



SUSTAINABILITY POLICY

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1. BACKGROUND AND PURPOSE

To ensure Clas Ohlson AB (publ) ("Clas Ohlson") and all its subsidiaries follow applicable laws and maintain consistent values and working methods across the entire organization, the Group has established a clear structure for managing governing documents, including this Policy.

Clas Ohlson is dedicated to advancing sustainability within the retail industry. This sustainability policy provides the strategic direction and foundational principles guiding our efforts to integrate sustainability into all aspects of our operations. Our approach is built on a commitment to ethical business practices, social and environmental responsibility, and a dedication to continuous improvement. The purpose of this policy is to ensure that we operate responsibly and sustainably, contributing to a better society and a healthier planet.

This sustainability policy applies to all operations within Clas Ohlson and its subsidiaries, its products, and its services. It encompasses our environmental impact, social responsibility, and corporate governance. This policy, as relevant, is applicable to all employees, suppliers, and stakeholders involved in or affected by Clas Ohlson's activities.

2. SUSTAINABILITY STRATEGY & POLICY

Our sustainability strategy, which is integral to our business plan, can be sectioned into three pillars: Planet, People, and Society. While those pillars are an effective framework to guide our efforts, we strive to continuously review and update our strategy and policies to reflect the world around us. One step in that direction is to further integrate sustainability in our business to streamline and simplify, making our efforts related to sustainability as effective as possible. We do this by successively joining sustainability with existing business frameworks and procedures, with the goal of having our sustainability strategy and operations not existing next to – but rather being fully integrated in – the overall strategy and operations of Clas Ohlson. This will further embed sustainability into all aspects of our organization to align with our purpose, mission, vision, and culture. It will also help to direct our strategic priorities and ensure we achieve our overall targets, including our commitment to making home fixing available, sustainable, and enjoyable for everyone.

Our approach is grounded in international standards, such as the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD's Guidelines for Multinational Enterprises, the UN's Children's Rights and Business Principles, and the ten principles of the UN Global Compact. We apply amfori's Codes of Conduct for both social responsibility and the environment. To ensure we are on track to meet our sustainability goals, we use specific KPIs to measure progress. These KPIs help us monitor key aspects of our strategy, and we regularly review and report on our progress. This approach allows us to make necessary adjustments to achieve our long-term objectives.

2.1 PLANET

The "Planet" pillar emphasizes our commitment to environmental sustainability. We are dedicated to reducing our environmental footprint across all areas of our business.

- **Environmental Responsibility:** We strive to minimize our environmental impact through efficient resource use, waste reduction, responsible chemical management, and the implementation of sustainable practices across our operations. We are committed to ensuring that all chemicals used in our products and processes meet or exceed legal safety requirements for human health and the environment. As part of our ongoing journey, we have started to address biodiversity, with an initial focus on identifying the most significant impacts, risks, and opportunities related to our operations. We aim to gradually adopt practices that protect natural habitats and promote ecological balance, while continuously developing our efforts over time.
- **Sustainable Sourcing:** Clas Ohlson is committed to sourcing raw materials and products in a way that reduces environmental impact. This includes prioritizing sustainable and recycled materials, leveraging third-party certifications to verify that our products and materials meet stringent environmental and social standards, and ensuring a comprehensive spare parts assortment to extend the life of products. By maintaining an adequate range of spare parts, we support product longevity and reduce waste, further contributing to our sustainability goals.
- **Climate Action:** We are committed to significantly reducing our greenhouse gas emissions in line with the Paris Agreement, pursuing a future of resource efficiency and minimal environmental impact. Our approach includes ongoing improvements in energy efficiency and increased use of renewable and low-carbon energy sources – for our own operations as well as, e.g., upstream and downstream transportation.
- **Customer Guidance:** We are committed to guiding our many customers towards choices and usages that are better from an environmental perspective. Through informed and responsible customer interactions, we aim to promote sustainable consumption by emphasizing environmentally responsible products and encouraging practices that minimize environmental impact.

2.2 PEOPLE

Under the "People" pillar, we focus on fostering a diverse, inclusive, and supportive work environment. We recognize

that our employees are our greatest asset, and their wellbeing is integral to our success. We are actively evaluating new potential partnerships to help us further enhance inclusion and wellbeing.

- **Diversity and Inclusion:** We aim to have a balanced representation of gender cultural backgrounds and abilities across all levels of the organization. Our goal is to create an inclusive environment where diverse perspectives are valued, and everyone feels empowered to contribute. We are committed to providing an accessible and supportive workplace for individuals with varying physical, cognitive, and mental health needs.
- **Employee Wellbeing:** We prioritize the health, safety, and overall wellbeing of our employees. This includes providing continuous training, opportunities for personal and professional growth, and robust support systems to ensure a healthy work-life balance.
- **Leadership and Development:** Strong leadership is key to empowering our employees. Our leadership principles focus on customer value, simplicity, clear priorities, and continuous improvement. These principles guide all employees, encouraging initiative and collaboration. We provide leadership training and development to ensure our leaders can inspire and support their teams, fostering a culture of growth and innovation. As part of this, we are also working to implement the self-leadership program built around the principles of the 7 Habits of Highly Effective People, among all our employees.

2.3 SOCIETY

The "Society" framework focuses on our role as a responsible corporate citizen and our impact on the broader society.

- **Ethical Business Practices:** Clas Ohlson adheres strictly to the highest ethical standards, as outlined in our Code of Business Ethics. We make business decisions with unwavering integrity and honesty, with zero tolerance for any personal, third-party, or related-party gains. Bribery and corruption are strictly prohibited. Our practices fully comply with national laws and the Swedish Anti-Corruption Institute's Code on Gifts, Rewards, and Other Benefits. We enforce fair labor practices, adherence to competition and antitrust laws, and uphold respect for human rights throughout our value chain.
- **Stakeholder Engagement:** We engage with a wide range of stakeholders, including customers, suppliers, and the communities in which we operate. Our goal is to build strong, transparent relationships that foster mutual trust and benefit.

- **Social Impact:** Clas Ohlson is committed to improving communities by supporting initiatives that promote social equity and improve lives. We have long partnered with organizations to prevent child abuse and support education, and we are actively evaluating new partnerships to strengthen our social impact. Through these efforts, we aim to make a meaningful and positive impact on society.

3. ROLES AND RESPONSIBILITIES

At Clas Ohlson, the Board of Directors ensures our sustainability efforts are strategically aligned, while the CEO and executive management oversee their execution. Responsibility for sustainability is shared across all levels, integrating ethical, environmental, and social practices into daily operations. From the Board to every employee, we all play a key role in advancing our sustainability agenda. This section outlines the responsibilities and accountability structures that drive implementation and improvement, ensuring sustainability remains central to everything we do.

Ultimately, The Board of Clas Ohlson is the authorized approver of this Policy, and the Policy Owner ensures this Policy is properly approved, communicated, implemented, and monitored.

- **Board of Directors:** The Board is responsible for overseeing the company's sustainability strategy. It adopts and ensures that sustainability goals align with the overall business strategy and that the necessary resources are allocated to achieve these goals. Furthermore, the Board will ensure alignment with the EU Taxonomy and CSRD requirements
- **Executive Management:** The Executive Management team is accountable for executing the sustainability strategy and achieving the set targets. They are responsible for integrating sustainability considerations into the company's decision-making processes, ensuring that sustainability governance is reflected in financial reporting and decision-making processes, driving continuous improvement, and reporting progress to the Board of Directors.
- **Policy Owner (Group Sustainability Lead):** ensures this Policy is up to date and follows the appropriate procedures for approval. It also communicates, implements, and monitors adherence to this Policy. This includes appointing Guideline Owners to have the same responsibilities for Guidelines, which are more detailed instructions explaining how to implement and adhere to this policy.
- **Department Heads, Managers, and Guideline Owners:** Leaders within each department are responsible for ensuring that their teams adhere to the overall sustainability policy and guidelines

relevant to their areas of work. They play a crucial role in embedding sustainability into everyday operations and encouraging their teams to adopt best practices.

- **All Employees:** Every employee at Clas Ohlson has a crucial role in achieving our sustainability goals. In addition to following policies and guidelines, all employees are expected to contribute to our sustainability efforts and actively seek opportunities to reduce environmental impact and enhance social responsibility in their daily work. We also have voluntary Sustainability Ambassadors across all countries and departments, including executive management and board members. These ambassadors, who are passionate about sustainability, provide valuable feedback, spread information, and advise on sustainable practices, fostering a culture of sustainability and inspiring others to engage.

4. DEVIATIONS AND VIOLATIONS

All Clas Ohlson employees are encouraged and expected to report any deviations from this steering document to our Group Sustainability Lead or reported via our whistleblowing channel available on our intranet. Reports can be submitted both anonymously and by name. In addition, WhistleB can be used, which is an external whistleblowing channel for receiving anonymous reports. Anonymous reports can also be sent to the group's Head of Legal.

5. REPORTING AND COMMUNICATION

5.1 REPORTING

Clas Ohlson reports on its sustainability performance in accordance with established international frameworks. In alignment with the EU's Corporate Sustainability Reporting Directive (CSRD), we adhere to the European Sustainability Reporting Standards (ESRS), which require a dual materiality perspective. This means we report on both our impact on the environment and how environmental factors affect our business. Our sustainability reporting is integrated into our annual reports, ensuring transparency and accountability. Additionally, we ensure that our activities align with the EU Taxonomy criteria, providing detailed disclosures on our climate-related risks, social issues, and governance factors.

5.2 COMMUNICATION

We maintain open lines of communication with our stakeholders regarding our sustainability efforts. Regular updates are provided through our internal communication channels, and we actively engage with stakeholders through various platforms to share our progress and gather feedback.