, water and biodiversity	23
-----------------------------------	----

Circular offer, services and solutions	24
---	-----------

Social	31
--------	----

Governance	43
------------	----



Circular offer, services & solutions

Third-party labels

Eco-labels impose strict requirements on the materials used, focusing on chemical content, emissions and sustainable forestry among others. They also set criteria for traceability and ensuring minimal impact on humans and the environment. This means that the products are verified by an independent party with respect to performance and content.

We have prioritized increasing the number of products labelled according to Möbelfakta. We now have a total of 2,288 Möbelfakta labelled articles, with 938 added during the year. The number of products evaluated by Byggvarubedömningen has increased by 110, as newly added products in our range already had this labeling. We have not focused on the Nordic Swan Ecolabel in 2024, and therefore the number of articles with this label is unchanged.

Möbelfakta

Möbelfakta is a comprehensive reference and labelling system for furniture, valid in Sweden and Norway. It includes technical, environmental and production ethical requirements. Furniture labelled with Möbelfakta meets their criteria for quality, environment, working conditions and responsible supply chains.

The Nordic Swan Ecolabel

The Nordic Swan is the official ecolabel for the Nordic countries. It examines the environmental impact of goods and services throughout their life cycle and places requirements on function and quality.

Byggvarubedömningen

Byggvarubedömningen assesses building products on the basis of their chemical content, environmental impact during their life cycle and by extension also the social impact in the supply chain.

Number of articles with third-party labels	2022	2023	2024	Change 2023/2024
Möbelfakta	950	1,350	2,288	+938
Nordic Swan Ecolabel	125	98	98	0
Byggvarubedömningen	500	750	860	+110

Environmental Product Declarations (EPD)

In 2024, we continued to develop Environmental Product Declarations for products manufactured in our own factories, such as school tables, floor screens, and racking systems. We completed 16 EPDs in 2024, encompassing 368 articles. By making these declarations, we can identify the largest environmental impact in the product life cycle, and pinpoint areas for improvement. Life cycle analyses provide us with information about the impact from manufacturing, the use phase, and the end of the product's life or its recyclability. Raw materials, production methods, mode of transportation and energy usage are factors that have a major impact on the total life cycle emissions.

In 2025, we will further accelerate our efforts to develop more EPDs to provide our customers with accurate and reliable environmental and climate data; we will also embrace more product categories. Our completed EPDs are posted on EPD International's website: <https://www.environdec.com/library>. We see an increasing demand from customers for climate emissions data per product and are exploring different solutions to share this information.

On BIMobject, a global marketplace for the construction industry, we add EPDs, giving architects and engineers greater opportunities to make climate declarations for fixed interior designs.



Our business	3
Our sustainability work	9
Environment	17
Climate impact and energy	18
Pollution, water and biodiversity	23
Circular offer, services and solutions	24
Social	31
Governance	43

↳ Circular offer, services & solutions



Design

A more sustainable and circular offer is core to the business strategy, and this is reflected in the new Range Identity. Our circular design principles are guidelines in product development:

- Develop a more standardized assortment, including materials, components and colours.
- Develop products to enable repair, upgrading, re-use, dismantling and recycling.
- Increase usage of recycled and renewable materials without any harmful substances.
- Enable traceability of production, content and history.

In November, the Range, Sourcing, Environment & Quality and Sustainability departments conducted four joint workshops about Sustainability, that we called Suvember. We had a specific focus on how to make our assortment more circular. To increase our insights, an expert from RISE (Research Institute of Sweden) shared his knowledge.



Production & distribution

→ READ MORE ABOUT
Workers in the supply chain, page 37
Purchased transports, page 20



Consumption use and reuse

Examples from our range

- We launched HURRAY, our new office chair with several sustainability features. The chair is based on components that are exchangeable, making it easy to repair, and the fabric cover is made of 100% recycled materials and possible to replace and change.
- Our school chair BRIAN was developed, and the seat is now made out of 50% recycled polypropylene. Elsewhere in the school furniture range, the recycled content has increased to 60% in the ZTOOL table and seat.
- Our TOUGH shelving has been optimized by reducing the amount of material by 20% while maintaining the high quality. Similar efforts have been made with CLASSIC lockers where we have reduced the thickness of the metal sheet by 15%.
- We have redesigned our CLICK cabinets to be flat packed, which reduces the transportation requirements.
- The RUDY acoustic panel is made of lichen that is legally picked in Scandinavia. PURPOSE and SATELLITE, products aimed at improving acoustics, are made of recycled PET. SHINGLE, a notice board, is made of renewable cork.



It is our ambition to support our customers to be able to upgrade and repair our products to give them a longer life cycle. Besides providing more spare parts, we are focusing on developing our assortment with products based on components, which will gain many improvements for our customers and our business, as well as for circularity. The customers can choose and build a variety of products, and the components can also act as spare parts.

We have continued to add spare parts to our current assortment and the development of spare parts is integrated into the development process for new products. In 2024, we added over 700 new articles and are now getting close to having 4,000 spare parts in the assortment. Our goal is to provide spare parts for all our products when relevant.

	2022	2023	2024
New spare parts	170	427	727
Total number of spare parts	2,863	3,290	3,887

Our business	3
Our sustainability work	9
Environment	17
Climate impact and energy	18
Pollution, water and biodiversity	23
Circular offer, services and solutions	24
Social	31
Governance	43



Collect and repair, rethink & reuse

With a working group in place, we are looking into how we can improve the handling of returns and what kind of circular services we can provide for our customers.

There are several reasons for product returns: damaged, customer cancellations, wrong product or colour. Primarily, we resell returns from customers that are in a new condition; the resale of returns has increased due to improved internal order handling software. In addition, for those returns that are not in a condition to be resold, we have added new partnerships with external actors to further extend the usage of our products.

To facilitate the replacement of components and proper recycling for customers and other stakeholders, we are increasingly providing disassembly instructions. The development of disassembly and repair instructions is integrated into the product process as standard procedure. Altogether, we have currently almost 3,700 disassembly instructions.

	2024	Goal/target 2026
Number of disassembly instructions	3,684	3,840

Circular offer, services & solutions



We started to work with a partner in Sweden, that collect and resell our reclaimed and returned products that are not in a condition to be resold in our channels. The partnership has until the end of the year resulted in 51 tonnes of CO₂e "saved" compared to if the end customers had bought new similar products.

In the UK, we sell returns on a second-hand platform or give the items to charity. In the Baltic states there are minor returns, and also here we donate those products that cannot be sold. Our sister company, DPJ Workspace, has been successfully operating DPJ Återbruk for some years, where they take back and, to some extent, refurbish products that are then shown on their own area of the website.



These partnerships decrease our environmental impact compared to scrapping the products, reduce costs and, in some cases, improve our ability to win tenders. Going forward, we are exploring how we and customers can cooperate and prolong the life cycle of the assortment.

Preparing for the Ecodesign Directive

The Ecodesign Directive (ESPR, Ecodesign for Sustainable Products Regulation) came into force July 2024. ESPR is a big part of enabling a circular economy with a focus on transparent information, prolonging product life cycle, minimizing waste and hazardous substances. It remains for the EU commission to establish delegated acts at product and material level. There are already strong indications of requirements to comply with the legislation. We are preparing our organization to comply with the directive and have added new requirements in our product development process to prolong product life cycle and enhance circularity.

We are a member of RISE Circular Lab, which supports us in taking steps towards more circular services. Initially, we set off with a workshop together with our internal working group with the purpose of developing a roadmap for these services.

Our business	3
Our sustainability work	9
Environment	17
Climate impact and energy	18
Pollution, water and biodiversity	23
Circular offer, services and solutions	24
Social	31
Governance	43

↳ Circular offer, services & solutions



Recycling and waste

The goal is to reduce waste and increase recycling in our operations. In 2024, AJ Products and all production units maintained the same level of total waste generated. However, there was a decrease in the amount of waste sent for material recycling, causing the total share of recycled material to drop from 66% to 63%. This was primarily due to increasing volumes of wood waste at the facility in Halmstad.

We also observed a slight increase in both landfill waste and hazardous waste, contrasting with the decrease seen in 2023. The rise in hazardous waste can be attributed to changes in hazardous waste reporting in Slovakia, while the increase in landfill waste is due to construction and reconstruction activities carried out in 2024. Our figures, both amounts and percentages, vary significantly due to the different nature of our operations across various facilities.

The waste figures for our subsidiaries and the factory in Lithuania are small compared to the warehouse in Halmstad, and the two factories in Poland and Slovakia, where the largest amounts of waste are generated.

For the factory in Lithuania, we do not yet have a complete overview of the total waste generated. We are making improvements in the waste management in this factory and moving towards ISO 14001 certification in 2025.

AJ Furniture Factory, Poland

The AJ Furniture factory reduced the amount of total waste generated by 12% in 2024 compared to last year, while maintaining similar levels of production. The improvement is due to optimizations in the production process. The share of recycled waste remained fairly stable at 72% in 2024, slightly down from 74% in 2023.

The largest waste type for recycling for AJ Furniture factory is paper and corrugated cardboard. Plastic and steel follow, but in much lower amounts. During the year, the factory focused on sustainability training, including waste management. This included workshops on waste reduction and recycling best practices for employees.

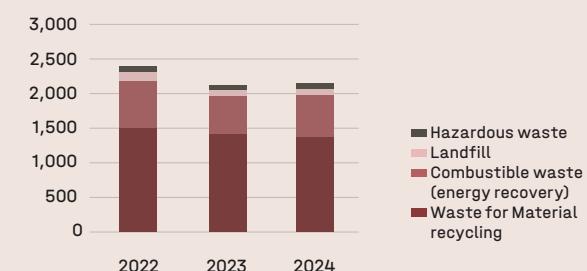
Waste from our facilities 2024, AJ Products and AJ Produktion (tonnes)

Waste	Total 2022	Total 2023	Total 2024	Change 2023/2024
Material recycling of steel	1,188	1,055	1,036	-2%
Material recycling of aluminium	0.0	0.1	0.1	-5%
Material recycling of plastic	34	37	44	20%
Material recycling of paper and corrugated board	172	250	222	-11%
Material recycling of other waste ¹	73	60	53	-12%
Hazardous waste ²	89	75	87	16%
Landfill	121	84	92	10%
Combustible waste (energy recovery)	677	563	612	9%
Total Waste generated	2,393	2,124	2,147	1%
Total Waste for Material recycling	1,505	1,403	1,356	-3%
Material recycling, share of total waste (%)	63%	66%	63%	-3%

1. Glas, external sorting (AJ Products) and biological waste, cutted gras (AJ Metal Design).

2. For example paint waste, aerosols, office electronics.

Total waste generated (tonnes)



↳ Circular offer, services & solutions

Our business	3
Our sustainability work	9
Environment	17
Climate impact and energy	18
Pollution, water and biodiversity	23
Circular offer, services and solutions	24
Social	31
Governance	43

AJ Metal Design - Slovakia

AJ Metal Design maintained similarly high levels of total and recycled waste in 2024 as in 2023. They recycled 89% of their waste (compared to 90% in 2023) due to the high proportion of metal. However, there was an increase in landfill and hazardous waste. The increase of hazardous waste is due to a change in reporting for the waste related to oil filters. The main contributor to the increase in landfill waste was due to renovation and construction of a new office.

In 2024, the factory established a new warehouse with a new area for sorting hazardous materials and storing chemicals in an even more organized structure. Additionally, new bins for sorting various waste materials were introduced in the production area.

AJ Produkter - Halmstad

At the warehouse in Halmstad, the total waste rose last year due to increased wood waste coming from pallets. Our goal to reach 40% recycled waste was not achieved, with only 25% recycled. To reduce the amount of wood waste that is incinerated, we initiated several measures to increase the circularity of wooden pallets. We have developed a new service and implemented new procedures for sorting pallets for reuse or repair. The pallets are sorted in Halmstad and then sent back to our factories in Poland and Slovakia for reuse,

or to our pallet supplier in Sweden for repair. We started this project in December and have already seen wood waste halve compared to previous months.

We are also actively working to reduce our use of wooden pallets through various initiatives. In the Danish market, we are evaluating the use of corrugated cardboard pallets over a six-month period. Additionally, we are exploring options to expand our waste sorting capabilities to include more types of waste at the Halmstad warehouse.

Producer responsibility

We are subject to producer responsibility regulations, which means we are responsible for contributing to recycling targets and ensuring that any packaging, electronic products and batteries we put on the market can be collected and recycled.

AJ Produkter in Sweden is part of the NPA and El-Kretsen collection systems. The sales companies report in their respective countries.

We are preparing for new EU regulation PPWR (Packaging and Packaging Waste Regulation). Overall, our goal is to only use packaging materials that are made of renewable or recycled materials.

Waste improvements

- AJ Produkter in Norway has conducted a pre-test of a waste management tool to measure all indoor waste digitally. Evaluation of the test is currently underway.
- AJ Produkty in Poland has implemented a comprehensive waste sorting system in their premises.
- AJ Products UK has introduced recycling stations into office and warehouse spaces; all waste is now separated, weighed, and recorded before disposal.
- AJ Produkti in Latvia developed their waste sorting capabilities in the office and showroom.

E-waste

Our E-waste, including old IT equipment, is collected by a service provider that assesses the products for further handling. Equipment that can be reused are exported to distributors, usually within Europe. Only well-functioning countries with documented processes for handling used IT equipment are accepted. Equipment that is not in suitable condition for reuse is recycled in Sweden according to legislation. We receive a report that shows which units have been reused or recycled and the amount of electronic waste and carbon dioxide emissions that have been avoided due to reused products.



Our business	3
Our sustainability work	9
Environment	17
Social	31
Our own workforce	32
Workers in the supply chain	37
Customer health and well-being	40
Social engagement	42
Governance	43

Social



We want to contribute to better working conditions in the whole value chain. We have therefore procedures and programs to elevate safety and wellbeing among our own employees, including training and improved equipment and workplaces. To enhance better working conditions in the supply chain we have reviewed and communicated our Supplier code of Conduct, among others. All in all, our mission is to create Happiness at work, by empowering sustainable, attractive, efficient and healthy workplaces that minimize and reduce friction.

Our own workforce

Our business	3
Our sustainability work	9
Environment	17
Social	31
Our own workforce	32
Workers in the supply chain	37
Customer health and well-being	40
Social engagement	42
Governance	43

In Tollsbo Group, we have approximately 1 100 co-workers in 20 countries, most of them employed by AJ Products and our factories. With employees we mean all headcounts working for our companies on December 31, both employed by us but also temporary staff from agencies.

The level of employee turnover is standing at 15.4% (13.7% in 2023) at AJ Products and at 16.8% (17.4% in 2023) at AJ Produktion. We have 52.2% white collars and 48.8% blue collars in the companies represented in this report. 39% of all employees are women.

The board of directors of Tollsbo Group consists of seven representatives, with one woman, who is the chairman of the board.

All employees in Sweden, Finland, Austria and AJ Metal Design are covered by collecting bargain agreements, and in the other countries we follow the national laws and regulations. All employees are insured at work and on business travel. Since health and safety protection systems are different in the countries where we operate, we ensure that we follow national regulations in this perspective.

In our double materiality analysis, we concluded that working conditions, equal treatment and opportunities for all are our material topics in connection to our own workforce.



Employees data, headcount at 31st of December 2024

Employees	Total number of employees		Women %		Men %	
	2024	2023	2024	2023	2024	2023
AJ Produkter (HQ)	245	239	33	35	67	65
AJ Produkter (subsidiaries)	274	275	59	57	41	43
AJ Furniture Factory	234	238	35	37	65	63
AJ Metal Design	225	240	20	20	80	80
AJ Kalvarija	49	59	65	64	35	36
TOTAL	1,027	1,051	39	39	61	61

Gender diversity in management	Total number of managers		Women %		Men %	
	2024	2023	2024	2023	2024	2023
AJ Produkter (HQ)	34	32	21	16	79	84
AJ Produkter (subsidiaries)	32	31	56	58	44	42
AJ Furniture Factory	15	17	27	29	73	71
AJ Metal Design	11	9	0	11	100	88
AJ Kalvarija	4	8	25	37	75	63
TOTAL	96	97	31	33	69	67

Age ¹	Number and percentage of employees <30 years			Number and percentage of employees >30 <50 years			Number and percentage of employees >50 years		
	2024	2023	2024	2023	2024	2023	2024	2023	2024
AJ Produkter (HQ)	32 (16%)		125 (61%)		48 (23%)				
AJ Produkter (subsidiaries)		31 (12%)		146 (57%)		81 (31%)			
AJ Furniture Factory			41 (18%)		122 (55%)		61 (27%)		
AJ Metal Design			18 (9%)		119 (59%)		66 (32%)		
AJ Kalvarija			3 (6%)		31 (57%)		20 (37%)		

1. Does not include agencies and consultants.

Our business	3
Our sustainability work	9
Environment	17
Social	31
Our own workforce	32
Workers in the supply chain	37
Customer health and well-being	40
Social engagement	42
Governance	43

Our own workforce

Internal policies

To ensure health, safety and good working conditions, we have several policies related to employees and employment, covering human rights, discrimination, recruitment, competence and wages, among others. Our overarching Health and Safety Policy was reviewed during the year and now covers all companies within Tollsbo Group. The Internal Code of Conduct, aligned with international recognized instruments, was also updated and relaunched within the group together with training and a new whistleblowing function. Our policies are based on our core values: engaged, responsive, knowledgeable and genuine.

On-going dialogues with employees

We have different forums for dialogues with our employees in the companies. In general, we have an "open door policy", meaning that all employees are welcome to approach management and HR at any time. For instance, at our factory in Poland, we maintain open communication channels, supporting employees to report difficult life situations to HR and managers, which enables us to offer various forms of support that the company can provide.

In our factory in Slovakia, we have established a social dialogue system, which involves quarterly meetings with the plant manager and all workers, divided by three shifts, resulting in three one-hour meetings every third month.

There is a trade union club established among blue collar workers in Halmstad, and meetings are held with workplace representative for the white collar employees to discuss the work situation on site on a monthly basis.

The safety committee in Sweden, with representatives from HR and management, workplace representatives and safety and fire protection officers, has a focus on risk assessments and safety checks. As always, we carried out work environment training for new managers, HR, safety representatives and workplace representatives and we have engaged more employees to be safety representatives in order to emphasize the importance.

If any incidents to occur, we have procedures in place to secure safety in warehouses, factories and offices throughout our workplaces.



Our own workforce

Our business	3
Our sustainability work	9
Environment	17
Social	31
Our own workforce	32
Workers in the supply chain	37
Customer health and well-being	40
Social engagement	42
Governance	43

Health and safety

Physical work environment factors such as noise, light, ergonomics, movement and exercise are important for our physical and mental health. We conduct continuous efforts to prevent accidents and incidents and to minimise work-related illness or injury. The overall goal is to have zero sick leave linked to the work environment. We are continuously developing and improving our systematic health and safety management system and our internal control of the work environment.

Sick-leave

The total sick leave in Tollsbo Group was 1.8%, calculated from day 1-13. In 2024, we started to compile sick leave from the entire group and this is now reported every month. All companies but AJ Metal Design are below their respective goal concerning sick leave.

Starting from 2024, we now also follow the TCIR (Total Case Incident Rate) on all sites, this method was earlier only used in the factories. In the factories, we have a clear positive trend with less accidents.

Sick leave	2022	2023	2024	Goal
AJ Produkter (HQ)	2.56%	2.08%	2.80%	3.00%
AJ Produkter (subsidiaries)	— ¹	— ¹	2.10%	3.00%
AJ Furniture Factory	2.87%	2.41%	2.00%	2.90%
AJ Metal Design	— ¹	— ¹	1.80%	1.70%
AJ Kalvarija	6.85%	3.75%	1.70%	3.00%

1. Data was not collected.

TCIR, Total Case Incident Rate	2022	2023	2024	Goal
AJ Produkter (HQ)	— ²	— ²	1.20	— ²
AJ Produkter (subsidiaries)	— ²	— ²	0	— ²
AJ Furniture Factory	1.69	1.38	0.50	2.20
AJ Metal Design	1.97	1.64	0	2.20
AJ Kalvarija	n/a	2.11	0	2.20

2. Data was not measured.

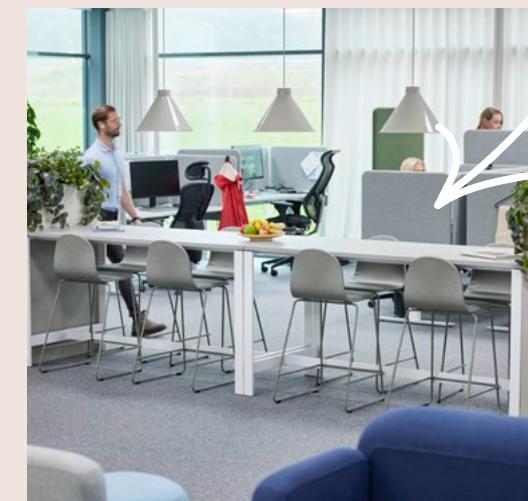
To further improve safety, working conditions and wellbeing in our operations we have made several adjustments and enhancements. We have continued to conduct BBS (Behavior Based Safety) audits at two of our factories, AJ Furniture Factory and AJ Metal Design. BBS is a proactive approach in seven steps, to increase safe behaviour, reduce hazards, risks and incidents.

- At AJ Metal Design, monthly safety audits were conducted involving various administrative staff from all departments throughout the year. The 5S methodology was expanded to our outdoor area, creating pedestrian zones and parking spaces for visitors and trucks. AJ Metal Design has also built new offices for staff and a new rest area, including an outdoor terrace with greenery. This space is designed to provide a relaxing environment for breaks in fresh air.

• At AJ Furniture Factory, we have installed an overhead crane that improves ergonomics and enhances work safety; it also increased efficiency. Workstations have been equipped with ergonomic anti-fatigue mats.

- At AJ Kalvarija, the implementation of 5S methodology continued, resulting in further improvements with floor and wall markings, the installation of raw material storage racks in production, and the implementation of a storage location identification code system and tool stands at workstations. The factory has had a major focus on training and coaching programs to increase awareness of health and safety, including manual handling of loads to reduce the risk of severe back injuries. In connection to the installation of new woodworking machines, a risk assessment was conducted and employees received extensive training to operate the new equipment.

- In Finland, the sales company moved to a new office building designed as an office campus that promotes well-being and was awarded the WELL certificate, the highest in Finland. A health care audit among the Finnish co-workers showed that the new premises are appreciated.



Our business	3
Our sustainability work	9
Environment	17
Social	31
Our own workforce	32
Workers in the supply chain	37
Customer health and well-being	40
Social engagement	42
Governance	43

↳ Our own workforce

Good working environment

From a social perspective, people feel good at work when they are able to use their strengths and skills and collaborate with others in an encouraging and inspiring work atmosphere. We want to be an attractive workplace with healthy staff who want to stay long term. We want to create a work environment where everyone knows the purpose of their job and their responsibilities. We aim to be a workplace characterised by openness, inclusiveness and gender equality.

Improved employee satisfaction

Employee satisfaction and engagement is a prerequisite to reaching our joint goals and feeling good at work. In 2024, we had a response rate of 84% (86% 2023) in the annual employee survey. We strive to reach our goals, which is +30 on the eNPS (Employee Net Promoter Score) and 80 on the EI (Employee Index). In 2024, we met our common goal, but we want to reach this within each and every workplace, meaning we need to put further efforts into continuous improvements. After each survey, the overall result is presented to everyone in the organisation and then the results are worked through in every department. The aim is to ensure that we preserve strengths and work on areas that still can be improved. This way of working involves our employees in the process and, together, we decide what needs to be improved.

Time to recover at work has had a low score for several years but we improved 4% from 2023 to 2024. This is something that has been discussed in the organization and we have put a spotlight on the importance of planning our time and ensuring that there is time for reflection.

Gender equality

At AJ Products, women and men should have equal working conditions and career development opportunities. All new managers undergo training in inclusive leadership, employee rights and equal conditions. We strive to increase the proportion of women in the warehouse in Sweden and in production at our factories, which are the parts of the company dominated by men. We are aware that some work is physically demanding, and we constantly seek to find aids for heavy lifting and repetitive tasks. In 2024, the gender equality balance has simultaneously increased and decreased in different parts of the group, both in general and within management.

A mapping of the gender pay gap was conducted in Sweden last year, showing no major differences between genders. Currently, we are preparing for the Pay Transparency Directive that comes into force in 2026, applicable to all companies with more than 50 employees.

Enhanced activities for wellbeing

On October 10th, "World Mental Health Day" was acknowledged with the purpose of informing staff about the importance of mental health. This year's campaign theme was "It is Time to Prioritize Mental Health in the Workplace." Our staff at the head office and warehouse in Halmstad were able to participate on site and the events were livestreamed for others working in Sweden. The purpose of the day was to inspire, open dialogues about mental health and provide tools for mental well-being.

The day consisted of a lecture from a health developer, a quiz walk about mental health, inspirational quotes and meditative exercises with QR codes posted around the head office, and an online movement and exercise session. All materials were published on our intranet so that every subsidiary could participate.



ENPS Employee Loyalty

	2022	2023	2024	Goal
AJ Produkter (HQ)	22	33	33	+30
AJ Produkter (subsidiaries)	30	32	32	+30
AJ Furniture Factory	1	9	25	+30
AJ Metal Design	1	-13	18	+30
AJ Kalvarija	n/a	n/a	63	+30
Total	14	18	30	+30

EI Employee Index

	2022	2023	2024	Goal
AJ Produkter (HQ)	79	79	81	80
AJ Produkter (subsidiaries)	84	81	83	80
AJ Furniture Factory	70	78	81	80
AJ Metal Design	70	72	78	80
AJ Kalvarija	n/a	n/a	85	80
Total	78	78	82	80

Our business	3
Our sustainability work	9
Environment	17
Social	31
Our own workforce	32
Workers in the supply chain	37
Customer health and well-being	40
Social engagement	42
Governance	43

Our own workforce

Skills and competence

In 2024, we conducted an in-depth analysis of several positions by interviewing employees in multiple countries as well as the managers of employees holding these roles. The objective was to explore how we can improve the onboarding process and learning journey into these positions and set up a skills matrix. The purpose is to enhance the competence within the company, to recruit the right employees and ensure that they develop and thrive in the company. In 2025, the programs will be finalized, and additional roles will be analysed.

We have a comprehensive program for pre- and onboarding for all new recruits within AJ Products. We measure satisfaction levels in the various sub-programs every month and the perception of the introduction is very well received. The introduction includes a visit to head office where we conduct a tour, basic product training and where participants get to meet colleagues of other departments at HQ.

Internship

Students who have completed their degrees or an internship with us are seen as positive elements in our business that help us develop.

In some cases, this may also lead to an employment offer. In 2024, we welcomed approximately 10 students within different areas of the company.

The value of internal recruitment

Internal recruitment is a key priority for our organization. By promoting internal candidates, we leverage their existing knowledge of the company's culture, processes and working methods, enabling them to adapt quickly and effectively to new roles.

This approach not only fosters internal skill development but also demonstrates to our employees that there are ample career growth opportunities within the company. We firmly believe this leads to increased employee engagement, enhanced job satisfaction, and greater overall efficiency.

Internal mobility also broadens our employees' perspectives, as they gain valuable insights into other departments. This cross-departmental understanding enriches collaboration and strengthens the organization as a whole.

Evaluation of onboarding program

	Outcome 2024	Goals
Introduction for white-collar workers - AJ Produkter	9.39	9.0
Introduction for blue-collar workers - AJ Produkter	8.62	9.0
Introduction for subsidiaries	9.41	9.0
My first year for white-collar workers - AJ Produkter	8.55	8.5
My first year for blue-collar workers - AJ Produkter	9.26	8.5
My first year for subsidiaries	8.08	8.5



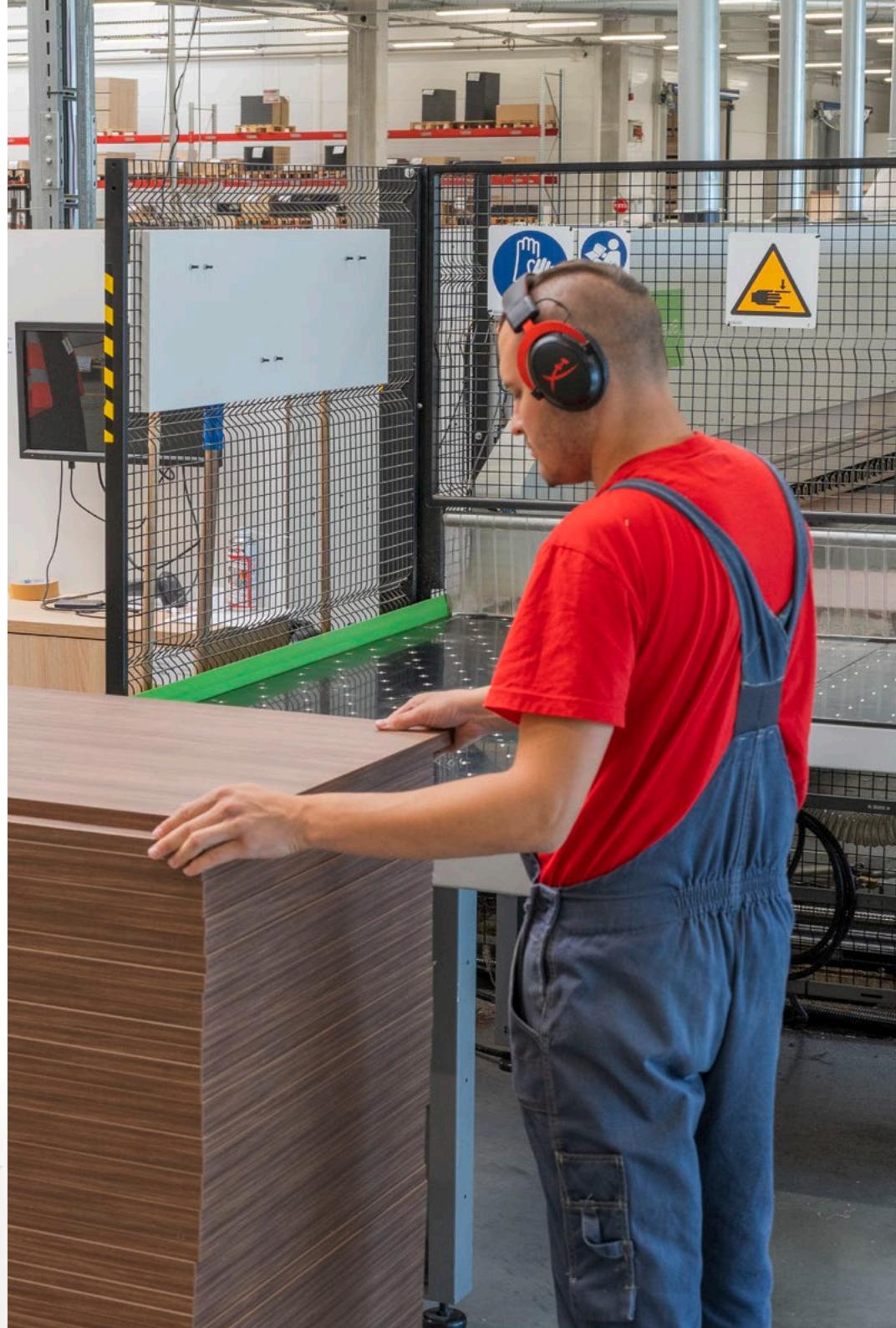
Proud to be recognised

Each year, the Swedish organization Karriärföretagen recognizes the most attractive employers for students and young professionals in the country, and AJ Produkter has been appointed as a "career company" within Karriärföretag 2024. AJ Produkter was also nominated as Newcomer of the Year, and won in our category. We see this recognition as a result of our efforts to create an attractive workplace where people thrive by fostering Happiness at Work.

The jury's statement:

"AJ Produkter has made a significant impact by establishing itself as an attractive employer with a corporate culture characterized by joy and engagement. Their focus on creating an inspiring and inclusive work environment has not only attracted new talent but also strengthened loyalty among existing employees. With a clear strategy for employee development and a strong sense of collaboration, AJ Produkter has quickly positioned itself as a role model in its industry. Karriärföretagen is therefore proud to nominate AJ Produkter as Newcomer of the Year 2024".

Our business	3
Our sustainability work	9
Environment	17
Social	31
Our own workforce	32
Workers in the supply chain	37
Customer health and well-being	40
Social engagement	42
Governance	43



Workers in the supply chain

It is our goal that all workers in the supply chain should have good working conditions. We are therefore developing our due diligence way of working and have initially embedded this in our reviewed Supplier code of conduct. With the purpose to better support and follow up the performance of our suppliers we are implementing a supplier portal, which will enhance communication and risk assessments, among others. Many suppliers have increased their awareness about the comprehensive new requirements and upcoming legal demands, but we foresee challenges among small sized suppliers to transform according to these demands.

Our suppliers

We had 311 suppliers that produced approximately 14,200 articles for our core standard assortment last year. Most of them are situated in Europe (87%) while 13% of our sourcing volumes come from Asia. Together with our new sourcing agent in China, we have implemented new routines and procedures. One major objective with the new sourcing set-up in Asia is to ensure that we are contracting suppliers with high standards with regard to sustainability.

Tollsbo Group has three of its own production facilities in Europe, focused on producing upholstered furniture, office furniture, storage cabinets and pallet racking. Our factories represent 38% of AJ Produkter's total purchases.

The majority of our first-tier suppliers are small-sized companies in the manufacturing sector with blue collar workers. To our understanding, the working conditions are usually good in the first and second tier. The main challenges with suppliers in Asia are working hours while among European suppliers there can be a lack of documentation, management systems and policies.

We will continuously increase our knowledge about working conditions upstream in our value chain.

Focus of the year

It is our general intention to work in closer partnership to enhance both social and environmental performance as well as quality and financial outcomes among our suppliers.

In 2024, we continued to focus on improved product quality and delivery performance, and we have increased our monitoring and measurements. Another important task last year was to review and implement the general agreement, initially with new, but also with current suppliers. In parallel, we also had a goal to increase the number of our suppliers in Asia that follow Amfori BSCI as a tool to ensure good working conditions.

Going forward, we want to provide a more modular assortment based on components that can be combined in many configurations. Consequently, we want to have closer cooperation with fewer suppliers with the intention of further securing quality. In 2024, we decreased the amount of suppliers to meet this ambition. On the other hand, we have fully included all 16 suppliers of Cowab in our sourcing procedures and onboarded a few new manufacturers, resulting in a total of 311 suppliers at the end of last year (316 in 2023).

Policies

Our updated Supplier Code of Conduct was approved by the Board in May, and the complementary Anti-slavery Statement at the end of the year. The Supplier Code of Conduct is valid for all our business partners in Tollsbo Group and is based on global frameworks such as the UN Declaration on Human Rights, ILO conventions and OECD guidelines for enterprises.

Workers in the supply chain

Our business	3
Our sustainability work	9
Environment	17
Social	31
Our own workforce	32
Workers in the supply chain	37
Customer health and well-being	40
Social engagement	42
Governance	43

The Supplier Code of Conduct covers human rights, working conditions, environmental responsibility and business ethics including a demand for a whistleblowing function. The code requires that suppliers cascade these demands throughout their supply chain and that due diligence should be conducted.

The Supplier Code has been communicated to our partners, and all newly onboarded suppliers and transportation providers have signed the reviewed code. The suppliers have had the opportunity to ask questions and clarify any uncertainties. The same exercise has been initiated with our existing suppliers, and this will accelerate when our Supplier Portal tool is in place. The objective is that all Asian suppliers sign the updated code in 2025, and all suppliers of the central assortment by 2026 at the latest. The Supplier Code of Conduct will be reviewed annually and approved by the Board, and is available on our website.

As per our decision in 2021, we do not allow any business relationships with actors in Russia or Belarus.

Due diligence way of working

We are developing our way of working from a due diligence perspective. Therefore, we have integrated the principles of due diligence into our Internal Code of Conduct and Supplier Code of Conduct. We have risk-based approach towards our suppliers grounded on self-assessment and risk analysis for many years, and these procedures will be improved and developed even further when the Supplier Portal is fully implemented 2025. With the portal in place, we and our partners can follow up performance and identify risks in the supply chain more efficiently.

Going forward, we will align even better with the due diligence principles, including internal processes in case of identified risks and how to remedy any such instances. We also want to

gather information about workers in the whole supply chain to improve our understanding of the working conditions.

Channel of complaints

Customers, suppliers and the public may contact us via email to info@ajprodukter.se (and other local emails) with any complaints. Our employees can use the internal whistleblower function while our suppliers can contact us via our purchasers or external actors if there is suspicion of misconduct. No whistleblower cases have been brought to our attention from our supply chain in 2024, and no supplier was terminated due to poor sustainability performance. We plan to extend our internal whistleblowing function towards external stakeholders when possible.

Supplier evaluation

The process of onboarding a new supplier is comprehensive and will become even more thorough going forward.

Sustainability performance of suppliers	2024 (2023)	Goal
Total number of suppliers	311 (316)	—
Number of suppliers with signed contracts	196 (187)	95% of the purchasing volume 2025
Suppliers that have signed the Supplier Code of Conduct	208 (180)	100% 2026
Number of risk-assessed suppliers	100 (70)	100% 2025
Number of suppliers with high level of risk	9 ¹ (14)	<4% of all suppliers 2025
Number of suppliers audited	2 ² (14)	All new suppliers and suppliers with high risk

1. Deviations mainly due to lack of documented management system and/or policies. All deviations have been followed up.

2. Audits made on two new suppliers. Due to changes in staff, we have not been able to conduct audits on all new suppliers during the year.

Suppliers for internal use are not yet included.



Workers in the supply chain

Our business	3
Our sustainability work	9
Environment	17
Social	31
Our own workforce	32
Workers in the supply chain	37
Customer health and well-being	40
Social engagement	42
Governance	43

Initially, we evaluate the supplier based on competitiveness, quality, finance, delivery capability, and environmental and social aspects. The supplier must sign our agreement and the Supplier Code of Conduct and then do a self-assessment of social, environmental and ethical issues. We do a risk assessment of our suppliers and perform audits, including social, environmental and ethical questions, based on the results of the risk level. If any deviations are found, the supplier must act upon them according to a Corrective Action Plan (CAP) that is established. We follow up to ensure that all deviations are remedied.

Our risk assessment is based on a combination of the country of origin of the supplier and any subcontractors, the complexity of the supply chain and the result of the self-assessment that the supplier must submit. The latter includes questions about whether the supplier has structured procedures such as management systems, internal and supplier code of conduct, and valid permits from authorities, among others.

In Asia we want our suppliers to align with Amfori BSCI as a tool to improve working conditions among workers. This is continuously followed up by our sourcing partner in China.

Up until now we have been working according to a five-year plan, focusing on the largest suppliers with the highest risk in 2020 and 2021. Our plan is to review our way of working when the supplier portal tool is implemented in 2025.

Follow up on high-risk suppliers

Nine suppliers were rated with a high-risk score in 2024, for which the main reason was lack of documentation such as management systems and policies. Many of them are small companies operating in Europe without any subcontractors in risk countries. We have followed up with the suppliers rated as high risk and we were able to conclude that they had good procedures and working conditions in place, meaning that the high-risk score was reduced.

Our purchasing partner in China is responsible for following up risk assessments and monitoring the social and environmental performance of suppliers to ensure that they continuously develop their sustainability credentials.

Auditing as a tool for improvement

Audits are done in the process of onboarding new suppliers and to follow up on suppliers that scored highly in the risk assessment. In 2024, we carried out two audits with our own staff in Europe. Due to staff changes, the number of

audits were low this year. In Asia, our sourcing partner follows the suppliers through the Amfori BSCI scheme.

The main findings from the audits have been lack of documentation and handling of hazardous chemicals. The deviations that were found were followed up by a CAP and we approved the suppliers after acceptance of the executed actions.

National requirements

We work according to the Norwegian Transparency Act and the German Supply Chain Due Diligence Act by doing due diligence through risk assessments and acting upon any found deviations concerning human rights and environmental protection. We have also updated and approved an Anti-Slavery Statement to meet UK legislation.



Our business	3
Our sustainability work	9
Environment	17
Social	31
Our own workforce	32
Workers in the supply chain	37
Customer health and well-being	40
Social engagement	42
Governance	43



Customer health and well-being

We want to create happiness at work for all our customers, by improving people's working environments. In 2024, we launched new products designed to enhance ergonomics, encourage active workplaces and reduce noise.

Our customers

Our customers are mainly industrial companies (SMEs and large) operating within construction, manufacturing and wholesale, that have a need for both industry and office products and services. We also have customers within education and the public sector. We have a huge opportunity to improve working conditions among co-workers and students in all these workplaces around Europe.

To continuously improve our offer, we gather insights to our product development in different ways. Apart from following trends and news, we collect feedback through different channels such as customer surveys, dialogues and follow up by sales representatives, customer service and conclusions from product claims. All input is funneled into Range department on a yearly basis. Besides policies for quality and product development, we have terms of purchase conditions on our website that clarifies the customers rights. Customers may raise any concerns towards sales representative or customer service, and we have processes to remediate negative impacts if any occurs.

Evidence-based insights

It is a well-known fact that frequently varying your working position is key to a sustainable work life. A desk bike and balance board are examples

of products that make it feasible to stay active in any type of workplace. Our commitment to developing school environments that support learning has also led us to adapt our school offering to be more inclusive of neurodivergent students.

Products for improved workspaces

Our new office chair HURRAY was developed to be easily adjusted according to height and weight and to provide support for the arms, lower back and legs. We also provide balance stools, balance balls and saddle chairs that activate the back and torso muscles and provide better posture, without any additional effort.

To reduce pain from strain-related problems, we offer workbenches that can be adjusted according to individual needs, such as MOTION and VERVE, that help employees to have all necessary equipment close at hand and at a convenient height thanks to adjustable bench height. In combination with anti-fatigue mats, the benches can help prevent further strain. Lifting aids and handling equipment are also important to ease the daily work for many customers. That's why our offer includes pallet trucks, scissor lift tables and stacker trucks, among others.

In 2024, we developed a mobile perforated tool panel, ATTRACT. The product is flexible and can be rotated thanks to ball bearings at the base, four wheels and brakes. This design makes it easy to move and saves space for our industrial customers. We also introduced fiberglass ladders, specifically designed for electricians, that allow work to be performed safely up to 10,000 volts without the risk of electric shock.

Our business	3
Our sustainability work	9
Environment	17
Social	31
Our own workforce	32
Workers in the supply chain	37
Customer health and well-being	40
Social engagement	42
Governance	43

Customer health and well-being

Reducing noise

Disruptive noise is a major negative factor in workplaces, one which may also cause strain in the neck and shoulders, as well as headaches. Reducing noise is particularly important in schools, where high noise levels impair the ability of students to concentrate and learn.

Therefore, we offer a wide range of sound solutions. New for 2024 are two acoustic panel ranges. SATELLITE can be used both on the wall and ceiling, contributing to a calmer and more subdued environment. We have noticed an increasing demand for natural materials and colours in interior design; people want to create environments reminiscent of forests and nature as they have been found to have a calming effect. That's why we have added a second acoustic panel, RUDY, to our assortment. Made of reindeer moss, it has ideal sound-absorbing properties.



CASE STUDY: BOOZT

This year, we helped the e-commerce company Boozt improve ergonomics and workflows. Betterments of the working environment is a natural development of Boozt's operations. The company needed assistance to facilitate packing and incoming deliveries. The goal was to reduce unnecessary strain and uncomfortable body movements, which in turn would lead to a better workflow. The workstations were equipped with new adjustable workbenches that could be raised and lowered at the press of a button. To make it easier to reach packing materials, add-ons in the form of shelves that could be raised and lowered with the worktable were introduced. Customized packaging trolleys were also introduced to facilitate the replenishment of packing materials at the workstations.

With these changes, Boozt noticed an increase in productivity and an improved workflow. This also led to better ergonomics and efficiency, ultimately resulting in increased job satisfaction among Boozt's employees.

CASE STUDY: DIBBER INTERNATIONAL SCHOOL

Dibber School sought assistance to create a positive lunch experience in the school canteen, where students and adults meet without the focus on learning requirements. The goal was to enhance the sense of well-being and create an enjoyable lunch break. The improvements included introducing tables of various heights and sections, replacing the previous long tables. These new tables offer different seating options. Each table section is screened off with flower boxes, adding greenery and splashes of colour, and creating a more intimate space within the larger room.

By combining different seat heights, sections and a calming colour scheme, we created a pleasant and inviting school canteen that both students and adults can enjoy for many years to come. Teachers have noticed that students are enjoying their new dining space and are seeing positive effects both inside and outside the canteen.



Social engagement

Our business	3
Our sustainability work	9
Environment	17
Social	31
Our own workforce	32
Workers in the supply chain	37
Customer health and well-being	40
Social engagement	42
Governance	43

Our concern for people's health and well-being is not limited to their workplaces. Through our social engagement, we aim to make a positive impact in other areas as well, especially by supporting and helping children and young people. This year we have deepened our partnership with Attention.

Yennenga continues to develop

Yennenga Progress is a Swedish non-profit organization whose mission is to be a driving force in eradicating poverty by creating synergy across different sectors of life, covering all the UN development goals at a local level. What started with a preschool in Burkina Faso in 2001 is now a structure of welfare functions that can be used and spread in close collaboration with local administrations and communities. The focus is on education, health and infrastructure from a local perspective. Yennenga also works with entrepreneurship and organizations to help communities become self-sufficient.

The preschool in the village of Nakamtenga has expanded further to primary and secondary school and now takes students up to high school level. AJ Produkter has supported the project since 2012 by contributing furniture for all classrooms in the school as well as for the administrative premises. We have also paid for the principal's salary for several years.

This year, Yennenga launched reading passes, which encourage the children to take part in reading activities, receiving a diploma for every fifth book they read.

The organization also continued to give menstrual health attention, distributing over 1,000 menstrual cups to girls at high schools in the area. This work was noticed by the Minister of Health and Education.

In addition, a new waterhole and a water tower at the school has been secured.



In 2024, we also supported:

- **Attention** - an organization that supports people with neurodivergent conditions, such as ADHD, autism, Tourette's and language disorders. Through our collaboration, we aim to raise awareness about neurodiversity in schools and improve the learning environment for students.
- **BRIS Sweden** (Children's rights in society) - campaigns for a better childhood by standing up for children's rights and making children's voices heard.
- **Aktiv Skola** (Active schools) - works towards better schools in Sweden by focusing on drugs, grooming, health, the environment and bullying.
- **Hjärnfonden** - A Swedish organization that supports research into diseases that affect the brain and how they can be prevented.
- **Save the Children** - an international organization helping children affected by war and other disasters around the world.
- **Stockholm Pride** - is a non-profit and member-driven organization, with the purpose to create free zones for LGBTQ+ people and make these issues visible.

- **Team Rynkeby** - Europe's largest charity bicycle project, which collects money to support children with critical diseases.



We have been business partners with Attention since January 2024 but started collaborating in January 2023 with the purpose of exchanging experiences.

About 10% of all students have some form of neurodivergence and may struggle with school on a daily basis¹. Our focus is on helping schools adapt the physical learning environment so more students can manage a full day at school. Attention has used their expertise to review our assortment and classroom design concepts. This can involve reducing noise levels in busy areas to decrease distractions or creating isolated workspaces in existing classrooms to enable undisturbed work. The positive aspect of creating an environment adapted to suit neurodivergent students is that it benefits everyone. Additionally, Attention offered training about neurodiversity to our employees.

RIKSFÖRBUNDET
Attention

¹ Boyle et al., 2011, Gillberg, 2018.

Our business	3
Our sustainability work	9
Environment	17
Social	31
Governance	43
Business ethics and anti corruption	44

Governance



We want to make working environments better by being a responsible employer, business partner and stakeholder. Even though we already have processes in place to secure financial and information control among others, we want to further improve our governance by developing our structures and steering documents. This year we therefore reviewed and launched our internal Code of Conduct, together with a global whistleblower function.

Business ethics and anti-corruption

Our business	3
Our sustainability work	9
Environment	17
Social	31
Governance	43
Business ethics and anti corruption	44

Our values are the foundation of business ethics in our company; engaged, responsive, knowledgeable and genuine. These are promoted in our on-boarding program and at relevant occasions and trainings, e.g when information was shared about the new whistleblower function. Through our annual employee survey, we can follow up that the values are integrated and respected among co-workers.

New whistleblowing function

Our internal Code of Conduct applies to all employees in Tollsbo Group and includes guidelines on how we should interact with each other and with external stakeholders, as well as how we should conduct our business.

In 2024 we implemented a new global whistleblower function for all employees in the group. This third-party whistleblowing service ensures whistleblower anonymity. Employees are recommended initially to bring up any misconduct with a manager or HR, but a report can also be

submitted through this new function. Any suspicion of misconduct, such as violations of the law, regulations, or internal policies and Code of Conduct can be reported.

A comprehensive process of how these cases are handled, and by whom, has been implemented. We have a total prohibition on retaliation against whistleblowers, meaning that a person who expresses a genuine suspicion or concern does not risk losing the job or suffering any form of sanction or personal disadvantage as a result of their report. It does not matter if the suspicion turns out to be false, provided the whistleblower acted in good faith.

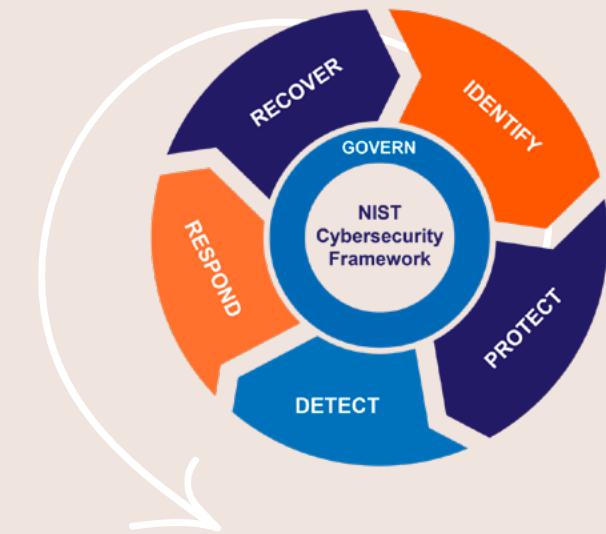
The whistleblower function was launched in connection with our Code of Conduct, both verbally, digitally and through posters in our factories and warehouse. In connection to the launch, we provided the managers with training materials and updated our digital preboarding program to our new employees.

It is our goal to have zero errands, and in 2024, no reports were submitted to the whistleblower function. We are well aware that there still can be misconduct errands in the organization, that we to some extent can follow up by our annual employee survey.

Financial control

To assure financial control and governance, we have several processes and practices in place. As a baseline, our internal bookkeeping and accounting follow best accounting practice. We use a global actor for auditing and assurance to verify legal compliance and financial reporting in all operations and subsidiaries. All payments are approved by two parties, and we use software to help us control outgoing payments. The system provides functions to ensure that we are not exposed to fraud or other irregularities, and that no secondary employment conflicts with the company's interests. We check our customers for fraud and credit ability. To further improve financial and legal control, we have third-party screening of all our suppliers to ensure stable and trustworthy relationships with our business partners. Our bank has systems enforced to avoid money laundering. All new employees are checked for a criminal record before receiving payments on a regular basis.

We had no reported cases of fraud, irregularities or corruption in 2024.



Cybersecurity increasingly important

IT security and cybersecurity are increasingly crucial components of our operations. Therefore, we work systematically with actions and mitigations for cyber security risks. Our program is defined by an initial cyber security risk and vulnerability analysis. Our program was defined based on the structure from NIST Cyber Security Framework and the result of the initial analysis.

Our information security management process aims to align IT security with business security and ensure that information security is managed effectively across all services. It is of outmost importance that information and information systems are available and usable when needed, can resist attacks, recover from or prevent failures, and are observed by or disclosed only to those who have the right to access them; further, that information is trustworthy and held with integrity. We follow a cybersecurity program that includes an annual audit and quarterly review of the roadmap. To support our employees in avoiding IT risks, we have comprehensive IT guidance policies, and all employees receive regular security awareness training.



AJ Produkter AB
S-301 82 Halmstad
Transportvägen 23
Phone no: +46 (0)35 180 000
Email: sustainability@ajprodukter.se



Happiness at work™