

SUSTAINABILITY

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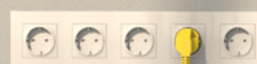
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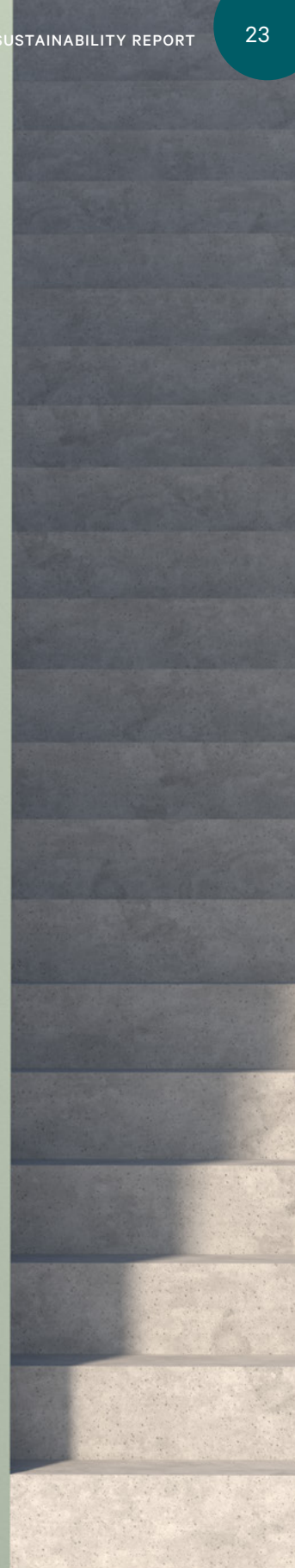
About Assemblin’s Sustainability Report

The Board of Directors of Assemblin Financing AB (publ), corporate ID number 559077-5952, hereby submits its sustainability report for the Assemblin Group for the period from 1 January to 31 December 2019. 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 Global Reporting Initiative (GRI) G4, the international sustainability standard, 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 2019 Annual Report and Sustainability Report, which is available in its entirety on the company’s website. This explains why the pagination begins on page 22. This report can be read separately, but occasionally contains references to other parts of Assemblin’s 2019 Annual Report and Sustainability Report.

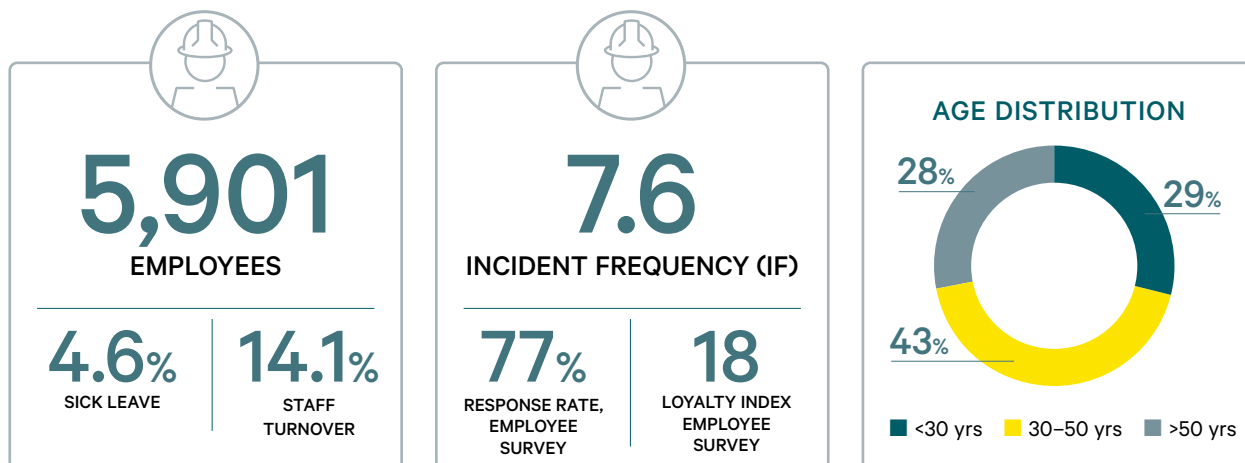
All amounts are in SEK million unless otherwise indicated. Differences in the totals may occur due to rounding.



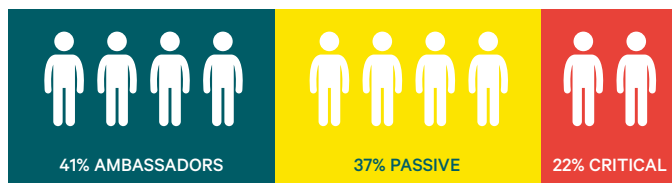


The year in sustainability, in figures

EMPLOYEES



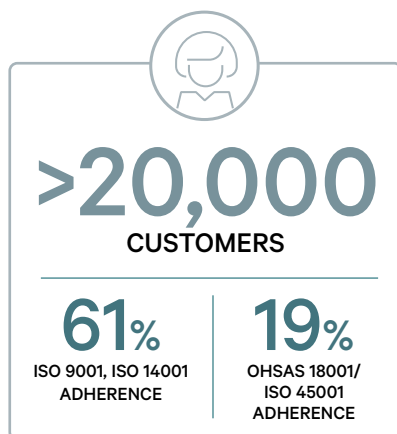
Loyalty index, distribution 2019



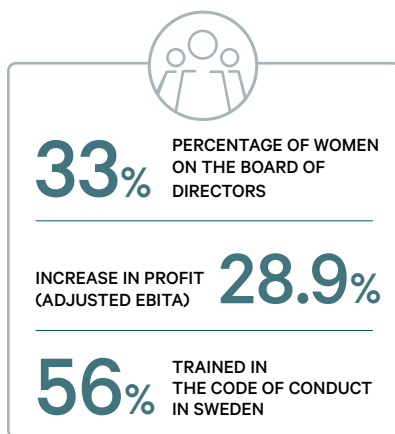
A strong loyalty index

In 2019, Assemblin conducted a Group-wide employee survey in which 77 per cent of all those employed for longer than one month participated. Compared with previous surveys, the results in several areas had improved. Particularly gratifying was the thoroughly strong loyalty index (Net Promotion Score, or NPS) of 18, which can be compared with an average of 9 for other companies in the Nordic countries and 12 for the construction and installation industry.

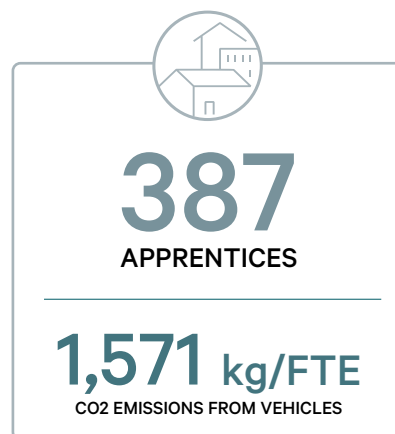
CUSTOMERS



OWNERS



SOCIETY & ENVIRONMENT



Long-term, sustainable value creation

Thirteen key sustainability topics, grouped from a stakeholder perspective, form the basis of Assemblin's value-creating sustainability initiatives.

Our view of sustainability

A responsible long-term approach is a precondition for stable, profitable growth over time. The challenge is to conduct sound, competitive operations today without compromising the possibility of doing so in the future.

For Assemblin, sustainability is a broad, long-term perspective that involves the company trying to understand and take responsibility for the full consequences of the decisions it makes – both in our own operations and in our immediate environment, over the short and long term. In our ambition to create smart, sustainable installations, we must be prudent with the resources we use and take into account the impact caused by our operations. As a starting point for our value-creating sustainability initiatives, we have chosen a stakeholder perspective: Assemblin is to generate value not only for its customers, employees and owners, but also for society and the environment in general.

Internal and external regulations

Laws and regulations in the Nordic region around such issues as work environment, the environment, the management of chemicals, bribery and corruption are highly developed. Human rights and freedoms are respected in many aspects. Compliance with legislation and practices in the countries where we operate is a natural starting point, but we have higher ambitions than that. To ensure we meet the requirements and expectations of our business environment, we have developed internal regulations governing our sustainability initiatives. In 2019, a new Group-wide sustainability policy was adopted, which functions as a wide um-

rella for the broad area of sustainability. This policy contains principled positions in Assemblin's thirteen key sustainability topics (refer to the next section for more details). Together, Assemblin's sustainability policy, values and Code of Conduct are the most important governing documents in the area of sustainability, setting the minimum level for all operations. In addition, there are a number of supplemental policies and instructions on such subjects as bribes and corruption, restrictions on competition and information security. This sustainability policy, published on Assemblin's website, also indicates the international standards and agreements Assemblin has chosen to support. One example is the ten principles of the UN Global Compact, even though we are not a formal signatory. The Global Compact is an international framework founded on documents including the UN Declaration of Human Rights, the ILO's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration and the UN's Convention against Corruption. Other important international agreements that impact Assemblin are the Paris Agreement and the UN Sustainable Development Goals ("Agenda 2030"/"SDG").

Responsibility and governance

Together with Group Management, the President and CEO bears ultimate responsibility for the sustainability initiatives at Assemblin. Responsibility for operating activities is decentralized to each business area, however, to ensure a holistic perspective and coordination there is a central Sustainability Committee that reports directly to Group Management. 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 Sustainability Committee is tasked with monitoring legislation, following up on shared sustainability initiatives, channelling and disseminating good ideas and preparing documentation for decisions by Group Management.

In 2019, the Committee held two meetings, between which there were routine discussions by telephone and video.

Monitoring and reporting

Assemblin routinely monitors the results of its sustainability initiatives in a structured manner. Especially important key indicators are identified in the regular monthly reporting, and a more comprehensive sustainability report is compiled twice a year. This reporting takes place through a special reporting tool that then presents relevant sustainability data.

Since 2017, Assemblin has presented a selection of sustainability-related key figures in an annual external sustainability report. The results for 2019 can be found at the end of this sustainability report.

Risks and opportunities from a sustainability perspective

From a sustainability perspective, the Nordic installation industry is regarded as an industry with a low to moderate risk profile. Each year, Assemblin conducts a risk assessment that also includes sustainability risks. The result is summarised in a top risk report, which is presented in the *Board of Directors' Report*.

There are 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. This risk can be balanced in part through insurance.

Promoting improvements to the environmental and energy performance of a property is a business opportunity that Assemblin tries to utilise by offering services in energy efficiency enhancement and long-term sustainable installation solutions. Another business opportunity is new needs that arise in conjunction with climate change and the ongoing switch to a fossil fuel-free society.

Adaptation to ongoing climate changes

At the request of the company's owners, Assemblin's Sustainability Committee conducted a climate change analysis in 2019 inspired by the international Task Force on Climate-related Financial Disclosure (TCFD) framework. This effort resulted in a survey of the risks and opportunities arising as a consequence of the ongoing climate changes in the short, medium and long term, based on different scenarios. Based on Assemblin's low level of dependence on fossil-based products and fuels, its high degree of flexibility and small real estate holdings that could be destroyed, our climate risks are deemed to be limited in scope. Our type of operations has relatively low exposure to climate changes, and our adaptability is strong. At the same time,

the need for installation services is perceived to be increasing in conjunction with the need for renovation and rebuilding as the result of damages caused by extreme weather, which is an opportunity for Assemblin. Over the short and medium term, we can also expect increased demand for projects in enhancing energy efficiency, re-use of grey water and rainwater, charging poles and solar panels alongside increased investments in biofuel plants, hydroelectric stations and wind farms.

The results of the analysis were presented to Group Management and the Board of Directors, who adopted a new climate strategy for Assemblin in December. This climate strategy means Assemblin must keep pace with climate trends and the ongoing change to a fossil fuel-free society. We must make use of the business opportunities that arise, and limit risks to acceptable levels by taking the necessary actions early on.

Thirteen key sustainability topics

In 2017, Assemblin's Sustainability Committee identified thirteen sustainability topics that, based on our operations and geographical locations, were deemed to be the most significant for the company. In our sustainability report, we have chosen to group our significant sustainability topics from a stakeholder perspective. These sustainability topics are presented in the summary on the right, where they are also linked to the UN Sustainable Development Goals (SDGs), the GRI sustainability standard and the triple bottom line (3BL)

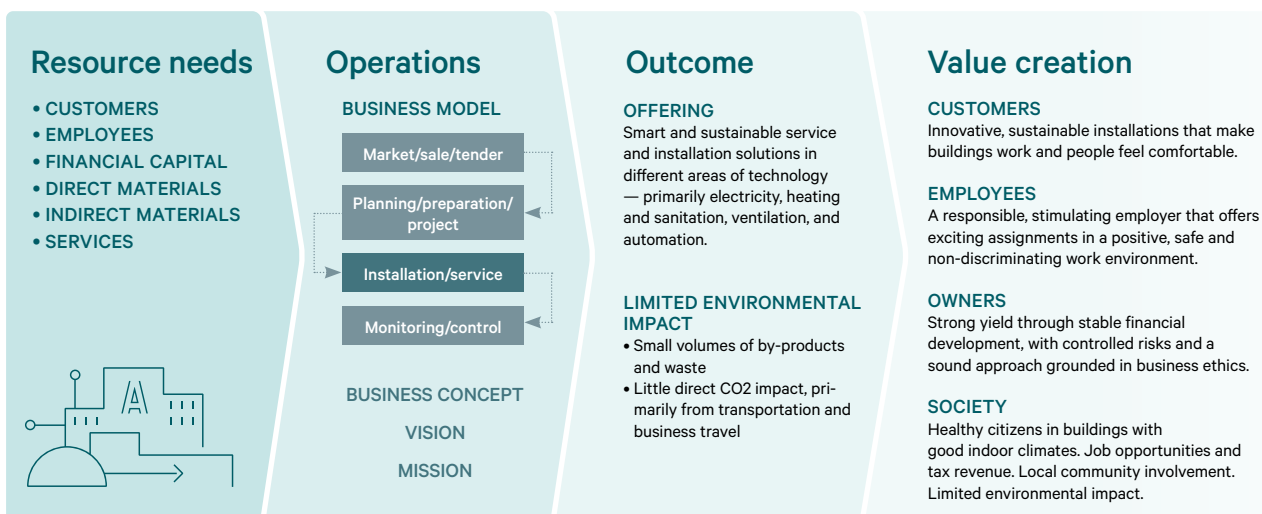
framework. This mapping was updated and expanded against the UN SDGs in 2019. In 2019, Assemblin's Sustainability Committee conducted a review of Assemblin's key sustainability topics. The review resulted in the existing topics being kept. The Committee also ranked the importance of the topics both internally and externally, which resulted in small differences compared with the corresponding ranking from 2018. The largest change was that the climate topic is perceived to have increased in importance, both internally and externally.

Priority sustainability topics for 2019

Starting with our stakeholder dialogue and business environment analysis on the one hand, and the outcome of our selected key figures on the other, the Sustainability Committee annually evaluates the need for increased efforts in any area. The results were submitted to Group Management, which based on the Committee's recommendations, the company's performance and the priorities of the Board of Directors produces a collective assessment of which issues the Group will jointly focus on for the forthcoming financial year. The business areas can also themselves choose to highlight more aspects in their work.

The sustainability topics jointly prioritised in 2019 were profitability, work environment and safety, corporate governance and risk management, as well as leadership development.

ASSEMBLIN'S VALUE CREATION MODEL



Our objective is to create value for our most important stakeholders as well as for society as a whole. This means we are to be prudent with the resources we need, to be efficient and responsible, and to deliver sustainable installation solutions with minimal environmental impact.

KEY SUSTAINABILITY TOPICS

Assemblin has defined thirteen sustainability topics that, based on the operations we conduct, are deemed as the most significant to work on. These topics are shown in the table below. In the table at the bottom of the page, they are also mapped based on the triple bottom line (3BL) international framework, the GRI reporting standard and the UN Sustainable Development Goals (SDGs).

CUSTOMER Assemblin as a responsible business partner that adds value	EMPLOYEES Assemblin as a responsible employer that adds value	OWNER Assemblin as a responsible investment that adds value	SOCIETY Assemblin as a responsible member of the community that adds value
IMPORTANT SUSTAINABILITY TOPICS 1 Safe, efficient methods (quality) 2 Innovative, energy-efficient solutions 3 Strong supplier management	IMPORTANT SUSTAINABILITY TOPICS 4 Development and education 5 Health and safety (work environment) 6 Human rights, diversity and equality	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), RELEVANT GRI TOPIC AND UN SUSTAINABLE DEVELOPMENT GOALS (SDGS)

Key sustainability topic	Mapped to stakeholder group	Mapped to 3BL	Mapped to GRI topic	Mapped to SDG
1 Safe, efficient methods (working method)	Customer	Finances	GRI 103: Management Approach	8 12
2 Innovative, energy-efficient solutions	Customer	Finances, environment	GRI 305-3 (CO2 impact and energy use, goods sold); G4 sector disclosures for Electric Utilities and Construction/Real Estate	6 7 8 9 11 12
3 Strong supplier management	Customer	Finances, social, environment	GRI 308: Supplier Environmental Assessment; GRI 414: Supplier Social Assessment); GRI 204: Procurement Practices	5 8 12
4 Development and education	Employees	Social	GRI 404: Training and Education	4 8
5 Health and safety (work environment)	Employees, (customer)	Social	GRI 403: Occupational Health and Safety	3 8
6 Human rights, diversity and equality	Employees	Social	GRI 405: Diversity and Equal Opportunity; GRI 406: Non-discrimination; GRI 408: Child Labour	5 8 16
7 Growth and profitability	Owners	Finances	GRI 201: Economic performance; GRI 103: Management Approach	8
8 Corporate governance and risk management	Owners	Finances	GRI 103: Management Approach	8 9 13
9 Business ethics	Owners, (customer)	Finances, social	GRI 103: Management Approach; GRI 205: Anti-Corruption; GRI 206: Anti-competitive Behaviour; GRI 417: Marketing and Labelling; GRI 418: Customer Privacy	10 16
10 Production control and chemicals	Society & environment	Environment	GRI 301: Materials; GRI 302: Energy; GRI 306: Effluents and Waste	3 6 8 12
11 Carbon emissions (climate and energy)	Society & environment	Environment	GRI 305: Emissions; GRI 301: Materials	3 7 12 13 15
12 Resource use and waste management	Society & environment	Environment	GRI 306: Effluents and Waste	3 6 8 12 15
13 Public welfare and community development	Society & environment	Social	-	11 16



Stakeholder monitoring and stakeholder dialogue

To ensure our development in pace with society, our stakeholders' changing needs and demands are routinely analysed.

Through an active stakeholder dialogue, Assemblin routinely identifies changing needs and demands in our business environment. The stakeholder analysis is founded in an active and structured stakeholder dialogue conducted at various levels in the company. The results of the

stakeholder dialogue are an important starting point for Assemblin's work with continuous improvements.

One of the most important tools in the stakeholder dialogue is the personal meeting, which is supplemented by other communication channels and surveys.

The most important forms of stakeholder dialogue, and which issues were in focus in 2019, are reported in the table below. More information on Assemblin's interaction with its primary stakeholders during the financial year is presented in the *Sustainability/Efforts 2019* section.

PRIORITY STAKEHOLDER GROUPS



CUSTOMERS

Issues in focus for 2019

- Specific customer requirements
- Collaboration/partnering
- Energy efficiency and environment
- Safety and work environment
- Local community involvement

Primary form of dialogue

- Continual customer dialogue
- Delivery monitoring
- Customer surveys
- Market surveys
- Activities promoting relationships



EMPLOYEES

Issues in focus for 2019

- Remuneration and benefits
- Safety and work environment
- Opportunities for development
- Exciting projects

Primary form of dialogue

- Continual employee dialogues
- Internal channels (intranet, newsletters, text messages, e-mail, etc.)
- Employee surveys
- Activities that encourage well-being



OWNERS

Issues in focus for 2019

- Business community trends
- Earnings trends
- Corporate governance
- Climate change
- Cyber risks
- Digitalisation

Primary form of dialogue

- Board meetings
- Continual dialogue with owner representatives



SOCIETY

Issues in focus for 2019

- Climate change
- Chemicals
- Equality/diversity
- Local community involvement

Primary form of dialogue

- Sustainability reporting
- Information and contact paths on website and in social media

OTHER STAKEHOLDER GROUPS



SUPPLIERS

Issues in focus for 2019

- Prices and terms
- Safety and work environment
- Ethics and values
- Chemicals

Primary form of dialogue

- Continual supplier dialogues
- Local supplier meetings
- Delivery monitoring



TRADE UNIONS

Issues in focus for 2019

- Labour law issues
- Remuneration
- Work environment, health and safety

Primary form of dialogue

- Meetings
- Negotiations



GOVERNMENT AUTHORITIES

Issues in focus for 2019

- Personal data (new GDPR)
- Sustainability (reporting requirements)
- General compliance with laws, ordinances and regulations

Primary form of dialogue

- Structured monitoring
- Specialist network



INDUSTRY ORGANISATIONS, STAKEHOLDER ORGANISATIONS AND SPECIALIST NETWORKS

Issues in focus for 2019

- Digitalisation
- Safety in the work environment
- Other relevant special issues

Primary form of dialogue

- Membership/participation on the Board
- Conferences, courses, etc.
- Network meetings



To ensure continued success, it is of course important to be attentive and continually monitor what is happening in order to adapt ourselves to new needs and conditions.

Mats Johansson, President and CEO – from the comments on pages 6–7

Active participation in networks and trade associations

To affect and pursue priority issues and to actively promote a more sustainable society and a healthier industry, Assemblin is a member and active partner in several industry organisations and other stakeholder organisations. In Sweden, Assemblin is a member of the Swedish Installation Federation, the “Håll Nollan” and “Jämnt på jobbet” industry initiatives, and the Ethical Council for the Swedish Construction Sector. In Norway, Assemblin is a member of the Confederation of Norwegian Enterprise (NHO), the Norwegian Association of Plumbing, Heating and Ventilating Contractors, the Nelfo trade association and a gold sponsor of the Ingeborg industry network. In Finland, Assemblin is a member of the Technology Industries of Finland, the Finnish Association of HPAC Technical Contractors, and STTA.

Value creation as supplier

Assemblin is to be a responsible business partner that adds value. This is achieved through being close to our customers, being attentive and continually developing our deliveries and our offering.

OVERALL SUSTAINABILITY AMBITION	KEY SUSTAINABILITY TOPICS
<p>We will offer the market's best and most attractive solutions, which we deliver safely and efficiently based on our customers' requirements.</p>	<ol style="list-style-type: none"> 1 Safe, efficient methods 2 Innovative, energy-efficient solutions 3 Strong supplier management

Safe, efficient methods (quality)

The starting point in our assignments is the requirements our customers impose, which are expressed in joint agreements. Assemblin's deliveries are to be carried out efficiently, with the right quality, at the right time and the right price. At the same time, we can never compromise on the requirements that laws, various industry standards and certificates impose. That is why there are guidelines, tools, instructions and checklists gathered into the business areas' management systems as support for this continual work, available to all employees on the company intranet.

Assemblin also conducts all its operations based on the requirements imposed in the ISO 9001 international quality management standard, and 61 per cent of the operations (Assemblin EI, Assemblin Norway and, in part, also Assemblin VS) have also chosen to sign on to this certification.

Innovative, customised and energy-efficient solutions

Assemblin strives to offer the best solutions in the market. In close partnership with our clients, we want to create value-adding, long-term, sustainable installation solutions that minimise not only project costs but also the life cycle costs of the property. This is why we regularly monitor market trends, and keep ourselves updated on new materials, methods and

the latest technology. One example of the new methods currently being evaluated are prefabricated modules, which are sometimes purchased prefabricated but can also be manufactured and installed on site. Purchasing prefabricated is not always the best solution, however; a qualified assessment is required from case to case. Another example is grooved pipe systems, that are common in sprinklers but can be used in water and sanitation systems.

There is a robust increase in the use of digital tools in the construction sector, especially various tools for building information modelling (BIM). Assemblin has a great deal of knowledge concerning a number of different BIM-based digital tools. Which ones are used depends on the project and the customer. Most often, BIM can be used all the way to the installer stage.

Another exciting ongoing digitalisation project is the development of a new digital production tool for building automation, which aims at enhancing the efficiency of production and working in a more standardised manner, with high quality and customer benefit in focus. The idea is to create "building blocks" with information that can be combined in different ways to create complete function texts, protocols, order lists and more.

Assemblin can also promote optimising its customers' facilities and properties from an environmental and climate perspec-

tive by actively proposing climate-smart and energy-efficient project and service solutions. We also have solid knowledge of what is expected of installers to meet the requirements in various environmental certifications for buildings such as Leed, BREEAM, the Nordic Swan ecolabel, Miljöbyggnad and EU Green Building.

Sourcing and supplier management

Assemblin purchases both direct and indirect materials, as well as services. Purchases are made locally but steered towards selected suppliers and partners, which creates the conditions for strict control and quality as well as optimised purchase prices and joint development.

Sourcing and sourcing governance

To ensure efficient, professional sourcing, each business area has a separate sourcing function. The sourcing work is coordinated in a shared sourcing forum and in Group Management, which also decides on any Group-wide sourcing projects. In 2019 a new Group-wide purchasing policy was adopted that describes Assemblin's overall approach to sourcing issues and defines a minimum level for sourcing work throughout our operations.

The largest part of Assemblin's purchases is direct material, for example, cables, couplings, pipes and terminals. The largest indirect purchases are vehicles, fuel and work uniforms. Materials

NEW ROLES INCREASE BIM SKILLS

The use of building information modelling (BIM) is constantly increasing, even among installation companies. Assemblin has a great deal of experience in working with various BIM tools, which results, for example, in a more efficient working process using digital blueprints updated in real time and rapid channels of communication. To further increase these skills, Assemblin's Ventilation business area has trained a number of BIM coordinators who will support their colleagues in BIM issues. Pictured is Mattias Davidsson, BIM coordinator and project manager in Norrköping.



Foto: Lasse Hejdenberg

are sourced from selected framework suppliers, and the process is governed through a quality-assured product range: "Assemblin Bästa Val" (Assemblin Best Choice). The product range contains only products that comply with the relevant laws and requirements. Three of Assemblin's business areas (Assemblin Norway, El and VS) provide their product ranges via digital purchasing systems through which all tenders are to be submitted. All our operations work actively to increase contract loyalty, increasing electronic data interchange (EDI) and reducing the number of cash and carry orders. EDI increased in all business areas during 2019.

Insulation work and consulting services were among the services purchased. These assignments are often procured locally.

Supplier management

Responsibility for signing agreements with major suppliers and establishing a product offering lies with the purchasing functions specific to each business area.

Before a framework agreement is signed, a supplier assessment is always conducted that evaluates such aspects as delivery capacity, accessibility, warranties, product responsibility, occupational health and safety, environmental efforts, finances and prices. The supplier must also verify that its operations meet the requirements in Assemblin's Code of Conduct for suppliers, which is an appendix to our purchasing agreements. A violation of the Code of Conduct could lead to termination of the partnership.

During the contract period, the purchasing function also monitors the supplier partnership and conducts supplier checks as needed. The main emphasis in supplier monitoring is developing the shared partnership, with the needs of the operations in focus. In most of the business areas there are specific checklists used when monitoring suppliers. More comprehensive supplier audits are conducted in the event of shortcomings in the supplier's performance or if improprieties are suspected.

CERTIFICATES

Our clients place strict requirements on quality and sustainability. Assemblin's operations comply with the requirements in a number of authorisations and certifications.

ISO 9001 Quality Management

All work at Assemblin is conducted in line with the requirements in the ISO 9001 international quality management standard, and 61 per cent of the operations have chosen to formally sign on to this certification.

ISO 14001 Environmental Management

Assemblin conducts qualitative, systematic environmental work in accordance with the requirements in the ISO 14001 international environmental management standard, and 61 per cent of the Group's operations have also chosen to sign on through an official certification.

Work environment under ISO-EN 45001/OHSAS 18001

The Assemblin Norway VS business area, and part of Assemblin VS, are certified under the ISO-EN 45001/OHSAS 18001 international occupational health and safety standard.

Welding operations under ISO 3834-2

The operations in Assemblin VS and Assemblin Norway are also certified under ISO 3834-2.

Industry-specific certifications and environmental standards

There are several systems in the construction and installation industry to reduce the energy and environmental impact of installed products. Assemblin is thoroughly familiar with the requirements in these systems, and also has documented experience in existing certification systems for buildings.

Local and personal certificates

In addition to these, Assemblin of course has the authority and authorisations required to perform its work securely and safely. All business areas have well developed training systems for this purpose.

CLOSE COLLABORATION WITH CUSTOMERS AND SUPPLIERS

Meetings are the hub of Assemblin's customer dialogue. For larger projects, there are a clear meeting structure and standardised forms for start-up meetings, routine meetings and transfer meetings. All business areas also offer digital customer portals with information on hours worked, invoicing, and so on. Local evaluations are conducted after a large project has been completed. Regular customer surveys are conducted sporadically, at the central or local level. Generally, the market surveys show that Assemblin ranks highly as regard technical skills, the ability to keep to schedules, local strength and documented experience in specific buildings.

Assemblin also keeps in close dialogue with its suppliers, with a focus on joint development. For the major suppliers, Assemblin assigns a contact person with responsibility for that particular customer. In addition to regular supplier monitoring supplier meetings are sometimes arranged, the purpose of which is to provide our suppliers with greater opportunities to understand Assemblin's operations and needs, as well as to increase interaction.

Value creation as employer

We must be a responsible employer who adds value, which we achieve by offering development and exciting work tasks in a positive work environment with an inclusive work climate.

OVERALL SUSTAINABILITY AMBITION

We want to be a responsible, stimulating employer that offers exciting work tasks. We also work actively to create a safe, positive work environment as well as an open and inclusive work climate.

KEY SUSTAINABILITY TOPICS

- 4 Development and training for all employees, and strong leadership
- 5 Focus on occupational health and safety (work environment)
- 6 Actively promote human rights, diversity and equality

Development and education

Training and continued development of employees and managers is a priority issue throughout Assemblin. All business areas have well structured introductory and training programmes that target primarily installers, project managers and managers. In addition, other skill development activities such as mentoring programmes and internal apprenticeships are offered. A shared learning management system is used in all business areas as support for administering, distributing and monitoring completed courses. The platform also supports practical online guides that are increasing in use.

To promote a shared culture, there are also a number of Group-wide courses under the name Assemblin Academy. For example, there is a Group-wide qualified management programme here, launched in 2018, that was developed in partnership with the Stockholm School of Economics. In 2019 a second round of this management programme was carried out and was very popular.

Assemblin's first shared online course in its Code of Conduct was also launched in 2019. For more information on this course, refer to page 35.

There is a clear career ladder at Assemblin, and the proportion of internal recruitment in appointing project managers,

specialists and managers is high. For senior executives, there is a well documented succession plan that is updated annually in each business area. Assemblin's Group-wide continuity plan was also updated and developed during the year.

To ensure the skills supply, there are also structured apprentice programmes in all business areas. In 2019, Assemblin helped 387 young people (441) join the labour market as apprentices or interns.

Health and safety

Active health and wellness initiatives

Assemblin's business areas conduct active health and wellness initiatives, for example, subsidised physical training, step counter challenges and campaigns. All employees are offered some form of medical examinations as well as health and accident insurance. Employee well-being is monitored in part through routine employee dialogue and in regular employee surveys, as well as through analysis of, for example, figures showing absence due to illness and personnel turnover. Absence due to illness in 2019 totalled 4.6 per cent (4.6). Absence due to illness remained unchanged in Assemblin EI, increased slightly in Assemblin Ventilation and Assemblin Norway, but fell in Assemblin VS and Assemblin Finland. Measures to reduce sick leave are routinely implemented, for

example, through structured rehabilitation measures. Together with company health insurance, an action plan is prepared every year with objectives for work environment and health initiatives.

Assemblin's voluntary personnel turnover (excluding retirements and terminations by the employer) totalled 14.1 per cent (12). In Assemblin VS, Ventilation and Norway, voluntary personnel turnover was between 10 and 11 per cent, while Assemblin EI and Assemblin Finland brought the average up. Total personnel turnover (including retirements and terminations by the employer) increased during the financial year, primarily as a result of Assemblin closing down a number of site offices and branches with low profitability.

Assemblin's personnel turnover is considered to be on a level with the industry as a whole, which generally has a high level of movement. To ensure proper access to skilled employees, Assemblin conducted a major marketing campaign targeted at potential employees in 2019 to build up its employer brand, with strong results.

Safety in the work environment

Many of Assemblin's employees work in hazardous environments, and certain work elements are particularly high risk. That is why Assemblin works actively to prevent and reduce the number of accidents, with

STRUCTURED HR EFFORTS

There are HR functions in every business area as support for the local branches. In 2019 a new Group-wide HR policy was adopted that describes Assemblin's overall approach to HR issues and defines a minimum level for HR efforts throughout our operations. The objective is to ensure professional, efficient HR through similar HR processes and some basic, shared fundamental principles. HR is coordinated to some extent, and Group Management takes decisions on Group-wide initiatives when it is deemed reasonable.

A shared leadership model was also worked out in 2019 that summarised the characteristics that distinguish a successful manager at Assemblin. This leadership model is an important tool used in recruiting, developing and evaluating the company's managers



Foto: Anna-Lena Lundqvist

THE HR PROCESS AT ASSEMBLIN

Attracting

Recruiting

Introducing

Leading
& developing

Concluding

Goals that promote attracting, recruiting and developing skilled and committed employees who ensure the skills supply for today and tomorrow.

a clear zero-tolerance vision as regards serious workplace accidents. For the purpose of increasing risk awareness at all levels in the company, a joint Safety Week was held in May 2019.

One problem for Assemblin is that different clients have different safety requirements. To ensure a strong minimum standard, a minimum level applicable to work at construction sites was introduced in 2019.

The most common types of incidents in Assemblin are injuries from falling, slipping and cutting. To minimise the number of cutting injuries, Assemblin VS introduced a "knife amnesty" during the financial year, in which work knives with sharp tips were replaced with safer blunt-tipped knives and new special gloves were brought into use.

Assemblin's safety efforts are monitored by analysing near misses, incidents and accidents. There are opportunities for our employees in all business areas to easily report observations and deviations.

Human rights, diversity and equality

Assemblin supports the principles of the UN Global Compact, which is an international framework for responsible companies around issues of human rights, labour, the environment and anti-corruption.

The freedom of association is a matter of course throughout Assemblin, and there

are union representatives in the Boards of most of the business areas. Assemblin also has a clear zero-tolerance vision regarding all forms of discrimination and bullying. One particularly critical issue in the construction and installation industry is equality, since the proportion of men has historically been extremely high. Assemblin tries in various ways to call attention to and to encourage female employees. Assemblin Norway is a Gold-level sponsor in the "Ingeborg" industry initiative, and Assemblin's Swedish operations have been part of the "Jämnt på jobbet" industry initiative since 2017. In 2019, the total proportion of women in Assemblin was 5.5 per cent (5.9). This proportion decreased in all business areas except Assemblin Ventilation, where it increased from 6.8 per cent to 7.6.

The proportion of senior female executives is higher, and increased year-on-year to 13.7 per cent (13.5). The proportion of women on the Board of Directors increased to 33.3 per cent (20.0).



WHAT DO OUR EMPLOYEES THINK?

Our employees' perception of Assemblin as an employer is monitored in part through routine employee dialogue, especially at the annual performance reviews, as well as through regular surveys and "pulse measurements." In 2019, a comprehensive employee survey was conducted throughout our operations. The survey was anonymous, and conducted by an external survey company. The total response rate was 77 per cent. The results differ from work group to work group, but in total it can be stated that satisfaction and commitment are increasing. The commitment index rose to 78 and the loyalty index (Net Promotion Score, NPS) to 18, which can be compared favourably with the average of 12 for the building and construction industry.

The results of the survey are analysed both centrally and locally, and action plans are drawn up in every business area.

The Group-wide measurement is conducted every other year.

Value creation as investment

Assemblin intends to be an responsible investment object that adds value, which we achieve by leveraging stable and profitable growth with controlled risk and a strong business ethics standard.

OVERALL SUSTAINABILITY AMBITION	KEY SUSTAINABILITY TOPICS
<p>We will leverage stable financial development with controlled risks and a sound approach grounded in business ethics.</p>	<ul style="list-style-type: none"> 7 Stable growth and healthy profitability 8 Active corporate governance and risk management, and correct information 9 Sound business ethics

Stable growth and healthy profitability

Stable profitability is a form of security for employees as well as customers, owners and suppliers. Assemblin has had a high level of growth, increased profitability and a strong cash flow for a period of time, which is a positive trend that strengthened in 2019 as well. For the full year, sales increased 12.3 per cent to SEK 9,978 million (8,885). Adjusted EBITA increased to SEK 516 million (401), which meant that the adjusted EBITA margin rose from 4.5 per cent to 5.2 per cent. This is good, but with the ambition of being best in class, profitability in general must be further improved. That is why a profitability improvement programme with a number of measures was launched during the year. The programme entailed a number of non-recurring temporary costs that are expected to yield a positive boost to earnings going forward. More on our financial performance can be read in the *Board of Directors' Report*.

Corporate governance, risk management and transparency

Assemblin's main owner is the private equity group Triton. Assemblin's owners, and to a certain extent Assemblin's customers as well, place demands on Assemblin's corporate governance, risk management and work on internal control.

An extensive review of these policies and governance tools was conducted in 2019. The review was conducted in partnership with an external consultant, with results that included an updated procedure for internal control and risk management as well as supplements and updates to the Group's shared governing documents. Assemblin's ambition is for its corporate governance to essentially meet the requirements in the Swedish Corporate Governance Code.

The owners' governance is exercised through the Board of Directors, which works in accordance with established rules of procedure. The Board of Directors regularly receives information on the company's performance. This routine reporting is supplemented twice a year with comprehensive sustainability reporting. More information on corporate governance and internal control can be found in the *Corporate governance* section, and more on Assemblin's risk management can be found in the *Board of Directors' Report*.

Alongside the dialogue with the Board of Directors, Triton has a number of coordinating groups in particular function areas such as communication/market, HR and procurement, as well as environmental, social and governance (ESG). Issues that are not company-specific are pursued through these forums. In 2019, Triton's ESG network focused in particular on

climate change, cyber security, supplier management and business ethics.

Assemblin has an objective of being transparent in its communication and financial reporting. In conjunction with Assemblin issuing a Euro bond in December 2019, an updated Communication Policy and a new Insider Policy were adopted that together ensure that Assemblin's disclosure of information meets the requirements for listed securities.

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.

Sound business ethics

Assemblin promotes a strong, sound corporate culture through shared values and a shared Code of Conduct. These values were updated in 2018 and are designed to guide individual employees in their daily work while supporting our mission and vision. The Code of Conduct describes our fundamental ethical principles. For issues of particular importance such as limiting competition as well as bribes and corruption, there are also more in-depth supplementary policies with appurtenant instructions that were updated in late 2019. There is a special Code of Conduct for Assemblin's suppliers, which is an



important tool in the company's supplier management.

Our values and Code of Conduct have been translated into all local languages and are brought to life in courses and ongoing internal communication. An online course in the Code of Conduct was also launched in 2019, and is mandatory for all employees at Assemblin. Supplementary online guides are planned for 2020 as an introduction to the updated instructions on bribes and corruption, as well as limits to competition.

Assemblin also has a whistle-blower service where employees can anonymously report suspected violations of the Code of Conduct. All reported incidents are investigated. If a crime is verified, it could form the basis for termination and/or a police report. In 2019, six suspected violations were reported via the whistle-blower service. All the cases were investigated, one of which led to actions. The other five turned out to be misunderstandings that could be cleared up with relative ease.



WHAT DO RATINGS INSTITUTIONS THINK?

A rating is a grade that a borrower can obtain from independent credit rating institutions that shows the ability to meet financial commitments (or "creditworthiness").

In conjunction with Assemblin listing a Eurobond in December 2019, credit assessments were obtained from three independent institutions: Standard & Poor (B rating), Moody's (B2 rating) and Fitch (B+ rating). Some examples of positive assessments:

"[We view] Assemblin's business profile as solid, supported by good customer and end-market diversification, a brand that is appreciated for strong technical expertise and committed skilled employees." (Fitch, November 2019)

"In view of management's proven ability to steer the company towards higher margins, there is a possibility that the company could exceed our conservative assumptions on the effects of the efficiency programme." (Moody's, November 2019)

"We view positively the company's ability to generate stable funds from operations (FFO)." (S&P, January 2020)

MANDATORY EDUCATION IN THE CODE OF CONDUCT

Assemblin's Code of Conduct

An e-learning course for all Assemblin employees

[Start here](#)

Assemblin's first shared digital course in its Code of Conduct was launched in 2019. The course was designed using a pedagogical tool, and is an introduction to the five main sections of the Code of Conduct: business ethics (including bribes and corruption, and limits to competition), work environment, the environment and communication. There are two versions of the course: one for blue collars, and one for white collars. The Swedish version was launched in May, and the Finnish and Norwegian versions were launched in late December. At year end, 82 per cent of the white collars and 48 per cent of the blue collars in the Swedish business areas had completed the course.

Value creation as member of the community

Assemblin wants to be a responsible member of the community that adds value. We can do this by minimising our environmental impact and actively contributing to community development locally.

OVERALL SUSTAINABILITY AMBITION

We assume responsibility for the environmental impact of our operations, and will actively promote community development in the locations where we operate.

KEY SUSTAINABILITY TOPICS

- 10 Proper product control and chemicals management
- 11 Minimised resource use and waste management
- 12 Reduced carbon emissions (climate and energy)
- 13 Local community involvement

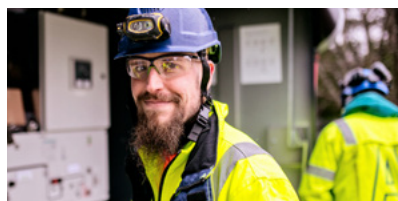
Efficient use of resources and waste management

In a circular economy, optimising sourced material and working actively on waste management are important. This work is conducted locally. In parts of its operations, Assemblin manages a certain amount of hazardous wastes in accordance with applicable ordinances.

In large installation assignments, the contractor often provides sections for sorting waste at the construction site. In service assignments, waste is normally managed via external environmental control companies. Even at most of its local offices, Assemblin has its own sections for sorting waste.

Production control and chemical management

In our assignments, Assemblin installs ventilation equipment, heating and water pipes, electric cables and other equipment. The Swedish operations manufacture their own rectangular ventilation channels, which means full product control. Other production materials are sourced locally, but purchasing is governed by a controlled product range that is determined by the purchasing divisions of the business areas, who are knowledgeable about product requirements imposed in various systems such as BASTA, Byggarubedömningar



and Sunda Hus.

To make climate-smart choices easy for local purchasing, parts of Assemblin's operations have chosen to label these products in the product range with "Assemblin Bästa Val" (Assemblin Best Choice).

Assemblin's employees are exposed to a number of chemicals-related health risks such as quartz dust, asbestos, isocyanates, and fumes from soldering and welding. Chemicals in the business areas are managed using various chemicals management systems.

Under REACH, the European chemicals legislation, Assemblin is classified as a downstream consumer.

Climate and energy (carbon emissions)

Assemblin is a player that produces services with relatively low climate impact. Immediate carbon dioxide emissions that we can control ourselves are primarily emissions from transportation (Scope 1), heating of own offices (Scope 2) and emissions from

business travel (part of Scope 3). Total carbon emissions from these areas for the full year were approximately 1,663 kg (1,728) per full-time equivalent (FTE). During the financial year, Assemblin changed its policy for reporting emissions from vehicles, which means that the comparison figure for 2018 has been recalculated.

Carbon emissions from transportation

Assemblin's largest immediate impact is emissions from its own service cars and vehicles. The vehicle fleet consists of a mix of cars that run on diesel (HVO), gas and electricity. Total fuel consumption for the Group's vehicles in 2019 was reported as 33,862 kWh (34,534), which recalculated as carbon impact corresponds to 1,571 kg (1,648) per employee (average FTE). During the year, several business areas transitioned to direct reporting of carbon impact from vehicles. To achieve comparability, the figures from the preceding year have been adjusted.

The decrease in carbon emissions compared with 2018 was primarily an effect of the ongoing replacement of older vehicles and a greater share of electric cars. Assemblin's objective over the long term is to switch to electric and gas-driven vehicles. Since electric vehicles are developing so rapidly and currently encouraged by tax initiatives, Assemblin Norway decided



GREEN LOCAL ENERGY POWERS ELECTRIC SNOWMOBILES ON SVALBARD

The Hurtigruten Svalbard tourism agency uses battery driven, emission-free snowmobiles to transport tourists to the wilds of the Arctic. This was made possible by Assemblin's innovative customised energy solution, which uses wind and solar power from the summer midnight sun. Over the long term, this solution will provide for most of the electricity and heating needs in Hurtigruten's snowmobile depot. A similar energy solution permits Assemblin's own office and workshop on Svalbard to be nearly self-sufficient for electricity during the summer.



a few years ago on a faster transition to electric vehicles to a great extent, and at year end Assemblin EI and Ventilation also signed on to the same line. However, the transition requires investments in local charging stations and a gradual phase-out in pace with the existing fleet becoming obsolete, which means that this transition is expected to take a few years.

Carbon emissions from own premises

To a great extent, Assemblin's operations are conducted at construction sites, but are administrated from our own offices. There is active work under way to co-locate operations situated close to each other and to optimise the use of space in existing offices, which will reduce the carbon impact from heating of own premises. In most of the offices, fossil-free electricity is used for heating. Total carbon emissions from own premises in 2019 was reported as 18 kg (24) per employee (average FTE). The decrease was primarily due to Assemblin Norway starting its own solar energy production in Svalbard in 2019, which is reducing its carbon emissions.

Carbon emissions from business travel

Assemblin's operations are spread out geographically, which gives rise to a certain amount of business travel. By investing in modern technology for remote meetings,

Assemblin seeks to reduce these trips. Assemblin has excellent video technology installed in its largest offices. These are used assiduously alongside Microsoft Teams and Skype for Business.

Total carbon emissions for the full year from business trips booked through our travel portal were 44 kg (56) per employee (average FTE). The decrease is due in part to reduced travel but also to reduced use of air travel in favour of more train travel.

Public welfare and community development

One of Assemblin's largest contributions to society is bringing young people into working life through a well-developed apprenticeship system. In 2019, Assemblin brought in 387 apprentices (441), primarily in the Swedish VS and EI business areas as well as Assemblin Norway.

Assemblin also contributes to society through tax payments. As regards tax-related issues, the tax laws in effect and the prevailing practice in the countries where we conduct operations are applied.

And finally, the company can contribute to society through local sponsorships and community involvement, for example, partnerships with sporting clubs, environmental projects and mentoring programmes. One common local activity is sponsorship of local youth sports.



EXAMPLES OF COMMITMENTS TO COMMUNITY IMPROVEMENT

Examples of local community improvement projects carried out in 2019 include:

- In 2019, Assemblin Ventilation joined as a sponsor of Team Rynkeby, Europe's largest international charity cycling team, in support of the Barncancerfonden children's cancer fund.
- For the second year in a row, Assemblin Norway chose to help a village in rural Zimbabwe. A well for drinking water by the village school was financed in 2018, and in 2019 Assemblin contributed panels for the Solvatten solar water heater system to contribute to the village's energy supply.
- In March 2019, Assemblin Finland donated to Amnesty International's annual Women's Week campaign to fight violence against women. Finnish operations also arranged an internal competition where employees were encouraged to propose measures for reduced carbon impact.

Reporting of 2019 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 ¹	EI	VS	Ventilation	Norway	Finland
EMPLOYEE FIGURES						
Average number of employees, FTE	5,901	2,796	1,475	544	704	357
– of which women, %	5.5	4.6	5.5	7.6	5.0	8.1
Number of senior executives, FTE	51	14	9	5	8	8
– of which women, %	13.7	7.1	22.2	40.0	12.5	0.0
Average age, total	40.3	39.6	41.0	43.8	37.5	42.7
Sick leave, %	4.6	4.5	4.0	5.6	5.8	4.8
– of which long-term	1.6	0.9	1.7	2.2	3.2	3.4
Frequency of serious injuries (IF)	7.6	7.3	5.1	7.5	10.1	17.1
Minor accidents, number	273	21	130	54	34	34
Incidents and near misses, number	122	62	20	16	24	N/A
Fatal accidents, number	0	0	0	0	0	0
KEY FINANCIAL FIGURES						
Sales, SEK m	9,978	4,151	2,642	1,367	1,285	598
Adjusted EBITA, SEK m	516	222	139	73	70	12
Adjusted EBITA margin, %	5.2	5.3	5.3	5.3	5.4	1.9
KEY ENVIRONMENTAL FIGURES						
Fuel consumption of vehicles in operations, MWh	33,863	11,824	12,489	5,371	3,256	831
Carbon impact from vehicles, kg/FTE ²	1,571	1,140	2,283	2,936	1,235	623
Carbon impact from electricity in operations, kg/FTE	17.5	0.9	0	0	52	181
Carbon impact from business travel, kg/FTE	44	57	40	24	13	32
OTHER KEY FIGURES						
Share of ISO 14001 certified operations, %	61	100	25	0	100	0
Share of ISO 9001 certified operations, %	61	100	25	0	100	0
Share of OHSAS 18001/ISO-EN 45001 certified operations, %	19	0	25	0	100	0
Number of apprentices	387	110	167	8	100	2

FOOTNOTES

- 1) The Group also includes Group staff, who are however not reported separately in this list.
- 2) As of 2019, more business areas are reporting the carbon impact from vehicles based on fuel consumption, in contrast to 2018 when carbon impact was reported to a greater extent based on a standard calculation using kilometres driven. For better comparability, the information from 2018 has been adjusted in a similar manner.

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 Occupational health and safety on pages 32–33.

Injury frequency (IF)

A sudden, serious incident during working hours that caused personal injury with more than one day of sick leave, divided by the number of hours worked \times 1,000,000. For the number of hours work, a standard rate of 1,800 hours per average number FTE is used. Injury frequency is commented on under Occupational health and safety on pages 32–33.

Incidents and near misses

The total number of near misses and incidents during working hours.

Minor accidents

Total number of minor accidents during working hours.

Fuel consumption of vehicles in operations

The key figure corresponding to GRI 302-1A. Direct reporting of carbon dioxide or fuel consumption from Assemblin's lease company, recalculated to energy based on fuel type, was used as the basis for this 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. Direct reporting of carbon dioxide or fuel consumption from Assemblin's lease company, recalculated to carbon dioxide based on fuel type, was used as the basis for this 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 key figures for the environmental impact of electricity. 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 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 opinion regarding the statutory sustainability report



To the general meeting of the shareholders in Assemblin Financing AB (publ), corporate identity number 559077-5952

Engagement and responsibility

It is the board of directors who is responsible for the sustainability report for the year 2019 on pages 22–39 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 12 May 2020
KPMG AB

Helena Arvidsson Älgne
Authorized Public Accountant