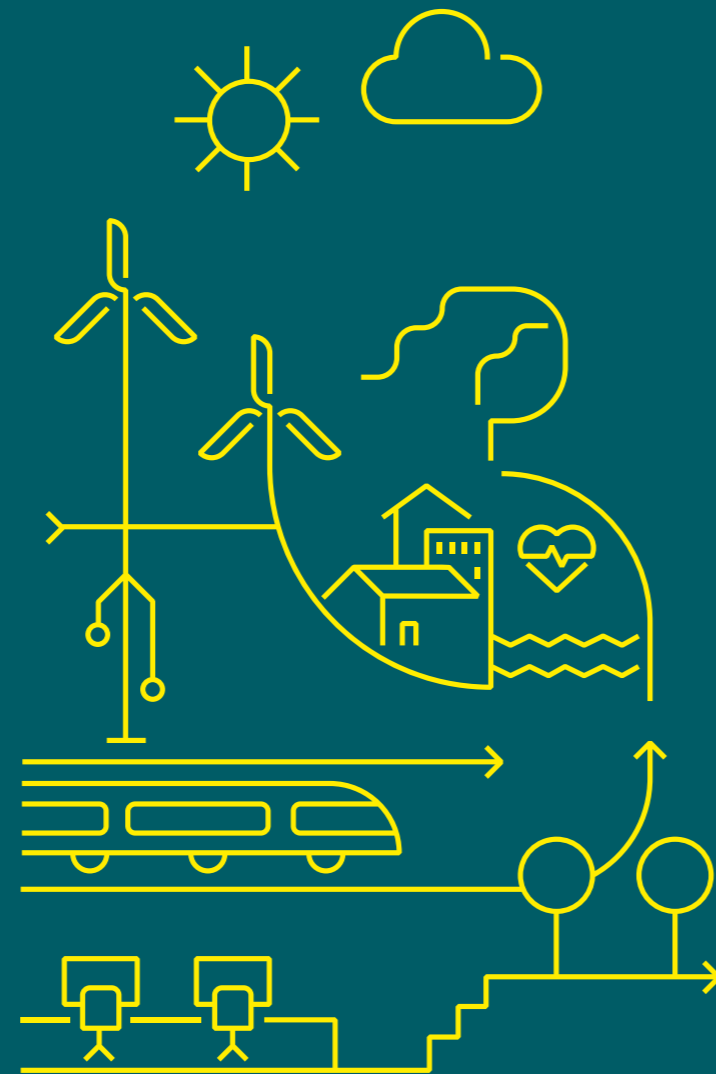


SUSTAINABILITY REPORT

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About Assemblin's Sustainability Report

The Board of Directors of Assemblin Holding AB, corporate ID number 559025-2952, hereby submits its sustainability report for the Assemblin Group for the period from 1 January to 31 December 2018. The sustainability report describes Assemblin's operations from a sustainability perspective, based on the issues deemed most significant for the company and its stakeholders.

This report is inspired by the international sustainability reporting standard Global Reporting Initiative (GRI) G4, which also forms the basis for the definitions and calculations of the sustainability data presented here. In all other respects, the report complies with relevant reporting and consolidation principles in accordance with the financial accounting.

This Sustainability Report is a part of Assemblin's 2018 Annual Report, which is available in its entirety on the company's website. This explains why the pagination begins on page 26. This report can be read separately, but occasionally it contains references to other parts of the 2018 Annual Report.

“Assemblin's vision is to create smart and sustainable solutions, by people, for people. Our starting point is conducting sound, profitable operations with respect for the surrounding community, as well as being economical with our own and others' resources.”

Mats Johansson, President and CEO

Sustainability at Assemblin – responsibility, respect and a holistic perspective

Assemblin's objective is to be a responsible installation company that creates value, with respect to employees, customers and owners as well as to society as a whole.

Our view of sustainability

All companies are an integral part of society, and are responsible for the impact on people and the environment that their operations give rise to. A sustainable approach involves understanding, and taking responsibility for, decisions taken — both short- and long-term.

Assemblin is convinced that a responsible long-term approach is a precondition for stable, profitable growth over time. The sustainability dimension in our value-creation business model, described on pages 16–17, means that we must be prudent with the resources we use in our operations, and that we must take into account the impact our service and installation activities give rise to. We can thus generate value for our customers, our employees and our owners, as well as for society as a whole.

Regulations governing sustainability initiatives

Assemblin's sustainability initiatives are based on the legislation and regulations in force in the countries where we operate, and also on international agreements, external certification requirements as well as internal values and policy documents.

External regulations

Laws and regulations in the Nordic region, including issues such as work environment, the environment, the handling of chemicals, bribery and corruption, are highly developed. Human rights and freedoms are provided for in many aspects. Assemblin also fully supports the ten principles of the UN Global Compact, even though we have not formally signed on. Other important international agreements that impact As-

semblin are the Paris Agreement and the 2030 Agenda for Sustainable Development from the UN (“2030 Agenda”).

Internal regulations

At Assemblin, there are also shared values and internal regulations concerning such important issues as ethics, bribery and corruption, work environment, the environment and equality.

Responsibility and governance

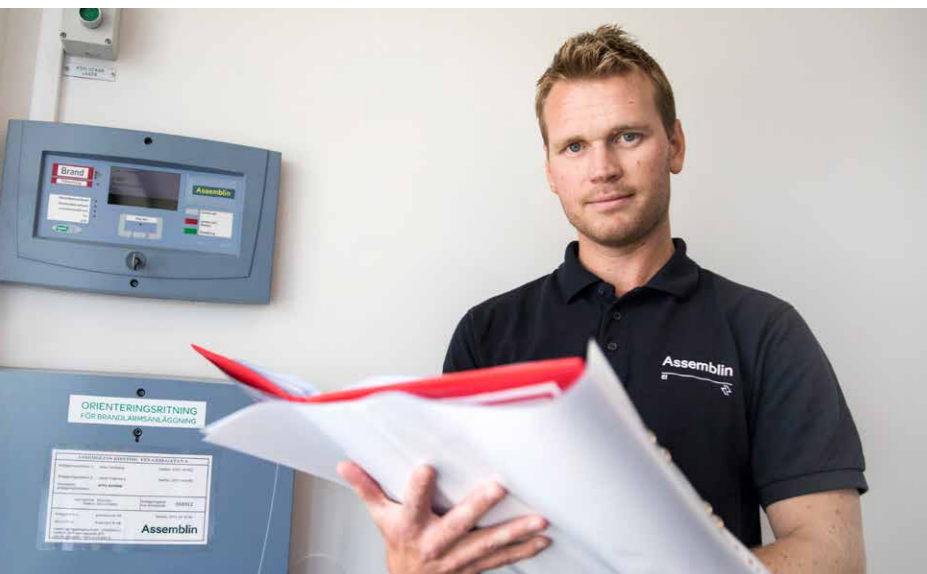
In Assemblin's decentralised organisation, initiatives around quality, the environment, and health and safety are pursued in every business area. To ensure a holistic perspective and coordination, there is also a central sustainability committee. This committee consists of the Group's Head of Communications and Sustainability (the convenor), the chief legal officer, and eight representatives from the five business areas. The committee reports directly to Group management and is tasked with monitoring legislation, following up on shared sustainability initiatives, channelling and disseminating good ideas and preparing documentation for decisions by Group management.

Assemblin follows up on its sustainability issues in a structured manner, on a semi-annual basis. This follow-up takes place through the business areas reporting data in a specific reporting tool that then calculates the relevant key sustainability figures at Group and business area level. The results are analysed by the sustainability committee and form the basis of proposals for measures that are then prioritised in Group management.

★ RISKS FROM A SUSTAINABILITY PERSPECTIVE

From a sustainability perspective, the Nordic installation industry is regarded as an industry with a low to moderate risk profile. One of the more prominent risks is workplace safety, since many of our assignments are carried out at construction sites that are hazardous from a health and safety perspective. Assemblin conducts no operations that require permits, and the environmental effects of the small amount of manufacturing that occurs are limited. From an environmental perspective, the greatest risk is that poorly completed technical installations could negatively impact people and the environment. One of Assemblin's largest contributions to the environment is helping its customers design energy-efficient installations that are optimised from a life-cycle perspective.

Legislation and regulations in the Nordic countries, however, are far-reaching and comprehensive, which means that active work to limit these risks cannot be neglected.



Stakeholder dialogue and business intelligence

Surveying and analysing the changing needs of our stakeholders ensures that we develop in pace with society. This is why Asseblin works actively on a structured stakeholder dialogue that provides us with valuable information on what we're doing well, what we need to improve and which issues our stakeholders perceive as important just now. The results of the stakeholder dialogue are an important starting point for Asseblin's development efforts.

One of the most important tools in the dialogue is the personal meeting, which is supplemented by other communication channels and surveys. The forms of the stakeholder dialogue, and which issues were in focus in 2018, are reported in the table at left.

Key sustainability topics in our Sustainability Report

The field of sustainability is a broad one, and sustainability issues are legion. Based on the operations we carry out, there are certain issues that are more relevant for us to report than others: our key sustainability topics. These sustainability topics are analysed on a yearly basis, based on business intelligence and stakeholder dialogues. The sustainability topics worked out in 2017 remain in our sustainability report for 2018.

In Asseblin's sustainability report, our sustainability topics are structured from a stakeholder perspective, which corresponds to our value creation model and our overall objectives (refer to *Strategy and value creation*). This means that our priority stakeholder groups (employees, customers, owners and society) are our primary segmentation for reporting on our sustainability initiatives.

Priority issues for 2018

Based on an aggregate valuation of the company's development, the recommendations of the sustainability committee and the results of the stakeholder dialogues, Group management forms an annual prioritisation of the issues that Asseblin is to focus on for the coming year. The sustainability topics that were in particular focus in 2018 include information security, corporate governance, workplace safety and opportunities for efficiency enhancement and development using new technology.

ASSEBLIN'S MOST IMPORTANT STAKEHOLDERS AND CURRENT ISSUES, 2018

Stakeholder group	Issues in focus for 2018	Primary form of dialogue
Priority stakeholders		
Customers	<ul style="list-style-type: none"> Specific customer requirements Collaboration/partnering Multi-tech projects Energy efficiency and environment Safety and work environment Local community involvement 	<ul style="list-style-type: none"> Continual customer dialogue in every assignment Delivery monitoring Customer and market surveys Activities promoting customer relations
Employees	<ul style="list-style-type: none"> Remuneration and benefits Safety and work environment Opportunities for development Exciting projects 	<ul style="list-style-type: none"> Continual employee dialogues Internal channels (intranet, newsletters, text messages, e-mail, etc.) Employee surveys Activities that encourage well-being
Owners	<ul style="list-style-type: none"> Business community trends Earnings trends Corporate governance Sustainability Cyber risks Digitalisation 	<ul style="list-style-type: none"> Board meetings Continual dialogue with owner representatives
Society	<ul style="list-style-type: none"> Fossil-free energy Chemicals Equality/diversity Local community involvement 	<ul style="list-style-type: none"> Sustainability reporting Information and contact paths on website and in social media
Other stakeholders		
Suppliers	<ul style="list-style-type: none"> Prices and terms Safety and work environment Ethics and values (Code of Conduct) Chemicals 	<ul style="list-style-type: none"> Continual supplier dialogues Local supplier meetings Delivery monitoring
Trade unions	<ul style="list-style-type: none"> Labour law issues Remuneration Work environment, health and safety 	<ul style="list-style-type: none"> Meetings Negotiations
Government authorities	<ul style="list-style-type: none"> Personal data (new GDPR) Sustainability (reporting requirements) General compliance with laws, ordinances and regulations 	<ul style="list-style-type: none"> Structured monitoring Specialist network
Industry organisations, stakeholder organisations and specialist networks	<ul style="list-style-type: none"> Digitalisation Safety in the work environment Other relevant special issues 	<ul style="list-style-type: none"> Active membership/participation on the Board* Participation in conferences, courses, etc. Network meetings

* To more clearly pursue priority issues and to actively promote a more sustainable society and a healthier industry, Asseblin is a member and active partner in several industry organisations and other stakeholder organisations. In Sweden, Asseblin is a member of Installatörsföretagen, the "Häll Nollan" and "Jämnt på jobbet" industry initiatives, and the ethical council of Byggbranschen. In Norway, Asseblin is a member of the Confederation of Norwegian Enterprise (NHO in Norwegian), the Norwegian Association of Plumbing, Heating and Ventilating Contractors, and the Nelfo trade association. In Finland, Asseblin is a member of the Technology Industries of Finland, the Finnish Association of HVAC Technical Contractors, and STTA.

KEY SUSTAINABILITY TOPICS

Asseblin has defined thirteen sustainability topics that, based on our operations and geographical locations, are deemed as the most significant to work with. In the table at the bottom of the page, they are also mapped based on the "triple bottom line" (3BL) international framework, the GRI and the UN Sustainable Development Goals.

EMPLOYEES - Asseblin as a responsible employer that adds value	CUSTOMER - Asseblin as a responsible business partner that adds value	OWNER - Asseblin as a responsible investment that adds value	SOCIETY - Asseblin as a responsible member of the community that adds value
Important Sustainability Topics 1 Development and training 2 Health and safety (work environment) 3 Human rights, diversity and equality	Important Sustainability Topics 4 Safe, efficient methods (quality) 5 Innovative, energy-efficient solutions 6 Sourcing and supplier management	Important Sustainability Topics 7 Growth and profitability 8 Corporate governance and risk management 9 Business Ethics	Important Sustainability Topics 10 Production control and chemicals 11 Climate and energy (carbon emissions) 12 Resource use and waste management 13 Public welfare and community involvement

KEY SUSTAINABILITY TOPICS SORTED BY PRIORITY STAKEHOLDER GROUPS, TRIPLE BOTTOM LINE (3BL), GRI TOPIC AND UN SUSTAINABLE DEVELOPMENT GOALS

Key sustainability topic	Mapped to stakeholder group	Mapped to 3BL	Mapped to GRI topic	Mapped to SDG
1 Development and training	Employees	Social	Training and education, GRI 404	4. Quality education
2 Health and safety (work environment)	Employees, (customer)	Social	Occupational health and safety, GRI 403	3. Good health and well-being
3 Human rights, diversity and equality	Employees	Social	Diversity and equal opportunity, GRI 405 + Non-discrimination, GRI 406	5. Gender equality 10. Reduced inequalities
4 Safe, efficient methods (working method)	Customer	Business	Management approach, GRI 103	12. Responsible consumption and production
5 Innovative, energy-efficient solutions	Customer	Business, environment	Carbon dioxide + Energy use, Scope 3 use of products sold, GRI 305-3	11. Sustainable cities and communities
6 Sourcing and supplier management	Customer	Business, social, environment	Supplier environmental assessment, GRI 308 + Supplier social assessment, GRI 414	12. Responsible consumption and production
7 Growth and profitability	Owners	Business	Economic performance, GRI 201	8. Decent work and economic growth
8 Corporate governance and risk management	Owners	Business	Management approach, GRI 103	12. Responsible consumption and production
9 Business ethics	Owners, (customer)	Business, social	Management approach, GRI 103 + Anti-corruption, GRI 205	8. Decent work and economic growth
10 Production control and chemicals	Society & environment	Environment	Materials, GRI 301/GRI 306	12. Responsible consumption and production
11 Carbon emissions (climate and energy)	Society & environment	Environment	Emissions, GRI 305	12. Responsible consumption and production + 13. Climate action
12 Resource use and waste management	Society & environment	Environment	Effluents and waste, GRI 306	12. Responsible consumption and production
13 Public welfare and community development	Society & environment	Social	-	11. Sustainable cities and communities



Responsibility as employer

Assemblin intends to be perceived as the most attractive employer in the industry. We are attempting to achieve this by being a stimulating, responsible employer that offers exciting work assignments and a sound, inclusive corporate culture.



WHAT DO OUR EMPLOYEES THINK?

We are firmly convinced that committed, satisfied employees produce better results. That is why, alongside personal performance reviews, employee surveys and smaller “pulse measurements” are carried out on a regular basis. The measurements conducted in 2018 confirmed that general well-being has increased, even if the results differ among various divisions. Particularly gratifying is that the Net Promotion Score loyalty index is at a very high level.

An internal brand survey was also conducted in 2018, in which over 1,000 employees responded to questions about why they chose to work at Assemblin. The factors that topped the list were: pleasant, knowledgeable colleagues; great opportunities for developments and Assemblin being a major employer with a broad range of competence.

Assemblin as a responsible employer that adds value

How we create value for our employees

A responsible, stimulating employer that offers exciting assignments in a positive, safe and non-discriminating work environment.

Important sustainability topics from an employee perspective

- 1 Development and training
- 2 Health and safety (work environment)
- 3 Human rights, diversity and equality

Development and training

Employee training is a priority issue in all business areas; they offer introductory and training programmes for their employees. The most common programmes are occupational training, project management programmes and leadership programmes. To promote a shared culture, there is also a Group-wide qualified leadership programme for managers and specialists. The first programme, developed in partnership with the Stockholm School of Business, was carried out in 2018 with excellent results; and a new programme will be carried out in 2019.

During the year, Assemblin EI tested a new technical platform for web training in conjunction with a boom lift training programme. From here on, the platform will also be used for Group-wide web training programmes. First out is a Group-wide training programme in Assemblin's Code of Conduct, which will be launched in early 2019. In addition to web training, practical web guides are also used in the operations.

Strengthening (and promoting) and promoting skilled employees is also an important area of focus. There is a clear career

ladder at Assemblin, and the proportion of internal recruitment in appointing project managers, specialists and managers is high. During the financial year, Assemblin brought in 441 people (347) into work life through a well-structured apprenticeship system and as interns. Average personnel turnover (including retirements) decreased in 2018, totalling 12 per cent, which reflects the high degree of mobility in the industry.

Health and safety

Many of Assemblin's employees work at construction sites that are often hazardous work environments, and certain work elements are particularly risky. Safety is thus a priority, and we work actively to prevent and reduce the number of workplace injuries in our operations as a whole. Risk analyses, the right equipment, the right training and the right information are a precondition in all assignments. Other measures include internal campaigns, theme days and theme weeks. In Sweden, Assemblin is also a member of the “Håll Nollan” safety initiative in the construction industry. Reporting and follow-up of risk observations, incidents and



THE HR PROCESS AT ASSEMBLIN



Assemblin's HR work is conducted in a structured manner in every business area, but with a certain amount of coordination. The shared objective is to build efficient processes as support for the local branches.

“We are firmly convinced that committed, satisfied employees produce better results.”

accidents take place in accordance with specific routines in each business area. The frequency of accidents that caused personal injuries with more than one day of sick leave (the IF rate) in 2018 was 9.6.

Assemblin also pursues active health and wellness initiatives, and all business areas offer some form of medical examinations as well as health and accident insurance. Other examples of health and wellness activities include subsidised physical training on leisure time, step counter challenges and campaigns. Follow-up dialogues with employees who are ill, and rehabilitation support for employees on long-term sick leave are also important measures for reduced absence due to illness. In 2018, absence due to illness decreased in all business areas, totalling 4.6 per cent (5.1), in line with comparable companies.

Health and safety work is systematically carried out in the respective business areas, but is also monitored at the Group level. Operations in the Assemblin Norway and Assemblin VS business areas are certified under the ISO 45001 international work environment standard.

Human rights, diversity and equality

Assemblin fully supports the principles of human rights in the UN Global Compact. Many of these rights are governed by law in the Nordic region, but issues such as respect for individual freedoms and dignity are nonetheless written into Assemblin's Code of Conduct.

Assemblin has a clear zero-tolerance vision regarding all forms of discrimination and bullying. One issue of particular importance in the construction and installation industry is gender equality, since the proportion of men has historically been extremely high. Assemblin tries in various ways to call attention to and to encourage women employees; since 2017, the company has been part of the “Jämmt på jobbet” initiative in the Swedish industry. In 2018, the total proportion of women in Assemblin was 5.9 per cent (5.9). The proportion of women managers is higher; among the highest-ranking managers the proportion of women was 13 per cent (15).



KNIFE AMNESTY IN DECEMBER

Cutting injuries are one of the most common workplace injuries in our operations. That is why Assemblin VS began a “knife amnesty” in December, in which knives with sharp tips were replaced with safer knives that had a blunt tip. At the same time as the safer knives were brought into use, new gloves were offered to all installers. The initiative is intended to reduce cutting accidents.

Responsibility as supplier

Assemblin intends to be our customers' first choice when selecting an installation partner. This is achieved through being close to our customers and continually developing our deliveries and our offering.

Assemblin as a responsible partner that adds value

How we create value for our customers

Innovative, sustainable installations that make buildings work and people feel comfortable.

Important sustainability topics from a customer perspective

- 4 Safe, efficient methods (quality)
- 5 Innovative, energy-efficient solutions
- 6 Sourcing and supplier governance



WHAT DO OUR CUSTOMERS THINK?

Assemblin brand awareness has increased steadily since the company was formed. In 2018, Assemblin conducted a market survey, which showed that in relation to its major competitors, Assemblin ranked high in the following areas:

- High level of technical competence
- Ability to conclude projects according to plan
- Local strength – strong local presence and strong local relations
- Documented experience with specific buildings

The areas in which customers perceived no major difference among the installation companies were price and ability to use the BIM information system and other digital tools.

Safe, efficient methods (quality)

Assemblin's deliveries are to be carried out efficiently, with the right quality, at the right time and at the right price. An important starting point is meeting our customers' wishes while never compromising on the requirements that laws, various industry standards and certificates impose. That is why there are tools, instructions, checklists and guidelines for the ongoing work are gathered into the business areas' management systems as support for this continual work.

Assemblin's operations are carried out in line with the requirements imposed in the ISO 9001 international quality standard, and 79 per cent of the operations (Assemblin EI, Assemblin VS and Assemblin Norway) have also chosen to formally sign on to this certification.

Innovative, customised and energy-efficient solutions

We continuously monitor market trends, and keep ourselves continually updated on the latest technology and methods.

Currently, a large number of develop-

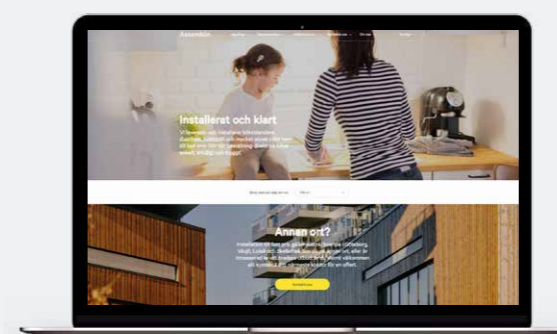
ment projects are in progress based on new technology, linked in particular with Building Information Modelling (BIM) – which is becoming more and more common both in the construction process and in the operation and maintenance phase. There is a great deal of experience in Assemblin with using BIM in own operations and in those linked to customers.

Our goal is, in close partnership with our clients, to create efficient, long-term, sustainable installation solutions that add value and enable the project costs and risks in construction projects to be minimised. At the same time, we always have the life cycle perspective in focus. Assemblin is a committed, responsible partner with the objective of always finding the best solution for our clients and their end users.

Assemblin can promote optimising its customers' facilities and properties from an environmental and energy perspective by actively proposing climate-smart and energy-efficient installation and service solutions.

Assemblin also has extensive experience in what is expected of an installation com-

NEW HABITS REQUIRE NEW SOLUTIONS



New technology creates new opportunities, and Assemblin is making use of them. In 2018, Assemblin launched two new digital solutions in response to customers' changing habits. One of them is the online shop, assemblin.se, where private individuals can quickly and easily order installations of shower sets, kitchen taps, toilets and much more at fixed prices. As a start, the online shop targets residents of Gothenburg, Växjö, Skellefteå and Luleå.



In Finland, Assemblin launched eManageri — a smart service platform that helps property managers and property owners monitor and manage energy efficiency in a property. The tool, developed by Assemblin, gathers and links data from a number of systems, including from energy companies and systems for property automation.

pany to meet the requirements of various certification systems for buildings – for example Leed, BREEAM, Nordic Ecolabel, Miljöbyggnad and EU Green Building. We can work on energy optimisation in our service assignments as well, for example through energy mapping, energy-efficient pumps and ventilation, and modern lighting solutions. Our customers can also count on our systematic internal health and safety work, which is described in more detail on pages 36–37.

Sourcing and supplier management

Sourcing and supplier management are important issues for Assemblin. A new data warehouse for purchasing was inaugurated in 2018, which facilitates opportunities for measuring and monitoring sourcing work.

The largest part of Assemblin's purchases is direct material purchased from selected framework agreement suppliers. The largest indirect purchases are vehicles, fuel and work uniforms. A Group-wide review was begun in 2018 of inventory such as service vehicles – especially from an environmental perspective – and electrical hand tools. In addition to this material, Assemblin also purchases certain services such as insulation work and consultant services. These

assignments are often procured locally.

There are procurement functions in our business areas that are responsible for signing agreements, and reviewing and monitoring larger framework agreement suppliers based on product categories. Before agreements are signed with larger framework agreement suppliers, a supplier assessment is conducted in which delivery capacity, accessibility, warranties, product responsibility, health and safety work, environmental work, finances, prices etc. are evaluated. The supplier must also certify that its operations meet the requirements in Assemblin's Code of Conduct for suppliers. A violation of these guidelines could lead to the partnership being terminated. The suppliers are routinely evaluated during the contract period. In following up on deliveries, the objective is to jointly develop the partnership.

Another important task for the procurement functions is, together with suppliers and the operation, to develop and evaluate new materials and products with the objective of having the right quality at the lowest total cost, with good availability. The approved product range is called Assemblin Bästa Val (Assemblin Best Choice). The Assemblin product

range contains only products that comply with the relevant laws and requirements. Compliance includes such standards as REACH, CLP, RoHS, WEEE, EPD and other relevant CE directives. In addition, suppliers must comply with the specific requirements that Assemblin imposes in its Code of Conduct for suppliers.

Three of Assemblin's business areas (Norway, EI and VS) provide selected products via purchasing systems through which all tenders are to be submitted. Purchases via the digital portals (Electronic Data Interchange, or EDI) are carefully measured and followed up on. The entire Group works actively on increasing contract loyalty, increasing EDI and reducing the number of cash and carry orders. In 2018, EDI experienced a robust increase in several of Assemblin's business areas. A high degree of EDI use leads to more efficient purchasing and better governance of Assemblin Bästa Val. Also, a decreased share of cash and carry orders leads to increased productivity and lower environmental impact in the form of reduced vehicle operation. In general, EDI is lower in service assignments than in contract assignments.

Responsibility as investment

Assemblin intends to be an attractive investment object that delivers stable and profitable growth with controlled risk. This means we must have a strong focus on earnings, and also a clear framework and a sound business culture.

Assemblin as a responsible investment that adds value

How we create value for our owners

Strong yield through stable financial development, with controlled risks and a sound approach grounded in business ethics.

Important sustainability topics from an owner perspective

- 7 Growth and profitability
- 8 Corporate governance and risk management
- 9 Business ethics

Stable growth and healthy profitability

In 2018, Assemblin reported strong growth and very strong earnings. For the full year, sales increased 8.8 per cent to SEK 8,885 million (8,169). Adjusted operating profit increased 59 per cent, totalling SEK 401 million (252), which improved the margin from 3.1 per cent to 4.5 per cent. Assemblin routinely reports economic trends to the company's Board of Directors. More on the company's financial trends can be read in the *Board of Directors' Report*.

As regards tax-related issues, the tax laws in effect and the prevailing practice in the countries where Assemblin conducts operations are applied. Swedish accounting policies are applied in financial reporting, and the consolidated financial statement is issued in accordance with the International Financial Reporting Standards (IFRS). The accounts are reviewed by external auditors.

Corporate governance and risk management

Assemblin's owners, and to a certain extent Assemblin's customers as well, place demands on Assemblin's corporate

governance and risk management efforts. The routine reporting to the company's owners is supplemented twice a year with comprehensive sustainability reporting, in which corporate governance and risk management are also included. Issues that the owners focused on in particular in 2018 were Assemblin's digitalisation agenda, cyber risk management and implementing the Code of Conduct.

An extensive review of the Group's shared policies, framework and shared principles was conducted in 2018. Basic information about corporate governance at Assemblin can be found in the *Corporate Governance* section.

Sound business ethics.

Assemblin's shared values and its Code of Conduct were updated during the financial year. The new Code of Conduct has been translated into all local languages, and is published on the company's intranet and external website. At the end of the year, work was also begun on producing a Group-wide web training programme in our Code of Conduct, which in 2019 will be mandatory for all employees at Assemblin.

Assemblin's employees are also encouraged to report their suspicions of violations, either via their immediate superior or anonymously via a special whistleblower service in the intranet. All reported incidents are investigated. If a crime is verified, it could form the basis for termination and/or a police report. In 2018, two cases of a more serious nature were investigated. One case resulted in a supplier's contract being terminated, and the other in an employee being issued a warning.

There is a special Code of Conduct for Assemblin's suppliers, which is an important tool in the company's supplier governance (refer to page 33).



SHARED VALUES AND SOUND CULTURE

Assemblin developed a new Code of Conduct in 2018. This Code of Conduct describes the fundamental ethical principles that are a guide to all decisions and actions in the Group. The Assemblin Code of Conduct is divided into four areas: work environment and safety, business ethics, communication and the environment. The section on business ethics deals with issues such as measures to limit competition or collaboration, bribes and money laundering. For further guidance on the company's positions against corruption, there is also an in-depth Policy against bribes and corruption.

The Group's shared values were also updated during the year. The starting point for the new values was finding concepts that were easy to understand and could be used by individual employees in their daily work lives. These shared values are also an important part of Assemblin's acquisition strategy. Consensus around culture and values facilitates the integration of new employees and operations. These values are presented on page 12.



Responsibility as member of the community

Assemblin intends to be a positive member of the community that conducts sustainable long-term operations with minimal negative impact on the environment and society.



ASSEMBLIN'S ENVIRONMENTAL IMPACT IN OWN OPERATIONS

In general, Assemblin's environmental impact is limited. Operations are not covered by an obligation to report, or licensing requirements for environmentally hazardous operations. In parts of its operations, Assemblin manages a certain amount of hazardous waste in accordance with applicable ordinances.

Assemblin's most significant internal environmental topics are resource use/waste management, production control/chemical management and carbon emissions arising from transportation, business travel and heating of own premises.

In the Swedish operations there are four smaller production facilities with limited environmental impact: Two electrical power stations in Gävle and Örebro, and two workshops for channel manufacture in Malmö and Linköping.

In addition to its internal environmental work, Assemblin can also reduce its environmental burden by actively proposing energy-saving solutions to the company's customers.

Assemblin as a responsible member of the community that adds value

How we create value for society as a whole

Healthy citizens in buildings with good indoor climates. Job opportunities and tax revenue. Local community involvement. Operations with limited environmental impact.

Efficient use of resources and waste management

Good planning is the most effective method for optimising purchased materials and minimising waste. In a circular economy it is also important to recycle the waste, that despite everything does occur, to the greatest extent possible. Waste is managed locally in every individual assignment. In the larger contractor assignments, the contractor often provides sections for sorting waste at the construction site. In the service assignments, waste is usually managed via external environmental control companies. Even at most of its local offices, Assemblin has its own sections for waste management.

Production control and chemicals management

In our assignments, we install ventilation equipment, heating and water pipes, electric cables and other equipment. Purchasing at Assemblin is done locally, but is governed via a controlled product range that is found

Important sustainability topics from a societal perspective

- 10 Production control and chemicals
- 11 Climate and energy (carbon emissions)
- 12 Resource use and waste management
- 13 Public welfare and community involvement

in all the business areas. The product range is determined by the purchasing divisions of the business areas in close collaboration with the head of environment and quality, who is knowledgeable about product requirements imposed in various systems such as BASTA, Sunda Hus and Byggvarubedömningar. The approved product range is provided in purchasing systems specific to the business area, and increasing the share of electronic purchases is an express objective. In 2018, the proportion of electronic purchases (EDI) experienced a robust increase in several business areas.

Under REACH, the European chemicals legislation, Assemblin is classified as a downstream consumer. Using various chemicals management systems, all chemicals are managed in accordance with REACH guidelines.

Climate and energy (carbon emissions)

Assemblin conducted energy mapping of third-party players in the Swedish compa-

Access to fresh water should be self-evident

As a Christmas gift to its employees, Assemblin in Norway wanted to give something that would be of lasting benefit to people who really needed it, and at the same time was linked to Assemblin's operations. Contact with the Chivi Foundation, a relief organisation, resulted in collaboration around drilling a well and providing a school in rural Zimbabwe with water. The project was carried out in 2018, with excellent results. The school now has a well that produces fresh, clean drinking water for students and teachers.



nies for 2017/2018. The mapping confirmed that the immediate carbon dioxide emissions that Assemblin generates and can itself control primarily comprises emissions from transportation (Scope 1), heating of own offices (Scope 2) and emissions from business travel (as a part of Scope 3). The carbon emissions Assemblin generates from these areas totalled approximately 1,443 kg per FTE employee (refer further to the table of key figures on page 38). These areas are commented on separately, below.

Assemblin also follows up annually on the indirect climate impact via purchases of goods and services (Scope 3) per business area. As a basis for these calculations, templates are used based on the sector or industry the supplier is part of (under the GHG global standard), which does not always correspond to Assemblin's actual purchases and must therefore be interpreted with care. It can be stated, however, that this climate impact is significantly greater than the direct impact from Assemblin's operations. The area of technology that represents the relatively largest climate impact under Scope 3 is ventilation, which is a more material-intensive operation than heating and sanitation and electricity, for example.

Carbon emissions from transportation

In Assemblin, there is a large number of service trucks and other service vehicles, and carbon emissions from own service trucks (Scope 1, Transportation) is Assemblin's largest direct source of emissions. Assemblin primarily purchases service trucks that run on diesel (HVD), petrol or electricity. To reduce its environmental impact, a phase-out of older trucks and, where possible, a transition to smaller vehicle models are currently in progress. Assemblin's objective over the long term

is to switch to electric and gas-driven vehicles. The general perception is that at present, the range of transportation vehicles than run on electricity is too short. Developments in the automotive industry are moving rapidly, however, and Assemblin's understanding is that within a few years a large-scale switch to electric vehicles will be possible.

Total fuel consumption for the Group's service vehicles was reported as 34,534 MWh, corresponding to a carbon impact per employee (FTE) of 1,363 kilogrammes and average emissions per vehicle of 163 g CO₂ (181) per kilometre (refer further to the table of key figures on page 38). This is a tremendous reduction year-on-year, which is primarily attributable to a large portion of the vehicle fleet in Norway, Sweden and Finland being replaced. Assemblin in Norway is taking the lead on electric vehicles; a large number of them were put into use, primarily in service assignments, in 2018.

Carbon emissions from business travel

Assemblin has invested in modern technology for remote meetings, which can replace business travel to a certain extent, for the purpose of saving time, money and the environment. The use of both existing conference equipment in all of the larger Assemblin offices and of Skype meetings increased in 2018.

Based on the information in our travel portal, total carbon emissions from business travel during the financial year totalled 56 kilogrammes per employee (FTE). Travel was allocated quite evenly across operations, but the operations in Norway stand out since they included travel to Europe in connection with the awarding of a prize.

Carbon emissions from own premises

Assemblin is working actively to gradually co-locate operations located close to each other, thereby optimising local usage and reducing carbon impact from heating of own premises (Scope 2). In many offices, fossil-free electricity is used for heating. In Sweden, carbon emissions from own premises is negligible; Norway is the same except for one Norwegian office that at present generates a large amount of emissions. Total carbon emissions from own premises in 2018 was reported as 24 kilogrammes per employee (FTE), of which the operations in Finland represented the largest portion (refer further to the table of key figures on page 38).

Public welfare and community development

Assemblin contributes to society through local sponsored activities and community involvement in the locations where we operate. Examples include local partnerships with sporting clubs, local environmental projects and local mentoring programmes.

Swedish involvement in the preceding year's Movember campaign was followed up in 2018 through a fund drive in the Nordic region to benefit the fight against prostate cancer. In November, upwards of a thousand Assemblin vehicles were decorated with blue moustaches on their grilles to call attention to the Movember campaign while fund drives were carried out. In total, Assemblin – together with its employees and customers – collected SEK 127,000, the full amount of which was donated to prostate cancer research.

One of Assemblin's largest contributions to society is bringing young people into working life through a well-developed apprenticeship system (read more on page 30).

Reporting of key figures

The energy data presented here has been defined and calculated under the policies of the GRI international sustainability standards and the Greenhouse Gas Protocol. In all other respects, the report complies with relevant reporting and consolidation principles in accordance with the policies in financial accounting.

KEY FIGURES	Group 2018 ¹	Electricity	Heating & sanitation	Ventilation	Norway	Finland
EMPLOYEE FIGURES						
Average number of employees, FTE	5,630	2,754	1,428	515	595	215
– of which women, %	5.9	5.3	5.9	6.8	5.5	9.6
Number of senior executives, FTE	52	14	9	5	8	7
– of which women, %	13.5	7.1	22.2	40.0	12.5	0.0
Average age, total	40	40	41	43	37	43
Sick leave, %	4.6	4.5	4.4	4.9	5.3	4.1
– of which long-term	2.3	1.9	3.1	2.3	2.7	1.2
Injury frequency (IF)	9.9	7.6	12.9	3.1	11.4	31
Near misses, number	96	11	39	23	23	N/A
Fatal accidents, number	0	0	0	0	0	0
KEY FINANCIAL FIGURES						
Sales, SEK m	8,885	3,588	2,379	1,317	1,073	539
Adjusted operating profit (EBITA), SEK m	401	165	107	73	71	11
Adjusted operating margin (EBITA), %	4.5	4.6	4.5	5.6	6.6	2.0
KEY ENVIRONMENTAL FIGURES						
Fuel consumption of vehicles in operations, MWh	34,534	13,717	13,922	4,598	1,816	514 ²
Carbon impact from vehicles, kg/FTE	1,363	1,062	2,032	2,397	818	403 ²
Carbon impact from electricity in operations, kg/FTE	24	1.5	0	0	55	319 ³
Carbon impact from business travel, kg/FTE	56 ⁴	41 ⁴	56 ⁴	49 ⁴	127 ⁴	29 ⁴
OTHER KEY FIGURES						
Share of ISO 14001 certified operations, %	79	100	100	0	100	0
Share of ISO 9001 certified operations, %	79	100	100	0	100	0
Share of OHSAS 18001/ISO 49001 certified operations, %	36	0	100	0	100	0
Number of apprentices	441	115	199	10	98	19

FOOTNOTES

- 1) The Group also includes Group staff, who are however not reported separately in this list.
- 2) In 2018, Finland switched fuel suppliers, who could only report 11 months; fuel consumption for 1 month has therefore been calculated on a standard rate.
- 3) As of 2018, Finland includes an office that previously could not report energy use separately.
- 4) The information for 2017 also included accommodation and hotels, which are not included as of 2018.

Definitions of selected key sustainability figures

Average number of employees, FTE

Refers to the number of employees, recalculated into full-time equivalents.

Senior executives

Members of the Group and business area management groups at year end.

Sick leave

Total sick leave (short- and long-term). Sick leave is commented on under Health and safety on pages 30–31.

Injury frequency (IF)

A sudden, serious incident during working hours or on the way to/from work that caused personal injury with more than one day of sick leave, divided by the number of hours worked × 1,000,000. For the number of hours worked, a standard rate of 1,800 hours per average number FTE is used. Injury frequency is commented on under Health and safety on pages 30–31.

Near misses

The total number of risk observations and incidents during working hours or on the way to/from work.

Fatal accidents

The total number of risk observations and incidents during working hours or on the way to/from work.

Fuel consumption of vehicles in operations

The key figure corresponding to GRI 302-1A. Information on the purchase of fuel from Assemblin's leasing company, or alternately the reported number of kilometres driven, recalculated to energy based on vehicle type, was used

as the basis for the calculation. This information is commented on under Climate and energy on pages 36–37.

Carbon impact from vehicles (Scope 1)

Information corresponding to GRI 305-4. Fuel purchased via Assemblin fuel cards, or alternately the reported number of kilometres driven, recalculated to carbon impact based on vehicle type, was used as the basis for the calculation. This information is commented on under Climate and energy on pages 36–37.

Carbon impact from electricity in operations (Scope 2)

The key figure corresponding to GRI 301-1C. Invoicing and/or consumption information on fuel purchased, and carbon calculations based on the reported sales mixes from energy companies, was used as the basis for this calculation. This information is commented on under Climate and energy on pages 36–37.

Carbon impact from business travel (part of Scope 3)

The key figure corresponding to GRI 305-4. Information on business travel booked via the travel agencies Assemblin has a framework agreement with was used as the basis for this calculation. Travel may also have been booked outside the travel portal. This information is commented on under Climate and energy on pages 36–37.

Share of ISO 9001, ISO 14001 and OHSAS 18001/ISO 45001 certified operations

This information reflects the share of certified operations in Assemblin's total sales.

Auditor's statement regarding the statutory sustainability report



To the Annual General Meeting of shareholders of Assemblin Holding AB, corporate identity number 559025-2952

Engagement and responsibility

It is the Board of Directors who is responsible for the sustainability report for the year 2018 on pages 26–39 and that it is prepared in accordance with the Annual Accounts Act.

The scope of the examination

Our examination has been conducted in accordance with FAR:s auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

Stockholm, 15 April 2019
KPMG AB

Helena Arvidsson Älgne
Authorised public accountant