



Alcadon Group



SUSTAINABILITY REPORT

2021

Table of Contents

Sustainability Report 2021

We are Alcadon	4
The Group	4
Alcadon in brief	5
How Alcadon creates value	6
Materiality analysis	7
Alcadon's sustainability management	8
Agenda 2030 for sustainable development	8
Sustainability for Alcadon	8
Our goals and focus areas	9
Environmental responsibility	10
Environmental Policy	10
Environmental organisation	10
High level of resource efficiency	11
Environmentally adapted products	12
Environmentally adapted purchases	13
Low climate impact	13
Plan 2022	13
Sustainable working life	14
Code of Business Conduct and Corporate Governance	14
Alcadon's work environment handbook	15
Health	15
Diversity & gender equality	15
Good work environment, health and safety	16
Skills supply and development	16
Plan 2022	16
High level of business ethics	17
Product quality and security in the supply chain	17
Working conditions	18
Our Code of Conduct	18
Stable profitability	18
Data security	19
Plan 2022	19
Auditor's remarks regarding the statutory	20

The Board of Directors is hereby authorised to submit
a Sustainability Report for the financial year
1 January 2021 to 31 December 2021

Stockholm 25 March 2022

Pierre Fors

Chair of the Board

Jonas Mårtensson

Board Member

Marie Ygge, ledamot

Board Member

Lars Engström

Board Member

This report comprises an account of Alcadon Group AB's (559009-2382) reporting on sustainability in accordance with the Swedish Annual Accounts Act, Chapter 6. The report includes the Company and underlying subsidiaries in the same group.

In addition to the risks described in this report, the Company has not identified any additional non-financial risks that are relevant to the business and shall be described in this report.

This is the Company's third Sustainability Report. When the report refers to Alcadon, it includes the entire Group, Alcadon Group AB.

We are Alcadon

We are passionate about enabling digitalisation, as we believe that a connected world is a better world. By connecting people and ideas, we can make problem solving possible, and promote society as a whole. Our commitment aims to improve the lives of all who are involved in building the Gigabit society of the future, or taking advantage of its benefits in a sustainable and secure way.

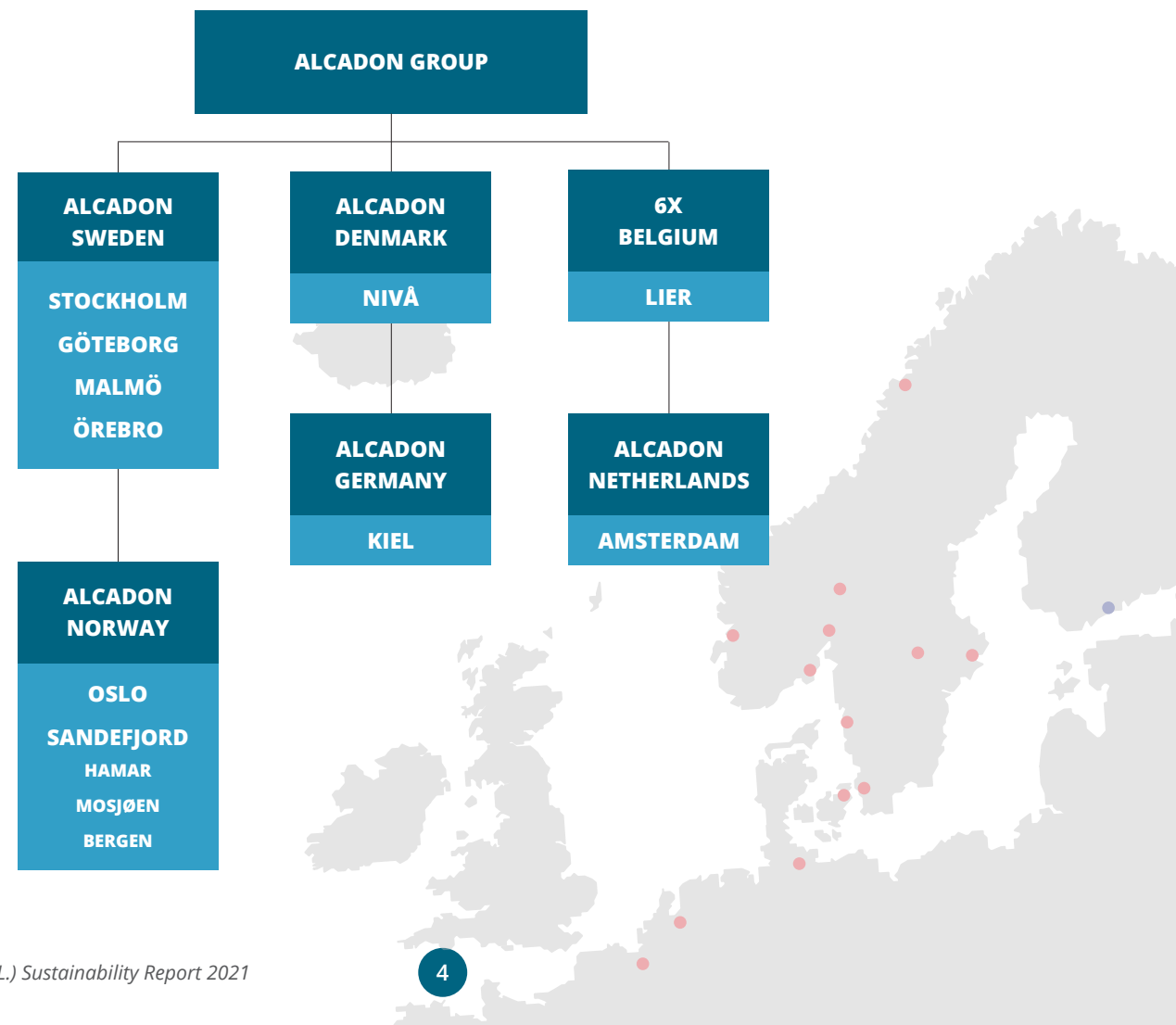
The purpose of Alcadon's business is to enable digitalisation by being one of the industry's most reliable centres of expertise, and a solution supplier in the markets in which we operate. Our endeavours enable data sharing, and as such make the world around us smarter, more adaptable and responsive. We see ourselves as part of something bigger when we are a part of the digitalisation of the world.

Alcadon is currently established in Sweden, Norway, Denmark, Germany, Netherlands and Belgium, with a clear strategy to grow organically and through acquisitions. The business consists of both professional distribution and development of proprietary systems and solutions within network communication, with a focus on passive solutions.

Since launching in 1988, the Alcadon Group has established itself as a leading supplier of systems and products for data communication in the Nordic region. Alcadon offers a wide range of high-quality systems and components from leading manufacturers, and own brands, such as ECS (European Cabling Systems) and DC-Line. The strength of Alcadon's business concept lies in extensive expertise and experience in network infrastructure, and technical development in the area, combined with a strong focus on quality and service.

This makes it possible for Alcadon to offer well-functioning complete solutions for network infrastructure to a broad customer base of network installers, system integrations, construction companies and network owners.

Alcadon Group AB is listed on Nasdaq First North.



Alcadon in brief



OUR VISION - 2025

By 2025, Alcadon will be a reputable European premium partner operating in carefully selected business areas related to the digitalisation of society.

BUSINESS CONCEPT

Alcadon's business concept is to meet the market's requirements and needs for products and systems for data communication, and to be a natural partner for companies that install and build network solutions for current and future needs.

To offer a wide range, high availability and a high level of delivery security at a reasonable price.


To maintain a high level of expertise with sound knowledge of market developments in order to offer goods and services that improve customers' business opportunities.



WE ARE HERE!


Since launching in 1988, we have established offices and subsidiaries, as well as sales organisations, throughout the Nordic region and in Germany. The head office is located at Stora Essingen in Stockholm, with the central warehouse in Västberga. From our sales offices and central warehouses in Sweden, Norway, Denmark and Germany, we can arrange speedy deliveries to that entire country, as well as to other offices and customers in the Nordic region.

BUSINESS AREAS




COMMERCIAL PROPERTY NETWORKS

- Structured cabling systems for offices, industry, municipalities and county councils.
- MPO¹⁾ systems and data centre solutions.
- Active communication equipment, such as switches, routers and wireless.




FIBER NETWORKS

- Complete solutions for fiber networks, including FTTH/B/P²⁾ and 5G.
- The offer includes fiber solutions for, among others, energy companies, city networks, and operators.



RESIDENTIAL NETWORKS

- New build and ROT production.
- Complete solutions for residential communication.
- Complete solutions for electricity and communication in residential properties.



SERVICES & TRAINING

- Training
- Network design
- Troubleshooting
- Fiber welding
- Measuring instruments, copper/fiber
- Fiber blowing equipment
- Rental

¹⁾ MPO (Multi-fiber Push On) is a universal cabling system for fiber networks.

²⁾ FTTH/B/P – Fiber to the Home/Building/Premises



How Alcadon creates value

PROFITABLE GROWTH ADDS VALUE AND CREATES OPPORTUNITIES

In addition to a continuous focus on organic growth, acquisitions are a key part of our business. Acquisitions will be prioritised based on cultural and strategic fit, and profitability, as well as strength and stability in their market position. We always prioritise growth within our core business and related business areas.

DECENTRALISATION CREATES ENGAGEMENT

A decentralised environment promotes quick decisions, a sense of ownership, and inspires individuals. Each individual, department, and subsidiary within the Group demonstrates a strong sense of entrepreneurship, and makes decisions freely in everyone’s best interests, within the framework of the Group’s values and strategic direction.

ADAPTABILITY ENSURES CONSTANT DEVELOPMENT

It is only through being aware of our customers’ needs that we can create the most effective solutions. With a business model that entails both distribution and product development, we ensure flexibility and differentiation with locally adapted solutions and technical leadership. It is our belief that success depends on simplicity and speed, combined with a focus on quality. Creating value requires continuous adaptability and development.

The image shows Alcadon’s value creation process, i.e. the assets and activities that are used and exercised within the organisation to be able to create value for our stakeholders.

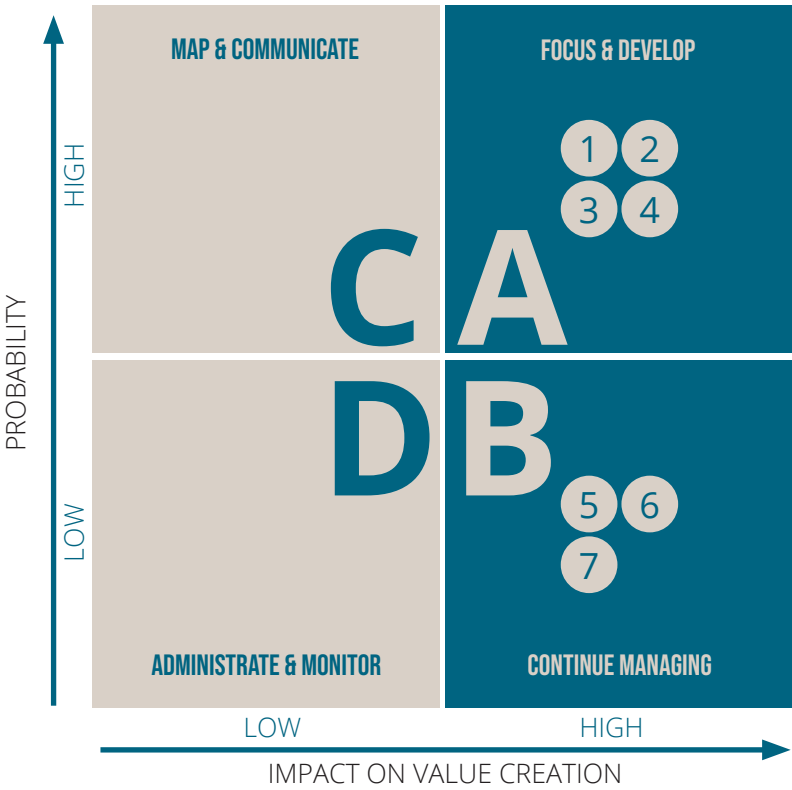
RESOURCES	FINANCIAL CAPITAL RELATIONSHIPS AND NETWORKS LOGISTICS FUNCTION INTEGRATED BUSINESS SYSTEMS EMPLOYEES WITH HIGH EXPERTISE
VALUE CREATION ACTIVITIES	PRODUCT DEVELOPMENT & SUPPORT FOR CUSTOMERS ENTREPRENEURIAL & ENGAGING CULTURE RESPONSIBLE CONDUCT WAREHOUSING, LOGISTICS & DISTRIBUTION
OFFERS	DATA, ELECTRICITY & NETWORK SOLUTIONS WIDE OFFER OF SYSTEMS FIRST CLASS SERVICE & SUPPORT
THE VALUE WE CREATE	DIGITAL INFRASTRUCTURE THAT MEETS FUTURE NEEDS DEVELOPING & SATISFACTORY WORKING LIFE FOR OUR EMPLOYEES VALUE CREATION FOR SHAREHOLDERS

Materiality Analysis

The Group's operating activities are primarily conducted in Alcadon AB and its subsidiaries. The Group's operations are affected by a number of risks that can affect the Group's results or financial position to varying degrees. When assessing the Group's development, it is important to consider relevant risk factors in addition to the opportunities for growth in results. Alcadon Group's subsidiaries work continuously with risks and risk management, with the goal of identifying and controlling the risks.

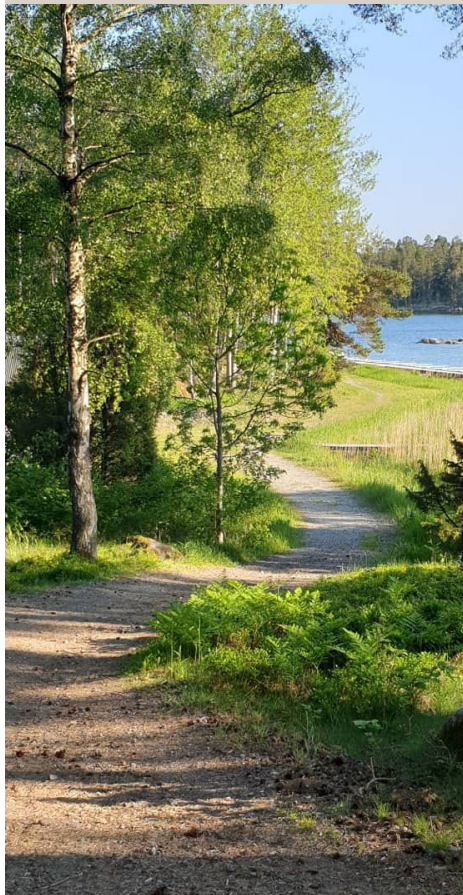
Alcadon's material sustainability risks have been identified through a materiality analysis. The material sustainability risks have been identified on the basis of the sustainability aspects that our stakeholders consider to be most relevant, as well as through external exploration and future analysis. We have chosen to continue to focus on the same risks in 2021 as in 2020.

Alcadon's most important interested parties are shareholders, employees, customers and suppliers. Sustainability risks have been prioritised according to the impact on value creation.



MATERIAL SUSTAINABILITY RISKS

1. Skills supply and development
2. Health and safety
3. Data security
4. Carbon footprint
5. Product quality and security in the value chain
6. Human rights
7. Bribery and corruption



Alcadon's sustainability management

AGENDA 2030 FOR SUSTAINABLE DEVELOPMENT

Agenda 2030 for sustainable development consists of 17 global goals for a better world. Our vision is to contribute to the goals set by the UN through our sustainability management in the areas that we can influence. In the report, we highlight the areas to which we make a particular contribution.



SUSTAINABILITY FOR ALCADON

Sustainable development and CSR (Corporate Social Responsibility) are fundamental to Alcadon's business. In part, due to demand from customers, employees and other stakeholders, but also because CSR and sustainability issues create new business opportunities for us.

Everything we do affects our world in some way. We are responsible for our business and for the impact we have on the environment and people. Our customers have high demands, and we know that these also include that we as a company take our responsibility. We therefore pursue a conscious Environmental Policy.

We work purposefully to integrate CSR (Corporate Social Responsibility) in our business dealings and in our daily operations. This includes taking responsibility from an economic, environmental and social perspective, such as to work for improved working conditions in supplier factories, ethical issues, approaches to human rights, and environmental work. These issues are fundamental to all of Alcadon Group's operations. Companies within the Alcadon Group shall be a responsible business partner and run a sustainable business based on business ethics, anti-corruption, human rights, working conditions, gender equality, and diversity, as well as the use of resources.

Three focus areas

Alcadon's sustainability management is divided into three focus areas: Environmental Responsibility, High Level of Business Ethics, and Sustainable Working Life.

Within these focus areas, we work towards the sustainability goals set by the UN which we can influence in our operations. Pages 8-19 describe how we work with these areas.

OUR SUSTAINABILTY GOALS

Environmental responsibility	Peformance indicator	Mål	2019	2020	2021	Global goal
We measure our CO2 emissions in tonnes and set it in relation to our sales	Tonnes CO2 per total sales in MSEK	<1,5	3,7	1,4	0,68 ²⁾	7, 8, 9, 12, 13
Sustainable working life	Peformance indicator	Mål	2019	2020	2021	Global goal
Staff training	Staff training (hours)	10 hrs/employee	E/T	100%	100%	3, 5, 8, 10
Employee engagement	How likely is it that you would recommend the organisation/ company as an employer to someone else? Measured in eNPS.	>30	89% ³⁾	eNPS: 25	eNPS: 46	
Staff turnover (people who have resigned)	Staff turnover	-	9%	6,5%	8,1%	
Totalt number on sick leave	Absence due to sickness – number on sick leave as % of the number of employees	<3%	5,9%	3,0%	1,34%	
Short-term sick leave	Absence due to sickness – number on short-term sick leave as % of number of employees	<2%	1,7%	1,7%	1,34%	
Incidents that resulted in sick leave	Number of incidents	0	0	0	0	
Took advantage of well-being allowance ⁴⁾	Took advantage of well-being allowance	>50%	45,0%	47,4%	65%	
Business ethics	Peformance indicator	Mål	2019	2020	2021	Global goal
Customer training	Customer training – number of people	>200	235	297	267 ⁵⁾	5, 8, 16
Complaints	Complaints	0	0	0	40	
Bribery and corruption – no incidents reported. Goal is 0	Bribery and corruption (Number of cases)	0	0	0	0	
Supplier visits to check compliance with Alcadon's Code of Conduct	Supplier visits for compliance control CoC ⁶⁾ - once every two years with suppliers who together make up 80% of purchases	Every two years	Yes	No	Yes ⁷⁾	
Availability (uptime) measured by an independent company	Availability (uptime) Webshop	98%	E/T	100%	100% ⁸⁾	
In today's world there are significant risks that companies' computer systems are hi-jacked and/or that data is held hostage by unscrupulous players. Alcadon performs a complete recovery test twice a year to ensure that data from day-to-day operations and from the business system can be recovered without data loss.	Data restore – twice a year	Twice/year	100%	100%	100%	

²⁾ Well-being allowance is only measured in Sweden as it is at present not offered in the other countries
³⁾ In 2019, employee involvement was measured in a different way, and the eNPS value will be stated ongoing. In Netigate's Employee Report 2021, What drives engagement in Swedish workplaces, the benchmark was 2019: -19 and 2020: 0.
⁴⁾ Well-being allowance is only measured in Sweden as it is at present not offered in the other countries.
⁵⁾ Most of our training was held online during 2020 due to the Covid-19 pandemic
⁶⁾ CoC-Code of Conduct.
⁷⁾ Supplier visits outside Sweden could not be made due to the Covid-19 pandemic.
⁸⁾ Measurement of uptime has only been possible in Sweden and Norway during 2021



Environmental responsibility

Alcadon strives to conduct its operations with as little environmental impact as possible. We all have a great responsibility for our common environment, both as a company and as individuals. That is why we are constantly working to improve our procedures in environment and quality.

ENVIRONMENTAL POLICY

Our environmental impact takes place mainly via freight transport, energy consumption, waste and packaging. We are working actively to minimise our environmental impact in each area. The environmental impact is also taken into account when choosing passenger transport and electricity suppliers. Alcadon's Environmental Policy states that environmental commitments shall be a natural part of our daily work and go beyond the minimum levels specified in laws and regulations.

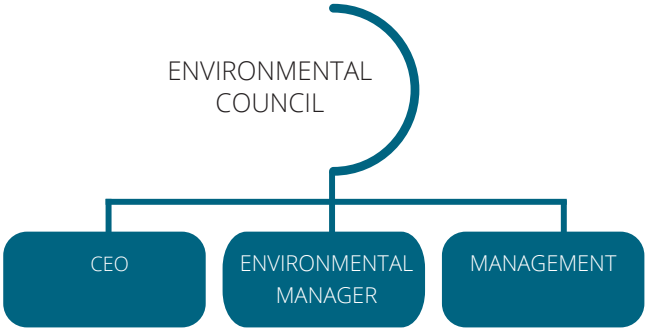
In terms of the environment, our work shall be characterised by continuous environmental improvements, further developed environmental management, and an active integration of environmental aspects.

ENVIRONMENTAL ORGANISATION

The highest decision-making body within the company in relation to environmental matters is the Environmental Council. The Environmental Council consists of management representatives from several contries, including the Enviromental Manager and the CEO. The Council's decisions apply to all companies within the Group and govern the work at the branches and sales offices that have daily customer contact.

Coordination and integration in the business and with our suppliers is increased through the Environmental Manager. Our environmental management includes projects and activities connected to all activities in the various companies. Integration is ongoing in conjunction with our business development, in order to achieve harmonisation and standardisation of our quality management in the long term.

We plan to continue to improve our procedures and systems during 2022, in order to further ensure the quality of our environmental management.





7. SUSTAINABLE ENERGY FOR ALL

Alcadon contributes greatly to this goal, as a large part of our business consists of developing fiber solutions for, among others, energy companies, city networks and operators. The transition from copper to fiber installations contributes to reduced environmental emissions and energy efficiency⁹⁾, as well as providing society with a reliable network connection. We are passionate about enabling digitalisation, as we believe a connected world is a better world.



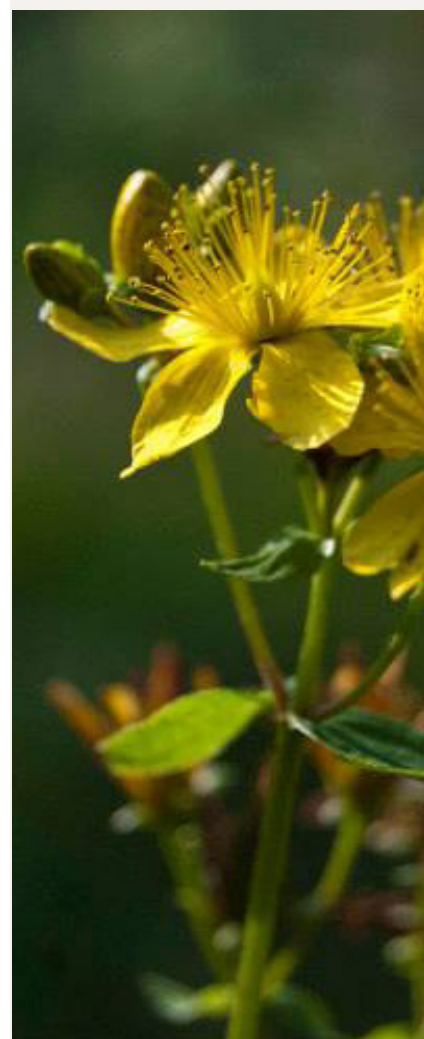
8. DECENT WORKING CONDITIONS AND ECONOMIC GROWTH

Sub-goals 8.5 and 8.8 encompass decent working conditions for all women and men, including young people and people with disabilities, as well as a safe and secure work environment for all workers. To contribute to these, Alcadon has a Gender Equality Policy and a Work Environment Policy in place for our own employees, as well as a Code of Conduct that everyone shall follow. The Code of Conduct is also used to set requirements on our suppliers and, among other things, their work environment, but it also contains clear requirements on human rights.¹⁰⁾



9. SUSTAINABLE INDUSTRY, INNOVATION AND INFRASTRUCTURE

Sub-goals 9.1 and 9.4, which relate to expanding and upgrading infrastructure, are something that we at Alcadon contribute in particular to, as we are active in commercial property networks, fiber networks, and residential networks. In addition to providing complete solutions for, among other things, fiber networks, communication and electricity, we also offer training to our customers in order to broaden their skills in these areas.



12. SUSTAINABLE CONSUMPTION AND PRODUCTION

To contribute to sub-goals 12.2 and 12.4, which concern streamlining the use of natural resources and responsible management of chemicals and waste, Alcadon is, among other things, affiliated with FTI, which has the task of providing recycling systems for packaging. We reuse packaging and cable drums as far as possible, and then recycle them when they are spent. By informing our customers how to handle recycling of the cable drums on which our products are delivered, for example via Drumster, we ensure that cable drums are reintroduced in the production stage.

⁹⁾Read more on page 15

¹⁰⁾Read more on page 22



13. COMBAT CLIMATE CHANGE

This goal is something that we at Alcadon are constantly striving to improve on. Our environmental impact takes place mainly via freight transport, energy consumption, waste and packaging. We work actively to minimise our environmental impact within each area. By training our personnel and constantly raising awareness within the company, we can reduce our carbon footprint even further.

HIGH LEVEL OF RESOURCE EFFICIENCY

By offering training and webinars to our customers, we can ensure the quality of the installations where our products are used. The majority of our customers have undergone our licensing training for installers. This means that after completing the training the customer can in turn offer a 15-year guarantee on the installation.



To ensure the sustainability and performance of the networks, the measured values of the installations are reviewed by experts at Alcadon. After approval, a guarantee card and construction certificate are issued.



ECOVADIS

Alcadon was also awarded silver in EcoVadis's annual international ranking in 2021. This places Alcadon among the top 25 per cent in the world in terms of sustainability management in our industry.

EcoVadis is an independent analysis company that annually analyses and evaluates companies' sustainability management. The assessment is based on 21 criteria in four different areas: environment, fair working conditions, business ethics, and the supply chain. They rate 150 purchasing categories in 110 countries, and the method is based on international CSR standards including the Global Reporting Initiative, the UN Global Compact and ISO 26000.

NEW POINTS OF SALE

We are expanding, and in 2021 Alcadon acquired operations in Germany and Belgium. This increases availability and makes it possible for us to offer more efficient deliveries in Europe.

SOURCE SEPARATION OF WASTE

All material we use will sooner or later become waste in some form. For packaging that arrives in Sweden in connection with the import of goods, we take our responsibility as a producer by being affiliated to FTI. With regards packaging materials purchased in Sweden, we have agreements with suppliers where a return fee for recycling is included. When it comes to handling waste from our own operations, we have an agreement with PreZero for transport and further handling in approved forms. We submit paper for recycling at all our offices, and pack our orders in recycled boxes. Even the cable drums that are delivered to our warehouses are reused as far as possible. If a drum is too damaged, it is submitted for recycling.

ENERGY SAVING MEASURES

An established goal that we continue to work on is to increase the use of computers and appropriate software to reduce paper use when, for example, we disseminate information to personnel, customers and suppliers. The companies use low-energy lightbulbs in the light fixtures where this is possible.

OUR OPERATIONS SHALL CONTRIBUTE TO:

- Reduced emissions
- More efficient energy use
- Reduced energy consumption
- Source separation of waste
- Recycling
- Reuse

OUR ENVIRONMENTAL POLICY MEANS THAT:

- Environmental consideration shall be taken into account in every decision.
- Environmental management shall be a natural integral part of each activity.
- Environmental management shall be developed in line with new knowledge becoming available.
- Environmental management shall support our own business goals.
- Environmental management concerns everyone and is founded on involvement.
- Environmentally adapted products are used.



ENVIRONMENTALLY ADAPTED PRODUCTS

Alcadon's products shall be manufactured from recyclable materials or recycled materials, where possible. One goal for the companies is to remove products from their operations that are not manufactured in an environmentally friendly way, or that contain environmentally hazardous substances. To meet current and future environmental requirements, we certify products that we consider important for our and our customers' businesses. This is done through the various services that are currently available, including Byggvarubedömningen, Sunda Hus and the Nordic Swan. Through these services, our customers can obtain information about our products, which are then checked from an environmental perspective.

We are affiliated with FTI, which is the business community's solution for producer responsibility for packaging made of plastic, metal, paper/cardboard and corrugated cardboard. FTI's task is to offer all companies access to the nationwide recycling system for packaging. Through our affiliation with FTI, we meet the requirements placed on us in the Swedish Packaging Ordinance. We work continuously to ensure environmentally friendly handling of packaging.

We are also a member of El-Kretsen, which is a business service company and has the task of fulfilling the producer responsibility relating to electrical and electronic products and batteries. The WEEE directive and the legislation that regulates producer responsibility form the basis for El-Kretsen's activities. The supervisory authority for these, and which is responsible for compliance with the law, is the Swedish Environmental Protection Agency.

The companies are also certified by El-Kretsen. The certificate guarantees employees and customers that the companies' products are recycled correctly, and assures that we are committed and do what we can to save the earth's resources.

ENVIRONMENTAL REQUIREMENTS FOR OUR SUPPLIERS

One of the companies' environmental goals is to put pressure on our main suppliers to always consider environmental aspects in their production and operations.



ENVIRONMENTALLY ADAPTED PURCHASES

An established goal is to always consider environmental aspects when purchasing products used in the business, everything from vehicles and fuels to copy paper and pens. This has brought with it a transition to more environmentally adapted products. Compliance with the requirements is a must and is discussed at staff meetings.

LOW CLIMATE IMPACT

As a producer, we are obliged to take care of our electronic products, and ensure that they are recycled and that the waste is handled correctly so that it can be recycled. Alcadon is a member of El-Kretsen, which has an approved recycling system in this area.

Alcadon contributes to reduced environmental impact by promoting the transition from copper to fiber installations. Copper switch off is positive for the environment, society, consumers and telecommunications. Studies show that the transition from copper to fiber installations brings about significant environmental, social and economic benefits.

- **Reduced carbon dioxide emissions and greater energy efficiency:** fiber networks emit 88% less greenhouse gas emissions per Gigabit compared to older technology.
- **Economic upswing:** full FTTP-expansion has a positive effect on the employment rate and leads to improved conditions for new start-ups.
- **Reliability:** fiber is 70-80% more reliable than copper, which significantly reduces operating costs, such as maintenance and repairs.¹¹⁾

CARBON FOOTPRINT

Alcadon buys, and consequently transports, a large part of its goods from places outside Sweden. This negative impact on the climate is inevitable for our business, so we do what we can to reduce it as much as possible:

- We continuously evaluate our selection of carriers and modes of transport, and choose, as far as possible, the means of transport that have the least impact on the climate.
- Fully loaded transports. We try, as far as possible, to fully load the transports during export and import, in part to streamline, but also to reduce the number of transports and thereby also our CO2 emissions.
- Use of the best possible fuel and reduced fuel consumption; one of the environmental goals set for the business specifies the best possible fuel and requirements for measures to reduce fuel consumption.
- Environmental information for employees, customers and suppliers; all employees in the business shall be aware of the company's environmental goals. This is followed up regularly at staff meetings, where new information is also provided. Through verbal and written communication, our customers are informed about our ongoing environmental management. We have an ongoing dialogue with our suppliers about environmental improvement measures.

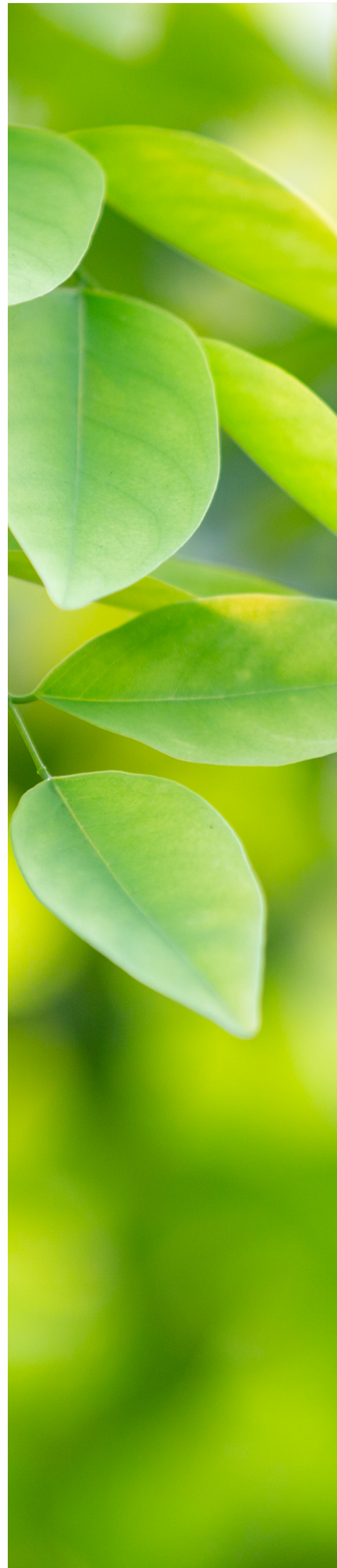
¹¹⁾ Source: FTTH Council Europe press release 2020-12-03, Copper Switch off Study 2020

Environmental responsibility	Performance indicator	Mål	2019	2020	2021	Global goal
We measure our CO2 emissions in tonnes and set it in relation to our sales	Tonnes CO2 per total sales in MSEK	<1,5	3,7	1,4	0,68*	7, 8, 9, 12, 13

* Well-being allowance is only measured in Sweden as it is at present not offered in the other countries .

PLAN 2022

- Continue to inform our customers about how they can recycle the cable drums on which our cables are delivered. Collection takes place through the company Drumster, which repairs and ensures that the cable drums return to the production stage. In this way, our cable drums can be used many times before they are finally recycled.
- Continue to gradually change our fossil-fuelled company cars to electric vehicles and plug-in hybrids.



3. GOOD HEALTH AND WELL-BEING

To contribute to good health and well-being within the organisation, we offer our employees a well-being allowance and health insurance, and in some offices there is access to a gym and massage treatments. The organisation has a current Stress Policy to prevent burnout and mental illness as a result of the work.



5. GENDER EQUALITY

To contribute to increased gender equality, we have a Gender Equality Policy that we follow within the company. This policy clearly states that we do not tolerate sexual harassment or gender discrimination, and it contains measures to counteract unreasonable salary differences due to gender. We are constantly working to introduce more female employees to the organisation.



8. DECENT WORKING CONDITIONS AND ECONOMIC GROWTH

Sub-goals 8.5 and 8.8 encompass decent working conditions for all women and men, including young people and people with disabilities, as well as a safe and secure work environment for all workers. To contribute to these, Alcadon has a Gender Equality Policy and a Work Environment Policy in place for our own employees, as well as a Code of Conduct that everyone shall follow. The Code of Conduct is also used to set requirements on our suppliers and, among other things, their work environment, but it also contains clear requirements on human rights¹²⁾.



10. REDUCED INEQUALITY

Sub-goals 10.2 and 10.3 relate to working to ensure that all people, regardless of age, gender, disability, race, ethnicity, origin, religion or other status, become more included and have the same rights. Managing diversity and gender equality is an important part of recruitment, salary setting, and skills development. We strive to take advantage of everyone's differences and perspectives, and do not tolerate any form of discrimination within the organisation. This is stated in our Work Environment Policy and Handbook.

¹²⁾ Read more on page 22



Sustainable working life

Alcadon shall actively work to create a socially, physically and psychologically healthy workplace for all employees, by preventing the risk of occupational injuries and work-related ill health. The minimum requirement for the business is to comply with laws, ordinances, regulatory requirements in all respects, and to ensure that the systematic environmental management is conducted as an integral part of the regular operations. Systematic work environment management involve investigating, preventing, implementing and following up measures. Work environment management shall also include gender equality, diversity, skills development, influence and responsibility, well-being, stress management, drugs and substance abuse management, issues around threats and violence, and organisational development.

CODE OF BUSINESS CONDUCT AND CORPORATE GOVERNANCE

Since our company was founded in 1988, we at Alcadon have insisted that all our employees maintain the highest level of integrity when doing business with and for Alcadon, which also includes when doing business with customers, business partners, employees and investors. Our Code of Business Conduct and Corporate Governance incorporates rules regarding individual responsibility and responsibility to colleagues, as well as responsibility to our employees, customers, shareholders, the general public and other stakeholders, and involves:

- Promoting honest and ethical conduct in existing or apparent conflicts of interest between personal and professional relationships.
- Promoting complete, fair, accurate, timely and comprehensible information on the content of the monthly reports that Alcadon shall archive.
- Promoting compliance with applicable rules and regulations.
- Providing guidance to directors, managers and employees to help them recognise and manage ethical issues.
- Providing mechanisms for reporting unethical behaviour.
- Helping foster a corporate culture with honesty and responsibility.

ALCADON'S WORK ENVIRONMENT HANDBOOK

Alcadon's handbook describes our basic activities for creating a good and safe work environment. The purpose of the handbook is so the activities that affect the work environment are carried out in an efficient and planned manner. Work environment management shall be a natural part of everything we do and of all decisions that are made. There shall therefore be a connection between all activities in our operations and the work environment management.

The handbook is based on the Swedish Work Environment Act, (Swedish: Arbetsmiljölagen, AML), with associated regulations, (Swedish: Arbetsmiljöföreskrifter, AFS), issued by the Swedish Work Environment Authority. The Act contains fundamental provisions and specifies general requirements. The regulation which clarifies the employer's responsibility for work environment management and how they shall be fulfilled is AFS 2001:1 on systematic work environment management, (Swedish: Systematiskt arbetsmiljöarbete, SAM).

THE HANDBOOK CONSISTS OF

- Our Work Environment Policy, which describes in general how we shall create a good work environment
- Documented procedures for various activities
- Forms
- Instructions
- Checklists

The handbook is a living document that is continuously updated. It is available to all personnel via our internal website. Anyone starting work with us will receive an introduction that, among other things, addresses the work environment risks that exist in the business and how to work/ behave so as not to injure themselves or suffer from ill health. New managers shall receive basic work environment training that includes systematic work environment management and other rules (regulations) that apply to our business.

HEALTH

We monitor the health of our employees in annual employee interviews. The company also conducted an annual employee survey in the autumn of 2021.

The company offers a generous well-being allowance¹³⁾ and has entered into an agreement with a chain of gyms with favourable prices for employees. All employees are also offered private health insurance. Some offices offer massage treatments at a reduced price, as well as access to their own gym.

DIVERSITY AND GENDER EQUALITY

Managing diversity and gender equality is an important part of recruitment, salary setting, and skills development. We strive to take advantage of everyone's differences and perspectives. We do not accept any form of discrimination, sexual harassment, or discriminatory treatment. One goal that we are constantly striving for is, for example, to employ more women in the organisation.

¹³⁾ Well-being allowance is only found in Sweden

MEMLOYEE SURVEY

When asked how much trust employees have in Alcadon's top management, in our most recent employee survey, the average value was 4.6511) on a scale of 1-5, where 1 corresponds to no trust and 5 a lot of trust. This is an increase compared to 2020, when the average value was 4.51.

¹⁴⁾ Average value 2021. Source: Netigate Employee Report 2021, Swedish workplaces. A study based on interviews with approximately 3 000 working individuals and over 10 years of studies of own data.



eNPS¹⁵⁾
46

¹⁵⁾ eNPS stands for Employee Net Promoter Score and is a global key figure for measuring employee satisfaction, and provides a measure of how willing employees are to recommend their workplace. Generally, a score between 10-30 is considered good, while a score close to 30 is excellent. In 2020, our score was 25, and the global average score is considered to be 14.

GOOD WORK ENVIRONMENT, HEALTH AND SAFETY

Alcadon is responsible for ensuring risk assessments of the work environment are carried out; which is part of the systematic work environment management according to law. Risk assessment is a natural part of daily work, but in addition to this, regular examinations of the work environment shall be carried out in order to prevent someone from becoming ill or injured by or at work. The results of our work environment surveys, in the form of employee interviews, workplace meetings and targeted surveys, form an important basis for the assessments. Each manager is responsible for ensuring the risk assessments are carried out.

Based on the risk assessments, an action plan is drawn up, where any deficiencies are remedied.

The work environment management is followed up on an annual basis in order to ensure that we live up to the regulations on systematic work environment management, and that the work environment management has worked well.

SKILLS SUPPLY AND DEVELOPMENT

Alcadon is dependent on key individuals, usually senior executives. Alcadon's development also depends on its ability to recruit and retain qualified employees. We work to create an attractive work environment with good development opportunities, and to be a learning organisation, where knowledge and experiences are shared by employees.

Sustainable working life	Peformance indicator	Mål	2019	2020	2021	Global goal
Staff training	Staff training (hours)	10 hrs/ employee	E/T	100%	100%	3, 5, 8, 10
Employee engagement	How likely is it that you would recommend the organisation/ company as an employer to someone else? Measured in eNPS.	>30	89% ¹⁶⁾	eNPS: 25	eNPS: 46	
Staff turnover (people who have resigned)	Staff turnover	-	9%	6,5%	8,1%	
Totalt number on sick leave	Absence due to sickness – number on sick leave as % of the number of employees	<3%	5,9%	3,0%	1,34%	
Short-term sick leave	Absence due to sickness – number on short-term sick leave as % of number of employees	<2%	1,7%	1,7%	1,34%	
Incidents that resulted in sick leave	Number of incidents	0	0	0	0	
Took advantage of well-being allowance ¹⁷⁾	Took advantage of well-being allowance	>50%	45,0%	47,4%	65%	

³⁾ In 2019, employee involvement was measured in a different way, and the eNPS value will be stated ongoing. In Netigate's Employee Report 2021, What drives engagement in Swedish workplaces, the benchmark was 2019: -19 and 2020: 0.
⁴⁾ Well-being allowance is only measured in Sweden as it is at present not offered in the other countries.

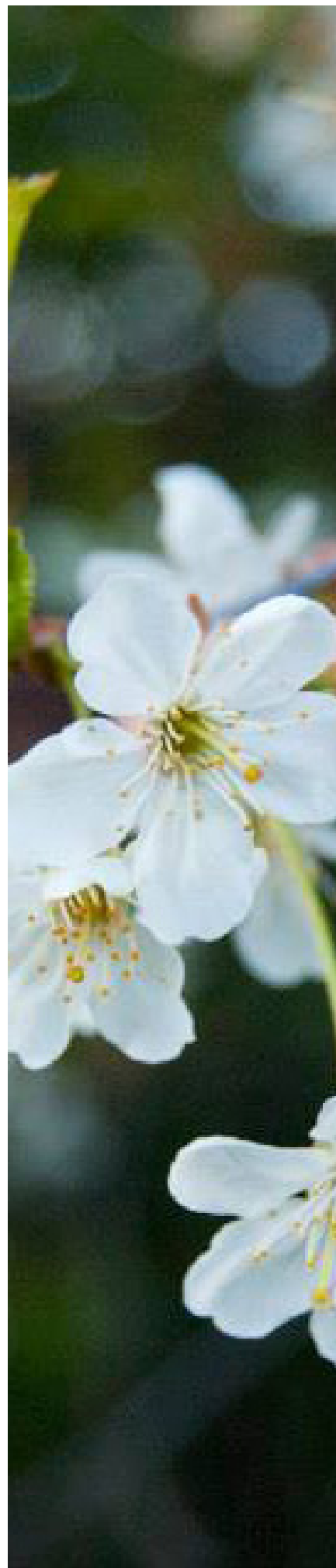
COMMUNITY ENGAGEMENT

During the year, we supported several important organisations, such as the Childhood Cancer Foundation and the City Mission.



PLAN 2022

- New employee survey
- Continue our efforts to bring more women into the organisation. In 2019 and 2020, the average number of women in the organisation was 11.9%. In 2021, it was 11.1%.



5. GENDER EQUALITY

To contribute to increased gender equality, we have a Gender Equality Policy that we follow within the company. This policy clearly states that we do not tolerate sexual harassment or gender discrimination, and it contains measures to counteract unreasonable salary differences due to gender. We are constantly working to introduce more female employees to the organisation.



8. DECENT WORKING CONDITIONS AND ECONOMIC GROWTH

Sub-goals 8.5 and 8.8 encompass decent working conditions for all women and men, including young people and people with disabilities, as well as a safe and secure work environment for all workers. To contribute to these, Alcadon has a Gender Equality Policy and a Work Environment Policy in place for our own employees, as well as a Code of Conduct that everyone shall follow. The Code of Conduct is also used to set requirements on our suppliers and, among other things, their work environment, but it also contains clear requirements on human rights¹⁸⁾.



12. SUSTAINABLE CONSUMPTION AND PRODUCTION

To contribute to sub-goals 12.2 and 12.4, which concern streamlining the use of natural resources and responsible management of chemicals and waste, Alcadon is, among other things, affiliated with FTI, which has the task of providing recycling systems for packaging. We reuse packaging and cable drums as far as possible, and then recycle them when they are spent. By informing our customers how to handle recycling of the cable drums on which our products are delivered, for example via Drumster, we ensure that cable drums are reintroduced in the production stage.



16. PEACEFUL AND INCLUSIVE SOCIETIES

We contribute to sub-goal 16.5, mainly with the help of our Code of Conduct, which, as well as applying to the entire organisation, also applies to suppliers. To ensure that the Code of Conduct is complied with, annual visits to suppliers are carried out.

¹⁸⁾ Read more on page 22



High level of business ethics

PRODUCT QUALITY AND SECURITY IN THE SUPPLY CHAIN

At Alcadon, quality does not just mean that our products shall meet or exceed customer expectations. It also means that production shall take place under good conditions, and that our customers shall be satisfied with us as a company. Taking responsibility for how people and the environment are affected by our business is also an important prerequisite for all subsidiaries to grow with continued good profitability. Here, we explain how we do it.

SUPPLIERS

In order to be able to sell and deliver products, the subsidiaries are dependent on external deliveries meeting the agreed requirements with regard to, for example, quantity, quality and delivery time. Incorrect, delayed, or missing deliveries from suppliers can mean that the subsidiaries' deliveries are in turn delayed, or are defective or incorrect, which can result in reduced sales and, as such, negatively affect our business, financial position and results. We continuously evaluate and develop our quality criteria, which, through our internal processes, we ensure that our suppliers can meet. This is done, among other things, through close contact with and regular visits to them, together with quality assessments and quality tests performed by third parties.

PROCEDURES FOR THE HANDLING OF WEEE AND ROHS DIRECTIVES¹⁹⁾

To meet the requirements of the statutory WEEE and RoHS Directives, we at Alcadon have developed procedures for different parts of the organisation. In order to ensure that the delivery of products for which Alcadon has producer responsibility complies with RoHS, WEEE and CE marking, purchasers and product managers always require that suppliers and manufacturers who supply Alcadon with products fulfil all requirements and have the correct documentation. Using a flow chart, purchasers at Alcadon can easily and quickly identify whether the products intended for procurement fulfil the requirements on requested certificates, documentation, and test reports from the manufacturer and supplier for the various directives that are statutory, and with which the product must comply. All documentation is stored electronically on the company's internal network and in the company's business system.

¹⁹⁾ The WEEE Directive (Directive on Waste Electrical and Electronic Equipment) regulates what should happen when products become waste. The RoHS Directive (Directive on the Restriction of the use of certain Hazardous Substances in electrical and electronic equipment) prohibits the presence of certain chemical substances in electrical and electronic equipment.

WORKING CONDITIONS

The products shall be manufactured under acceptable working conditions by suppliers who take responsibility for the work environment. The best way to influence and contribute to a positive development is to have close and long-term relationships with our suppliers. By supporting our suppliers, we want to motivate them to take great responsibility for people and their work environment.

OUR CODE OF CONDUCT

The purpose of the Code of Conduct is to create a common set of values according to which we work, together with our suppliers. Our customers have high demands, and we know that these also include that we as a company take our responsibility.

Long-term relationships with stakeholders, good working methods, and a high level of business ethics and morale are important success factors for lasting growth and sustainability.

Alcadon's Code of Conduct is based on the 1948 UN Declaration of Human Rights, the UN Convention on the Rights of the Child, the 1966 International Covenant on Economic, Social and Cultural Rights, the ILO (International Labour Organization) conventions, and other relevant international standards on human rights and labour law in force at any given time. Visits to factories shall be carried out regularly by our personnel, but also by independent third parties. It is the supplier's responsibility to ensure the implementation of this Code of Conduct in its operations.

Our suppliers are also obliged to ensure that all their suppliers, subcontractors, producers and business partners who participate in the manufacture of goods and services for companies within the Alcadon Group comply with this policy. In addition to Alcadon's Code of Conduct, the supplier shall comply with national laws and regulations.

STABLE PROFITABILITY

A good relationship with our customers creates the best conditions for stable profitability. Our customers' opinions are invaluable, and form the basis for our further development and improvement. In a customer survey conducted on the Swedish market in the spring of 2021, we asked the question "How satisfied are you with Alcadon AB as a whole?" and received the grade 8.29 NKI²⁰⁾ on the scale 1-10, where 10 = very satisfied. The same survey showed that 65% of our customers have traded with us for more than five years, a result that shows our customers have great trust in Alcadon. Read the entire survey on our website

Since 1988, Alcadon has been developing and offering products, solutions and systems in network infrastructure/data communication, with a range that includes fiber and copper-based solutions, as well as both passive and active products. We continuously offer training to our customers in order to provide expertise in new systems and technologies. At present, operations are conducted in Sweden, Norway, Denmark, Germany and Belgium. Sales are mainly made to installers, operators, construction companies, integrators, municipalities and data centres.

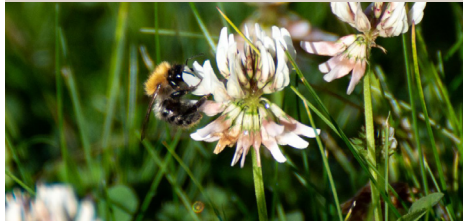
The core of our offeris consists of proprietary solutions, where production is outsourced to partner factories in several countries, with which we have collaborated for many years. The proprietary range is complemented by products and solutions from leading international manufacturers. The combination of own systems, such as ECS and DC-Line, and partnerships with leading international players creates a balance with a complete and competitive offer, with a clear premium stamp and a flexible business model.

²⁰⁾ NKI: Swedish: Nöjd-Kund-Index – equivalent to CSI/Customer satisfaction Index

OUR REQUIREMENTS ON SUPPLIERS INCLUDE THE FOLLOWING AREAS:

- Forced labour
- Child labour and young workers
- Non-discrimination
- The right to organise
- Health and safety
- Employment and working conditions
- Work environment
- Corruption and bribery
- Responsibility for the origin of certain minerals

For a detailed description of the above, see www.alcadongroup.se



OPERATIONS ARE CONDUCTED IN FOUR BUSINESS

- Commercial property networks
- Residential networks
- Fiber networks
- Services and Training

DATA SECURITY

Alcadon receives a large part of its sales via Web and EDI, and availability is important to Alcadon's customers. To prevent the site from crashing due to virus or attempted data breach, we perform full data restore at least twice a year. We use central firewalls with technology to security check traffic to and from the internet, and we have installed industry-leading security on workstations with protection against malicious code, Trojans and backdoors.

Business ethics	Peformance indicator	Mål	2019	2020	2021	Global goal
Customer training	Customer training – number of people	>200	235	297	267 ²¹⁾	5, 8, 16
Complaints	Complaints	0	0	0	40	
Bribery and corruption – no incidents reported. Goal is 0	Bribery and corruption (Number of cases)	0	0	0	0	
Supplier visits to check compliance with Alcadon's Code of Conduct	Supplier visits for compliance control CoC ²²⁾ - once every two years with suppliers who together make up 80% of purchases	Every two years	Yes	No	Yes ²³⁾	
Availability (uptime) measured by an independent company	Availability (uptime) Webshop	98%	E/T	100%	100% ²⁴⁾	
In today's world there are significant risks that companies' computer systems are hijacked and/or that data is held hostage by unscrupulous players. Alcadon performs a complete recovery test twice a year to ensure that data from day-to-day operations and from the business system can be recovered without data loss.	Data restore – twice a year	Twice/year	100%	100%	100%	

²¹⁾ Most of our training was held online during 2020 and 2021 due to the Covid-19 pandemic.

²²⁾ CoC-Code of Conduct.

²³⁾ Supplier visits outside Sweden could not be made due to the Covid-19 pandemic.

²⁴⁾ Measurement of uptime has only been possible in Sweden and Norway during 2021.





AUDITOR'S REMARKS REGARDING THE STATUTORY SUSTAINABILITY REPORT

To the Annual General Meeting of Alcadon Group AB, corporate identity number 559009-2382.

ASSIGNMENT AND DIVISION OF RESPONSIBILITY

The Board of Directors is responsible for the Sustainability Report for the year 2021, and for having prepared it in accordance with the Swedish Annual Accounts Act.

FOCUS AND SCOPE OF THE AUDIT

Our review has taken place in accordance with FAR's recommendation RevR 12 Auditor's remarks on the statutory sustainability report. This means that our review of the Sustainability Report has a different focus and a significantly smaller scope compared with the focus and scope of an audit in accordance with International Standards on Auditing and good auditing practice in Sweden. We believe that this review provides us with a sufficient basis for our statement.

STATEMENT

A Sustainability Report has been prepared.

Stockholm, 25 March 2022

Grant Thornton Sweden AB

Daniel Forsgren

Chartered Accountant



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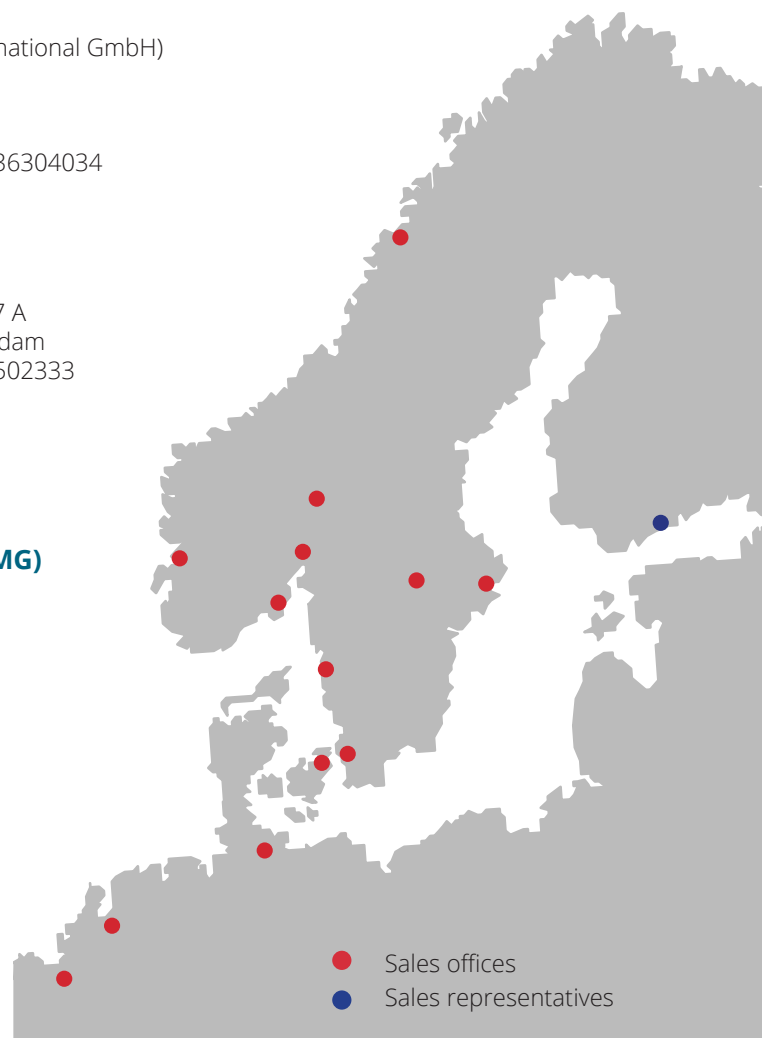
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