

Hagmans Nordic

SURFACE SOLUTIONS



SUSTAINABILITY REPORT 2024

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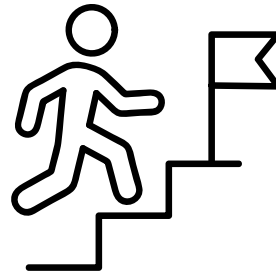
This sustainability report covers the financial year 2024. The sustainability report includes Hagmans Nordic, reg. no. 556071-4890.

The report has been prepared in accordance with the provisions of the Swedish Annual Accounts Act (ÅRL) Chapters 6:10—14.

1. About Us

1.1 BUSINESS MODEL

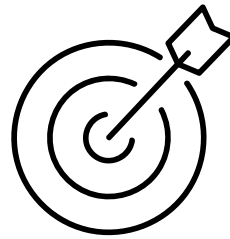
Hagmans Nordic operates in an industry where tradition meets global competition — a dynamic market that is constantly evolving. For us, flexibility, quality, and proactivity are not just buzzwords but a strategy that enables us to stay one step ahead. While others struggle to adapt to new consumption patterns, we see opportunities and act swiftly. Our business is built for change, ready to embrace new trends and needs. It is precisely this agility and forward-looking mindset that defines



Hagmans Nordic. Our business model is based on strong driving forces that together realize our business concept: to develop, produce, and sell innovative products that protect, treat, and extend the lifespan of surfaces and machinery. By offering solutions both under our own brand and in collaboration with our customers, we create sustainable and reliable products that meet the demands of the market — today and in the future.

1.2 VISION

Hagmans Nordic aims to be the preferred supplier in brand positioning for our own and our customers' brands in the Nordic market.



1.3 OUR OFFERING

Hagmans Nordic's offering makes it possible to have the right assortment with the right quality. We are specialists in the protection, treatment, and preservation of surfaces and machinery, and all categories can be purchased as Private Label or under one of our existing strong brands for professionals and retail. Hagmans Nordic operates within a range of product categories for the protection and treatment of surfaces and machinery. This diversification ensures organic growth through a broader customer potential and allows existing customers to grow with one supplier instead of several. It also distributes risks and balances the entire business both between categories and throughout the year.

We have in-house production at the locations of Fritsla (floor and ceiling paint, rust protection, filler, and car care), Stora Levene (decorative paint), and Halmstad (adhesives). During the year, production in Halmstad was moved to Fritsla, a strategic change aimed at streamlining operations and creating better conditions for future growth. Our central warehouse is located in Jung.



The image shows our facility in Fritsla.

1.4 THE YEAR IN BRIEF — CEO'S STATEMENT

Hagmans Nordic's Sustainability Work 2024

At Hagmans Nordic, we view sustainability as an integral part of our business. It is about balancing economic, environmental, and social responsibility to create a long-term and sustainable future — for ourselves as well as for our customers, suppliers, and employees. In our sustainability report, we reflect on the past year, our successes, challenges, and the important steps we are taking forward.

Challenges and Lessons Learned from 2024

Our CEO, Patrik Andersson, looks optimistically toward the future: “Over the next three years, we are building an even stronger group, with the right structures and organisation to continue growing profitably. The Nordic region is our home market, and we aim to be the preferred choice for chains selling paint and chemical products. At the same time, we are looking beyond the Nordics and exploring new business areas.”

Sustainability goes hand in hand with quality. Martin Bjermquist, our Head of Quality and Sustainability, explains: “We work purposefully to reduce deviations and improve our processes. A strong sustainability strategy makes us an even more attractive supplier — especially for customers with high sustainability requirements. We focus on sustainable products, increased recycled packaging, and innovative solutions in our factories and warehouses, where we continuously strive to benefit both the economy, work environment, and the environment.”

For us, it is also crucial to invest in sustainable industries and environmentally friendly technology.



Sustainability Manager Martin Bjermquist and CEO Patrik Andersson discuss recycled packaging for a more sustainable future.



We want to be an employer who not only focuses on business but also on the well-being of our employees. Through preventive measures and increased engagement, we actively work to reduce absenteeism and accidents.

During 2024, we took another step forward by developing an energy management system that complements our existing ISO 14001 and 9001 certifications. We now have a more systematic approach to energy topics and clear goals for future energy efficiency improvements.

To ensure our competitiveness, we have clear objectives both in the short and long term. In the short term, the focus is on continuously optimising our processes and reducing our environmental impact. In the longer term, we invest in new technology, sustainable business models, and an even stronger organisation — always with the goal of being a leading actor in our industry.

Moving Forward Together

Patrik Andersson summarises our direction:

***“With a clear strategy, committed employees, and strong innovative capacity, we enter 2025 with a focus on sustainable growth. We look forward to continuing the journey — together with our partners and customers and to shaping a future where sustainability and business go hand in hand.*”**

We're ready. Are you?

2. Our Key Sustainability Topics

2.1 STAKEHOLDER ANALYSIS

We have identified several key stakeholders for our business and maintain ongoing dialogue with them through various communication channels. This enables us to understand their demands and expectations of us. To ensure we stay on the right track, we conduct an annual evaluation of our stakeholder analysis.

Hagmans Nordic strives to be a company that continuously develops together with our employees, customers, owners, and suppliers.




Our goal is to strengthen our well-being through sustainable business practices and to create a work environment that promotes participation and engagement among our colleagues.






2.2 RISK ANALYSIS AND RISK MANAGEMENT

Hagmans Nordic's operations are influenced by a variety of factors, some within the company's control and others beyond our influence. Each year, we identify and assess our risks and manage

them through various forums. Risks deemed significant in terms of quality, environment, and occupational health and safety are translated into concrete objectives.

| Areas | Risk Description | Management |
|---|---|---|
| Environment  | <ul style="list-style-type: none"> Recycling of packaging materials and source separation Resource consumption of combustible waste Energy consumption CO₂ emissions from heating oil Transport emissions | <ul style="list-style-type: none"> Environmental target for recycled packaging: Milestone of 30% recycled packaging by 2025, with additional targets for 2030 and 2035 Reduce the proportion of combustible waste by 10% per year until the end of 2025, relative to produced liters Reduce energy consumption by 5% per produced volume by 2027 Goal to phase out heating oil by 2030 Optimise load capacity in our transports and collaborate closely with suppliers |
| Employees  | <ul style="list-style-type: none"> Safe and secure workplace Sick leave Attracting talent Finding the right competence Retaining competence | <ul style="list-style-type: none"> Zero-accident vision for incidents resulting in absence Quality, environmental, and occupational health and safety policy Annual workplace safety week with campaigns and activities Market monitoring and recruitment strategy Employer branding Measuring employee engagement Benefits such as wellness allowance, employee discounts, breakfast, gym partnerships, activities, and flexible working hours |
| Social conditions  | <ul style="list-style-type: none"> Risks of stress and mental/physical ill health | <ul style="list-style-type: none"> Attendance health target of 97% by the end of 2025 Systematic occupational health and safety work, supported by engaged safety representatives Health promotion initiatives and medical check-ups Follow-up through employee surveys and performance reviews Well-being committee that organises activities throughout the year |

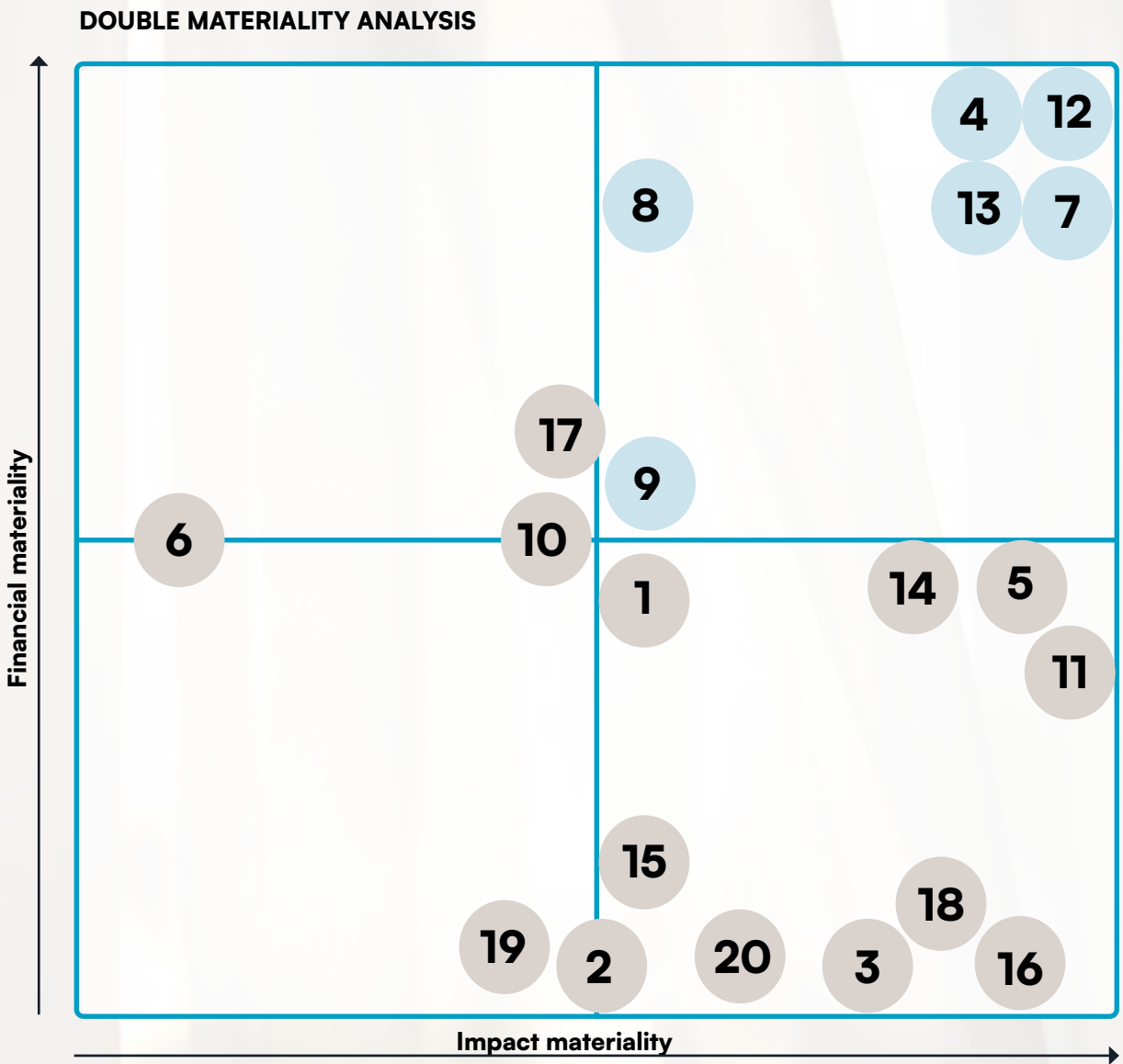
| Areas | Risk Description | Management |
|--|--|--|
| Human rights  | <ul style="list-style-type: none"> • Risk of discrimination and harassment | <ul style="list-style-type: none"> • Human rights policy • Gender equality policy and Code of Conduct • Policy against harassment and offensive treatment • Internal/external trainers in “Better Work Environment” who will provide ongoing training in various areas of occupational health and safety • Follow-up through employee surveys and performance reviews |
| Combating corruption  | <ul style="list-style-type: none"> • Risk of improper conduct in connection with business dealings | <ul style="list-style-type: none"> • Code of Conduct signed by all employees • Supplier Code of Conduct signed by all new suppliers • Annual supplier evaluation of our 50 largest suppliers • Supplier audits or follow-ups in case of recurring product deviations • Annual internal audits • Clear authorisation procedures are in place |
| Economy  | <ul style="list-style-type: none"> • Cost of poor quality due to complaints • Increases in raw material prices and tariffs • Currency effects | <ul style="list-style-type: none"> • Zero-vision for complaints with quality failure costs exceeding SEK 50,000, including improvement and corrective actions for complaints • Price increases • Monitoring of trends |



2.3 MATERIALITY ANALYSIS

At Hagmans Nordic, we have conducted a double materiality analysis in connection with the upcoming CSRD (Corporate Sustainability Reporting Directive) legislation. The sustainability

topics we prioritise are presented in the image below and align with our strategic direction. Our goal for the coming year is to work on these issues and further integrate them into our business plan.



1. Community Relations
2. Animal Welfare
3. Biodiversity
4. Production and Logistics Management
5. Responsible Marketing, Advertising & Labeling
6. Human Rights
7. Pollution Prevention
8. Water Use & Safety
9. Energy Efficiency and Renewable Energy
10. Resource Consumption & Circular Economy

11. Climate Change
12. Health, Safety and Well-being
13. Product Quality & Safety
14. Responsible Product Design
15. Working Conditions
16. Skills Development & Training
17. Corporate Governance
18. Business Ethics
19. Data Privacy & Security
20. Diversity & Inclusion

2.4 PRIORITISED SUSTAINABILITY TOPICS

SUSTAINABILITY STRATEGY

All topics are important in different ways, but we cannot address them all at once. Therefore, we have conducted a double materiality analysis to identify the sustainability topics we prioritise most highly.

The most prioritised sustainability topics are:

- Health, Safety, and Well-being
- Water Use and Safety
- Energy Efficiency and Renewable Energy
- Production and Logistics Management
- Pollution Prevention
- Product Quality and Safety

Several of these areas are already part of our sustainability strategy, which is integrated into the company's business plan. Moving forward, the work will focus on concrete objectives and regular follow-up to achieve our internal goals.



ECOVADIS

The group Limhamnshus Industri AB, including Hagmans Nordic AB, has been awarded a distinction by EcoVadis, recognizing their strong performance according to EcoVadis' assessment methodology. The assessment is conducted in the following main categories:

- Environment
- Labour and Human Rights
- Business Ethics
- Sustainable Procurement

LIMHAMNSHUS
INDUSTRI

Hagmans Nordic is part of Limhamnshus Industri AB, which belongs to the family-owned Limhamnshus

HEALTH, SAFETY AND WELLBEING

By systematically assessing, preventing, implementing and following up on activities, we conduct continuous and preventive occupational health and safety work within our organisation.

We provide training and development for our employees in the area of health and safety, based on the belief that increased understanding and involvement create better conditions for identifying risks at an early stage, as well as for preventing ill health and accidents.

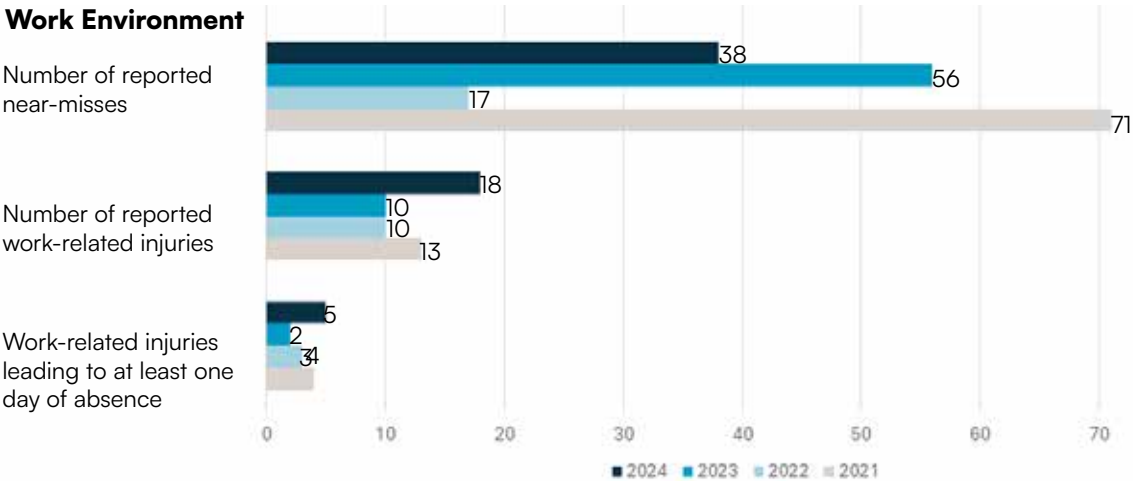
The intended outcome of this work is that our employees feel safe in their workplace. Through the safety committee, we have identified a number of key areas where we need to place extra focus in the coming years.

- An improved safety culture where employees are more aware of risks and actively report near misses and accidents to their manager and in the reporting system.
- Increased employee engagement to identify improvements in our production processes that can reduce the risk of incidents and accidents.

Safety Committee

Near-miss reporting declined slightly during 2024. At the same time, we have seen an increase in workplace accidents compared to previous years. Some of these incidents can be linked to the relocation of production and could be reduced through an improved safety culture. We are monitoring the development closely and carry out regular follow-ups to ensure an even safer work environment moving forward.

KPI - Work Environment

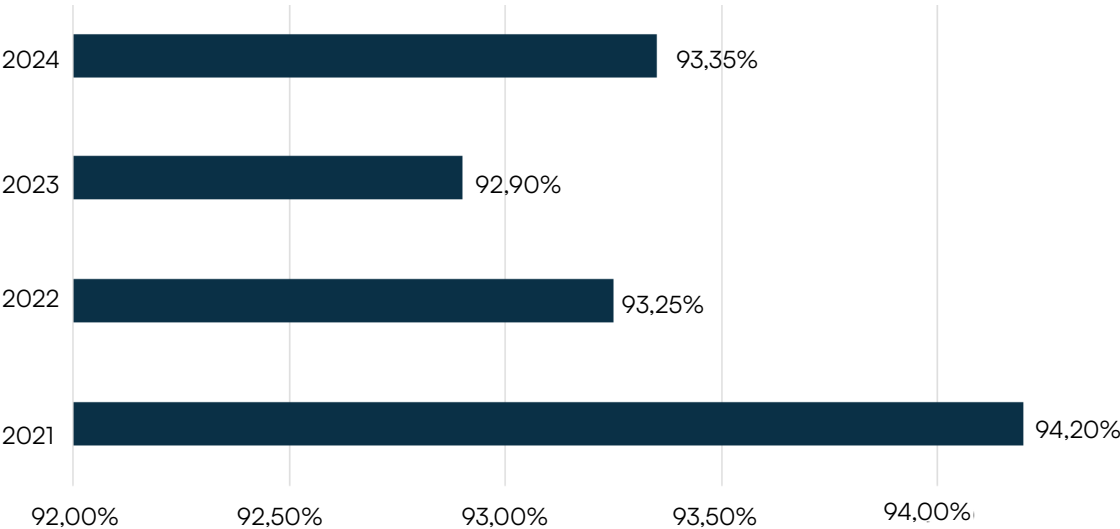


A HEALTHY WORKPLACE

Hagmans Nordic aims to increase employee attendance to 97% over the next three years. Seasonal illnesses, such as influenza, may affect the outcome, as we only measure short-term absences.

To remain an attractive workplace, we focus on community and a good working environment. We strive to create a place where employees feel well and enjoy their work, which contributes to high attendance levels.

Attendance Rate (%)

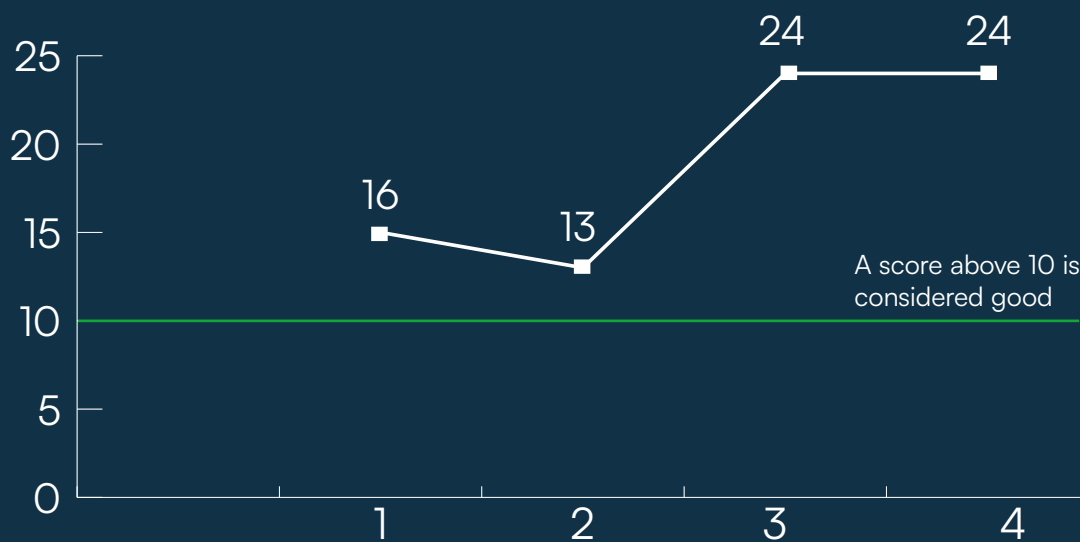


A LEARNING ORGANISATION

To work preventively to avoid accidents and ill health, we focus on providing training in workplace environment and chemical health risks for all staff. We train our managers in matters concerning physical, organisational, and social work environments, and we have a leadership

approach where we continuously address different focus areas. Through regular employee surveys, we gain insight into engagement and what is important to our personnel. We know that a pleasant workplace promotes well-being and helps prevent ill health and accidents.

eNPS per quarter 2024 (Employee Net Promoter Score)



WATER USE AND SAFETY

Hagmans Nordic operates in a rural area, surrounded by beautiful forests and water. We actively work to ensure that our processes do not negatively impact water sources or the surrounding nature. To protect both the environment and local ecosystems, we have strict procedures for handling water and

chemicals. At Hagmans Nordic, we continuously strive to reduce our environmental impact by using resources efficiently and minimising emissions that could affect the water. Through careful monitoring and ongoing improvements, we ensure that we protect our nearby waterways and maintain a sustainable operation.



ENERGY EFFICIENCY AND RENEWABLE ENERGY

Hagmans Nordic actively works to improve energy efficiency through the company's energy committee. The committee's main responsibility is to develop strategies and goals for energy efficiency and to drive improvements in collaboration with each unit. During the year, we have implemented an operational statistics system to better analyse trends and more easily follow up on our goals. Additionally, we have extended our ISO 14001 certification with the addition of STEMFS to further strengthen our environmental work.

In the coming years, we have laid out a strategy to actively contribute to society's transition to renewable energy. This includes, among other things, replacing our lighting with energy-efficient LED and exploring the possibility of installing solar panels with battery storage to reduce our carbon footprint and increase the use of renewable energy.



PRODUCTION AND LOGISTICS MANAGEMENT

We work continuously to optimise our processes and ensure the highest possible efficiency. Through regular follow-up meetings, we make sure that all areas are monitored and that any challenges are identified and addressed promptly. We carry out annual workforce planning to always have the right resources in place, enabling us to meet demand and maintain high productivity.

We also have a close and strong collaboration with our sales team to optimise capacity and ensure we are aligned with market needs. To maximise our delivery capability, we consistently engage in tough negotiations with our logistics partners to secure the best possible terms and efficient logistics solutions.



BUSINESS ETHICS FOR SUPPLIERS

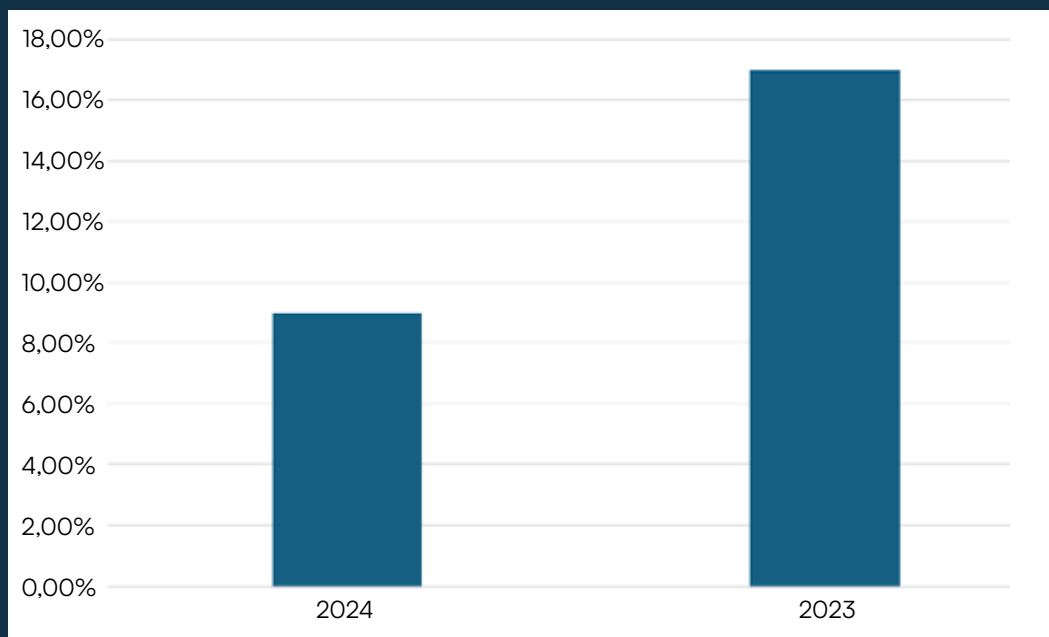
Hagmans Nordic shall conduct its business in an ethical and responsible manner and be a credible partner in all relationships and in all locations where the company operates. Hagmans Nordic's Code of Conduct and Supplier Code describe ethical principles and provide guidance on what we consider responsible behaviour and how business activities should be conducted responsibly. We expect our suppliers to share our values and actively work on quality and sustainability. To ensure that our suppliers meet our requirements, we carry out continuous follow-ups, aiming to always work with reliable and trustworthy suppliers.



WASTE MANAGEMENT

With increasing demands on waste management and recycling from the outside world, we see a need for clear targets for our own waste handling. To preserve natural resources such as forests, metals, water, and sand, Hagmans Nordic focuses on increasing recycling and reducing the proportion of combustible waste. During 2023, we set a target to reduce the amount of combustible waste by 10% per produced litre by the end of 2025. The results we have achieved so far clearly show that our efforts are having positive effects and that our work to reduce waste also leads to concrete improvements.

Percentage reduction of combustible



PREVENTION OF POLLUTION

One of the most important environmental aspects for us at Hagmans Nordic is transport. We own only one lorry, and for other transportation, we collaborate with external freight forwarders. To more easily monitor the emissions and energy consumption of our transports, we have started developing routines and working methods to collect and analyse this data. The collected statistics will be converted into concrete targets and activities to reduce our environmental impact and improve our transport efficiency.

PRODUCT QUALITY AND SAFETY

Product quality and safety are cornerstones of our operations. We strive to deliver products that meet customers' expectations. Through meticulous quality checks and safety procedures, we ensure that every product is reliable, safe, and durable. Our aim is always to deliver in accordance with high quality standards and to maintain a safe working environment for both our employees and customers.





RECYCLED PACKAGING

Sustainable consumption involves not only environmental benefits but also social and economic advantages such as increased competitiveness and growth. Future legislation will focus on sustainable consumption and ensuring that consumers can trace a product's lifecycle. At Hagmans Nordic, our goal is to transition to recycled packaging across all

product segments in both the short and long term. This target was established in 2023 and will be implemented in phases until 2035. The first milestone approaches at the end of 2025, aiming for 30% recycled packaging. According to current measurements, we are at 23.7%, and forecasts indicate that we will meet this goal.

WE DEVELOP TOGETHER WITH OUR CUSTOMERS

We always strive to be a reliable and long-term partner for our customers. To ensure that our quality, offering, service, and customer relationships meet our high targets, we conducted a customer survey during the latter part of the year. The strong response rate and high ratings from our customers are seen as proof that our efforts are paying off, as well as motivation to continue developing.

An important step in our customer focus has also been the launch of new ordering portal (B2B). It provides our customers with immediate access and a smoother ordering process, with the ability to view prices, stock status, track deliveries, and access up-to-date product information.

We continue to work systematically on customer satisfaction through both surveys and ongoing dialogue with our customers. By listening and responding, we can strengthen our relationships and create even better conditions for future collaborations.



3. GOVERNANCE

3.1 MANAGEMENT GOVERNANCE

Hagmans Nordic is certified according to ISO 14001, STEMFS, and ISO 9001.

Our management system provides us with the tools to effectively manage and improve processes, as well as to ensure compliance with legal and customer requirements. Local steering groups are responsible for deviations, improvements, and inspections, while the management team ensures follow-up through goal-oriented management. The management team, together with the Quality and Sustainability Manager, conducts quarterly reviews in which results, risks, opportunities, and compliance with laws and procedures are evaluated. We audit our management system twice a year, through both internal and external audits.

Organisation and follow-up of sustainability work

Hagmans Nordic aims to be a long-term, responsible, and sustainable company, in

which economic, environmental, and social factors are integrated into our business processes. Sustainability is a central part of our strategic planning and is anchored at all levels of management. The Quality and Sustainability Manager leads the sustainability efforts together with the management team.

Our Quality and Sustainability Manager leads, develops, and follows up on all sustainability initiatives, while the operational managers are responsible for implementing and driving local sustainability projects within their respective units, reporting to the Quality and Sustainability Manager. The sustainability areas prioritised by Hagmans Nordic are directly linked to our overall business objectives, ensuring that our sustainability work is both relevant and strategically anchored.



4. SUMMARY OF OUR SUSTAINABILITY WORK

The table describes how Hagmans Nordic meets the requirements set out in the Swedish Annual Accounts Act regarding sustainability reporting.

| LEGAL REQUIREMENTS | ENVIRONMENT | EMPLOYEES & SOCIAL CONDITIONS | HUMAN RIGHTS | ANTI-CORRUPTION |
|----------------------------------|---|---|--|---|
| BUSINESS MODEL | Read more in the section About Hagmans Nordic, page 3 | | | |
| POLICIES | <ul style="list-style-type: none"> • Quality and Sustainability • Fire Protection | <ul style="list-style-type: none"> • Equality • Offensive discrimination • Work environment • Remote work • Rehabilitation • Work adaptation • Crisis management • Alcohol and drugs • Skills development • Threats and violence • Personal protective equipment | <ul style="list-style-type: none"> • Code of Conduct • Supplier Code • Offensive discrimination • Human rights • Data Protection Policy • Whistleblower Policy | <ul style="list-style-type: none"> • Code of Conduct • Supplier Code • Loyalty & Confidentiality |
| AUDIT PROCEDURES | <ul style="list-style-type: none"> • Internal ISO audit • External ISO audit • Periodic inspection • Environmental supervision • Follow-up of key indicators • Legal compliance audit • Customer audit • External environmental inspection • Fire safety inspections • EcoVadis audit | <ul style="list-style-type: none"> • Employee survey • Safety inspections • Employee appraisals & union dialogue • Regular follow-up of key indicators (workplace injuries, sick leave, etc.) • EcoVadis audits | <ul style="list-style-type: none"> • Employee survey • Employee appraisals & union dialogue • Supplier assessment • Supplier audit • EcoVadis audit | <ul style="list-style-type: none"> • Supplier assessment • Supplier audit • EcoVadis audit |
| RISKS AND RISK MANAGEMENT | Read more under Risks and Risk Management, pages 6—7 | | | |
| PERFORMANCE INDICATORS | <ul style="list-style-type: none"> • Increase the proportion of recycled packaging • Reduce energy consumption • Reduce the amount of combustible waste • Internal and external audits | <ul style="list-style-type: none"> • Results of employee survey • Zero-accident vision for accidents leading to absence • Attendance rate 97% • Internal and external audits | <ul style="list-style-type: none"> • Results of employee survey • Supplier audit • Internal and external audits | <ul style="list-style-type: none"> • Supplier audit • Internal and external audits |







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SURFACE SOLUTIONS

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