

Sustainability Report

Werksta Group 2023





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This report is Werksta's sustainability report for the financial year 2023. The sustainability report is reported as a separate document, separate from the annual report. The sustainability report is prepared in accordance with the regulations of the Annual Accounts Act for sustainability reporting of parent companies and groups.



Towards sustainable leadership

Ever since we started our operations in 2015, Werksta has been growing fast. Today, it is the leading car damage repair chain in the Nordic region. This puts us in a unique position when it comes to pushing the industry towards increased sustainability.

Our operations, which is focused on repairing cars, instead of scrapping them, is fundamentally sustainable. But the repairing process requires that we use spare parts, consume energy and chemicals. It also means that we must manage waste. This is why we focus our efforts on these areas to reduce our climate footprint.

We aim for sustainable leadership. By that we mean that we strive to reduce our environmental impact, provide our customers with the best quality, our employees with a workplace where they can thrive and grow, our owners with a good investment – all of which will contribute to making us a role model in the industry for increased sustainability. The purpose of this report is to communicate what we have already achieved – and the road ahead.

Werksta is the leading car damage repair chain in the Nordics for body and paint repairs, including windscreen repairs and windscreen replacements. Werksta has over 100 repair shops in Sweden, Finland and Norway and over 1,400 employees. The business operates under the trademark Werksta in Sweden and Norway and under the trademark Autoklinikka in Finland. In 2023, the group had a turnover of close to SEK 3.0 billion.

Werksta in brief

Business model

Werksta runs damage repair and service workshops where we perform all kinds of car damage repairs on metal, plastics and paint. This also includes the repair of stone chips and windscreen replacements. We work with all insurance companies and handle all car brands. When we repair cars, we take sustainability into account. We don't replace parts without reason, we don't perform unnecessary work and we repair anything that can be repaired. However, we never compromise on safety or quality.

Key indicators for sustainability

- Used parts: 9 %
- Plastic repair: 45 %
- Glass repair: 41 %
- Digital photo inspection: 25 %

*Based on share of repairs, used parts and photo inspections of some 90,000 cars per year.

By acting sustainably, we save some

12,000

tons of CO2e per year*

This corresponds to:

Travelling 11,700 times by air from Stockholm to Rome
Travelling 28,600 times by car from Gothenburg to Madrid
11.4 million cans of milk



100

Repair workshops in the Nordic region

90,000

Repairs of damaged cars

3

Billion SEK in turnover

1,400

Employees in the Nordic region

80

Customer satisfaction.
Net Promoter Score

History

- Werksta was established in Sweden through the acquisition of a repair workshop in Danderyd outside Stockholm and one in Örebro.
- Acquisition of the Finnish car repair chain Autoklinikka Oy; eleven fully owned repair workshops and five partly owned workshops.
- Continued growth through the acquisition of a further eleven repair workshops in Sweden, including TKBM Bil in Haninge outside Stockholm and Göteborgs Lackcenter's four workshops in the Gothenburg area.
- Expansion to Norway through the acquisition of car repair workshops in central Oslo and Gjerdrum.
- Acquisition of a further two workshops in Norway.
Brand harmonization; all of Werksta's workshop gain the same brand identity.
- Werksta opens its first workshop in Norway - in Drammen, south of Oslo.
Six workshops are opened in Finland.
- Acquisition of Alppilan, a Finnish service and repair chain.
Opening of two workshops in Finland. An acquisition in Uppsala, Sweden and two in Norway.
Certification in accordance with ISO 9001 and 14001.
- First Sustainability Report.
Acquisition of four new workshops in Sweden.
All waste management in Sweden and Norway centralized to one partner. Two new establishments in Finland.
Acquisition of four new workshops in Norway.
- Commitment to SBTi. Initiated work to change to fluorescent lighting in all workshops in Sweden.
Two new establishments in Finland.
Eleven new acquisitions in Sweden and Norway.



Message from the CEO:

We aim to drive the industry towards increased sustainability

We do not replace parts unnecessarily. Do not perform unnecessary work. Repair everything that can be repaired. This means that our operations are fundamentally sustainable. But we do not stop there. We strive to constantly find new ways to reduce our climate footprint – and at the same time inspire others towards increased sustainability. An important step was taken during the year when Werksta signed the Science-Based Targets initiative (SBTi) in August 2023, thereby commencing work on setting scientifically based climate targets.

As the leading car repair workshop chain in the Nordics, we have both an opportunity and an obligation to contribute to driving the industry towards increased sustainability. Just like all other parts of society, we face

a necessary transition. By taking a leading position in our industry, not only do we contribute to a reduced climate footprint, but also to meet the increased demands for sustainability from all our stakeholders.

To remain relevant in the future, we must be able to demonstrate our societal value. It is about investors wanting to invest in our continued growth, competent employees wanting to work for us – and customers, i.e., the insurance companies, demanding our services.

Green Repair

We continuously work to reduce the climate footprint and environmental impact throughout the whole repair process; from inspection to how we repair, what we repair with, how we handle waste, and how we recycle materials. We call it Green Repair.

This means that we demand continuous improvements in our operations, but also from our suppliers and partners. In this way, we can contribute to a more sustainable future at multiple levels.

New steps taken during the year

During the past year, Werksta took several new steps in the sustainability area. One of the most important was that in August 2023, we signed the SBTi. Thus, we committed ourselves to setting scientifically based climate targets in line with the requirements of the Paris Agreement – meaning that global temperature increase should be limited to 1.5 degrees. The method involves inventorying emissions throughout the value chain according to the Greenhouse Gas Protocol. Subsequently, a selection of goals will be linked to economics, feasibility, and other effects – work that has now begun.

Other sustainability-oriented measures during the year include the initiation of a collaboration with Autocirc to increase the proportion of used parts in the repair process. All workshops are also now part of RagnSells waste management. Furthermore, we have begun to replace fluorescent tubes in the workshops and increase the proportion of green electricity.

Sustainability part of our culture

Within Werksta, there is a strong culture of thinking sustainably. An important part of

this is the principle of repairing what can be repaired, instead of replacing it – and if replacement is necessary, using used spare parts. To measure how well each individual workshop succeeds, we measure the outcome every week, ranking the workshops according to how successful they have been in this work and how we can improve processes.

Werksta is a fast-growing company. During the past year, we acquired an additional ten workshops. A challenge is to quickly get these to adopt our mindset. Education and knowledge sharing during the integration process are therefore important. Weekly measurements are another effective way to contribute to getting everyone to work according to the same principles.

Other challenges include the fact that the technology in cars is becoming increasingly complex, and components more expensive – but it also means that it is becoming increasingly important to repair, rather than replace. It also requires competent employees and continuous training.

"Thanks to our corporate culture and our ambitious employees, we are in a good position to find new, smart ways to work more sustainably – and to become a role model for the industry in sustainability."

Thanks to our corporate culture and our ambitious employees, we are in a good position to find new, smart ways to work more sustainably – and to become a role model for the industry in sustainability. I look forward to our continued journey.

Joel Granath

CEO, Werksta Group

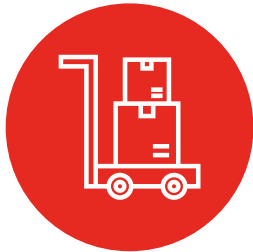
How we create value

Stakeholders



Customers

Our customers mainly consist of insurance companies, but also fleet companies and other business customers. To these, Werksta offers highly quality repairs, fast service and sustainable processes. We have an ongoing dialogue to ensure that we fulfil their expectations and to identify improvement possibilities. We also have a dialogue with our customers' customers, i.e. the car owners, to ensure a high level of customer satisfaction. We conduct an NPS-survey after each customer's visit to find out more about the customer's experience of our delivery.



Suppliers

Well-functioning collaboration creates value for both Werksta and our suppliers. If our suppliers are happy with us, the likelihood of receiving good service and products increases. It also enhances our ability to ensure suppliers' compliance with Werksta's code of conduct in areas such as laws and regulations, human rights, and good working conditions. We maintain continuous dialogue with our suppliers to collectively contribute to reducing environmental impact in the supply chain. Sustainability is a key selection criterion when procuring new suppliers.



Employees

Consistently high ratings in the employee survey are signs that Werksta has, so far, succeeded in its ambition to offer a both stimulating and pleasant workplace. This is also crucial if we want to attract and retain competent and service-oriented employees. We also strive to provide a diversified and healthy workplace free from discrimination. To ensure our success, we conduct continuous dialogue with employees through methods such as employee interviews, weekly and monthly meetings, and the annual employee survey. We actively work on competence development through introductory training, brand-specific training, and technical training.



Owners/investors

For Werksta to be attractive for investors to place capital in and for our owners to continue to want to invest in our growth, it is necessary that we can demonstrate long-term and sustainable profitability. To achieve this, we must conduct a responsible and sustainable business and be an attractive employer providing a safe and secure work environment.



Society

The most important value Werksta creates for society is that we extend the lifespan of cars by ensuring they are repaired instead of scrapped - and that we use used parts to the greatest extent possible. This means that we contribute to reducing the consumption of the earth's resources. We pay taxes in the markets where we operate, and we offer job opportunities in safe and secure workplaces. By increasing sustainability in all our processes, we also aim to be a role model and drive the industry towards increased sustainability.



Materiality analysis

Focus areas and priorities for our sustainability efforts are based on our materiality analysis.

We have asked our stakeholders which sustainability issues they consider to be the most important and mapped the areas where we can make an impact. Based on this, we have set 11 relevant focus areas for Werksta that links to the UN's global goals for sustainable development from Agenda 2030.

11 focus areas			
Employees and operations	Our offer	Ethics and governance	Environment and climate
<div>A</div> Workplace safety	<div>D</div> Process efficiency	<div>F</div> Ethical rules , policies and anti-corruption	<div>H</div> Reduced impact during repair
<div>B</div> Leadership, training, employee satisfaction	<div>E</div> Quality and customer satisfaction	<div>G</div> Corporate governance	<div>I</div> Use of chemicals
<div>C</div> Diversity, equal terms			<div>J</div> Energy consumption
			<div>K</div> Waste management
<div>3</div> GOOD HEALTH AND WELL-BEING		<div>7</div> AFFORDABLE AND CLEAN ENERGY	
<div>5</div> GENDER EQUALITY		<div>12</div> RESPONSIBLE CONSUMPTION AND PRODUCTION	
<div>8</div> DECENT WORK AND ECONOMIC GROWTH		<div>13</div> CLIMATE ACTION	

Global goals where Werksta can contribute

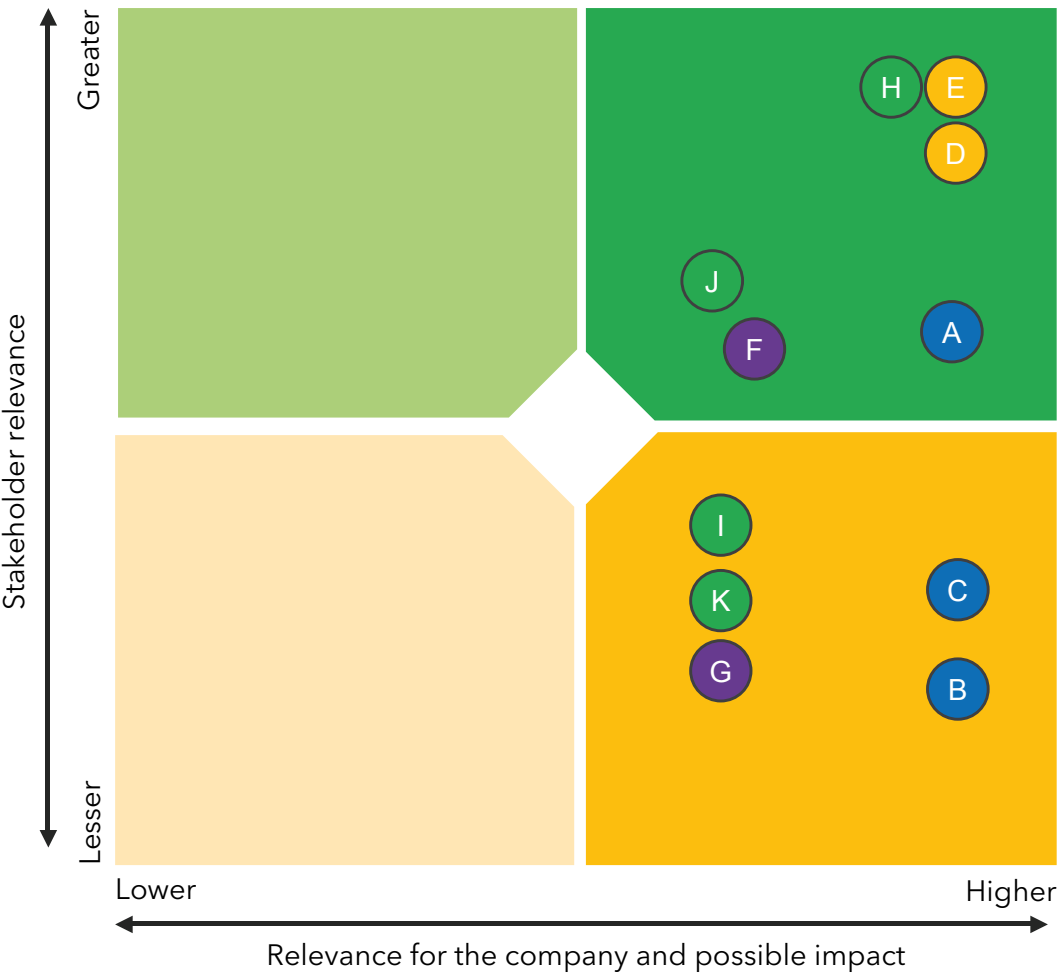
The global goals for sustainability where Werksta can contribute are Good health and well-being, Gender Equality, Affordable and clean energy, Decent work and economic growth, Responsible consumption and production and Climate action.



Priorities

We see that the area that has the most importance for stakeholders and for the company is our offer. This is where we

have the best opportunity to make an impact. The repair process is also a valuable



Responsible business

Since 2021, Werksta has been supporting the principles of responsible corporate governance outlined in the Global Compact. We also endorse the UN's Agenda 2030, where we can contribute to several of the global goals through our focus on sustainable business development. Our vision is to be the most sustainable company in the industry, and we actively work to contribute to the development of a more sustainable society. By ensuring that sustainability permeates our operations and offerings, we enhance our competitiveness.

We have mapped our value chain and conducted a materiality analysis based on our stakeholders, and we report according to the ESG principles for sustainability information.

Our operations should be characterized by systematic and active environmental work, minimized environmental impact, and a strive towards carbon neutrality. We have certain areas of operation that require notification and have chosen to conduct the same environmental work and comply with the self-monitoring regulation in all units.

We make demands on our suppliers regarding environmental and social considerations, which are always assessed in procurement and sourcing.

An important success factor is that our employees thrive and develop within Werk-

sta. We consistently work to improve leadership, health, and safety at all our workplaces and have set group goals for employee engagement, reduced staff turnover, sick leave, and a continued low number of workplace accidents. We strive for a safe, equitable, and diversified workplace with satisfied and engaged employees.

We have consolidated our local sustainability commitments into a new group-wide sustainability strategy and a sustainability program with 10 points that we evaluate annually (see page 13). All workshops in Sweden and Finland are certified according to ISO 9001:2015 and ISO 14001:2015 in quality and environment. In Norway, the operations are Miljøfyrtårn certified.

All workshops in Sweden and Finland have collective agreements.

SUSTAINABILITY POLICY

- Werksta contributes to sustainable development by increasing awareness of sustainable development and minimizing the negative impact of its operations on the environment.
- Werksta strives for a safe, equal, and diverse workplace with engaged and motivated employees.
- Based on the UN's global goals, Werksta requires suppliers to adhere to existing codes of conduct and considers these when making purchases and procurement for the company.

10-point program

2023 Results

- | | |
|--|---|
| 1. Gender balance in the workforce. | ✓ |
| 2. Increased employee satisfaction. | ✓ |
| 3. Enhanced analysis of scope 3 emissions. | ✓ |
| 4. Launch the concept of Green Repair. | ✓ |
| 5. Increase the proportion of metal, plastic, and glass repairs. | ✓ |
| 6. Increase the proportion of used parts. | ✓ |
| 7. Increase the proportion of photo inspections. | ✓ |
| 8. Reduce energy consumption. | ✓ |
| 9. Improve waste management in the workshops. | ✓ |
| 10. Policies supporting operations locally in all countries implemented. | ✓ |

2024 Focus areas

- | |
|--|
| 1. Gender balance in the workforce. |
| 2. Increase employee satisfaction. |
| 3. Preparations for joining SBTi (Science Based Targets initiative). |
| 4. Conduct a double materiality analysis. |
| 5. Increase the proportion of metal, plastic, and glass repairs. |
| 6. Increase the proportion of used parts. |
| 7. Increase the proportion of photo inspections. |
| 8. Reduce energy consumption. |
| 9. Improve waste management in workshops. |
| 10. Enhance customer satisfaction |

✓ Ongoing ✓ Implemented

We create conditions for sustainable operations

We continuously and focusedly work with sustainability issues. Responsibility and sustainability are central parts of Werksta's long-term strategy.

Governance

We aim to create conditions for sustainable, responsible, and efficient governance through active and responsible companies, a clear allocation of role and responsibility, and transparent reporting and information. Ensuring responsible behaviour both internally and among our partners is part of our Corporate Governance efforts. Corporate governance is carried out partly through our values, and partly through clear and well-anchored ESG policies. Werksta has clarified

corporate governance through a number of policies that are well-established internally within the company. Our policies include, among others: Werksta Supplier Code of Conduct, Occupational Health and Safety Policy, Sickness/Rehabilitation Policy, Gender Equality Policy, Alcohol and Drug Policy, Environmental Policy, Quality Policy, Recruitment Policy, Werksta Code of Ethics, Traffic Safety Policy, and Sustainability Policy.

Ownership

The main owner of Werksta is the investment fund Procuritas Capital, which invested in the business already when Werksta was founded in 2015. The vision was to develop Werksta

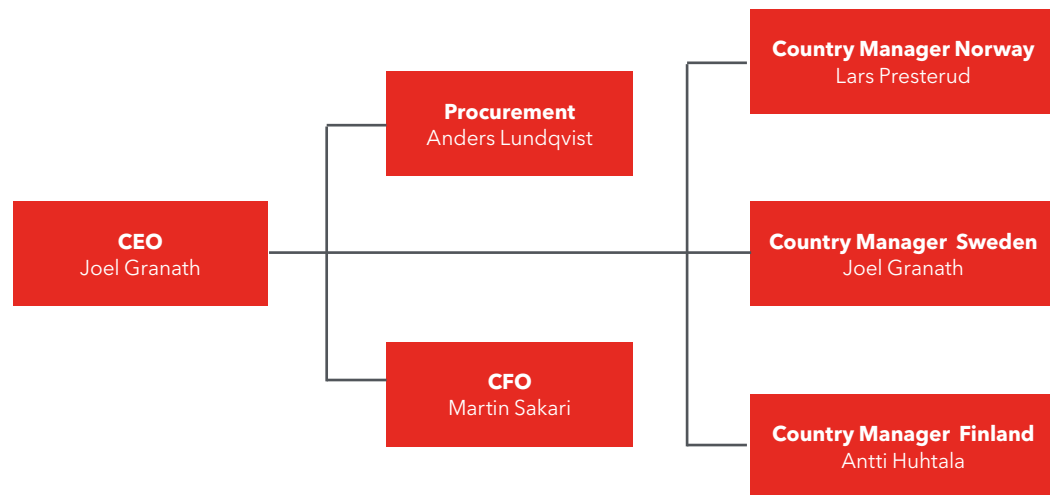
into the leading auto repair shop chain in the Nordics, a goal which has now been achieved. Through continued financial and strategic support, Procuritas contributes to Werksta's new steps on its growth journey.



"I've been working in the industry for 35 years, but it's only in recent years that we've started discussing sustainability. I'm incredibly proud of what we've accomplished in this area at this workshop in a short time, and I'm convinced it will be a crucial competitive factor in the future".

Christian Lönn, Site Manager, Werksta Danderyd.

Werksta Group organisation 2024





Green Repair provides guidance and focus

In the autumn of 2022, we adopted a new approach to further focus on sustainability, together with our customers. We call it Green Repair. We examine the entire damage process from start to finish to reduce our carbon footprint and environmental impact; from inspection to how we repair, what materials we use for repair, how we manage waste, and how we recycle materials.

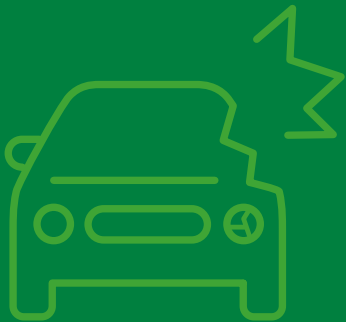
Sustainability in every step

1. Damage Inspection

Before: During damage inspections, we assess and plan the repair process with focus on sustainability.

Through digital photo inspection with the mobile phone, we save both the climate, time, and money.

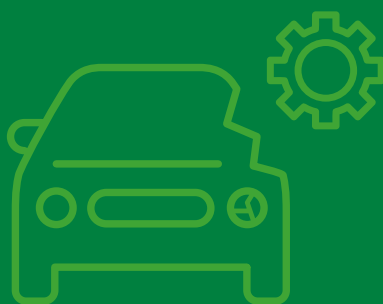
- Damage Inspection
- Digital Damage Inspection (with mobile phone)



2. Damage Repair

During: The repair of the vehicle presents in itself the greatest opportunity to reduce impact on climate and environment. We evaluate each step to determine what provides both business and sustainable benefits.

- Repair plastic, metal, and glass instead of using new spare parts
- Use recycled spare parts instead of new ones
- Werksta Express and Spot Repair
- Use water-based paint
- Utilize renewable energy sources and reduce energy consumption



3. Waste Management

After: We have a well-established process for collecting waste and ensuring it gets a new life.

Recycle materials & sort combustible waste

- Cardboard, glass, rubber

Sort mixed scrap

- Metal, aluminium, electronics

Manage waste

- All non-standard waste goes to landfills for further managing.
- Hazardous waste, including chemicals



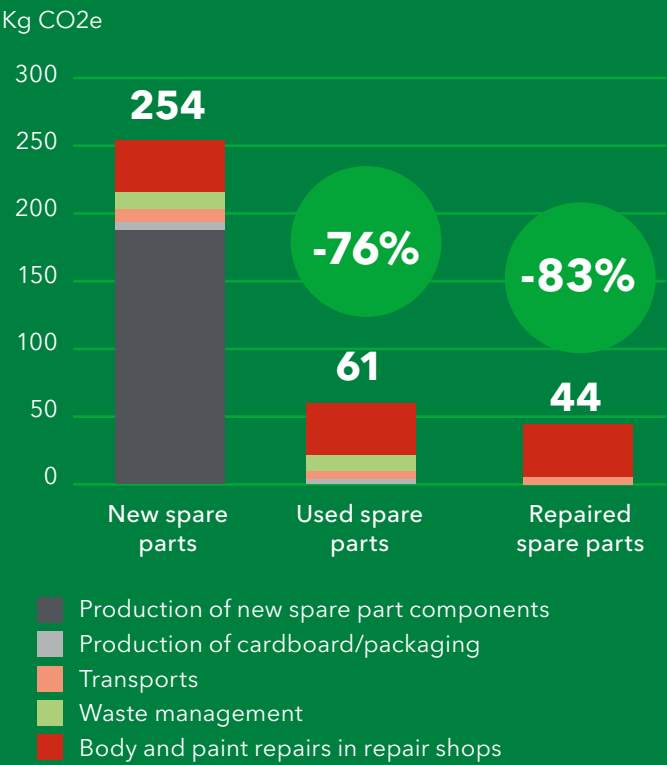
We repair whenever possible

The use of spare parts constitutes our largest climate impact. Therefore, we repair damaged parts or use recycled parts whenever possible as this significantly reduces our carbon footprint.

There is a well-functioning market for used spare parts that are just as good as newly produced ones. The advantage is that they are cheaper and they are given a new life in another vehicle, but without additional climate impact.

Repairing a plastic, glass, or metal damage results in the lowest carbon footprint, in fact a whole 83% lower than new spare parts. This is why we prioritize repairing plastic, metal, and glass whenever possible.

Carbon footprint from repairs in kg CO2e



76%

If all emissions, including energy, waste, and transportation, are included in the carbon emissions from the production of a new component, using a used component can save approximately 76 percent in terms of carbon emissions.

83%

By repairing the original usable part, approximately 83 percent lower emissions are achieved.

-43 kg

According to our calculations, repairing a car windshield (chipped glass) emits up to 44 kg less carbon dioxide than replacing the glass.

WHAT: Green Repair describes our sustainability efforts where we aim to reduce our climate and environmental footprint in all parts of our operations.

HOW: Together with customers and partners, we repair damages more sustainably.

WHY: We examine the entire damage process from start to finish and strive for more sustainable damage repairs and increased circularity; from inspection to how we repair, what materials we use for repair, how we handle waste, and how we recycle materials.



Environment and Climate

We are aware that the operations we conduct impact the environment both locally and globally. We continuously work on activities to reduce our impact in the areas with the largest footprint and to ensure sustainable development. We follow up and measure the activities to take control of carbon emissions and environmental impact and work to reduce them together with customers and partners. Naturally, we always comply with the minimum requirements of laws and regulations.

Digital Photo Inspection

We offer our customers digital photo inspection which facilitates and saves time for those who have had damage to their car. Instead of going to a workshop for a damage inspection, one simply takes photos with their mobile phone and sends them to the workshop. The fact that one doesn't need to drive to a workshop for inspection also reduces carbon footprint. A photo inspection saves an average of 4 kg of carbon dioxide, resulting in an annual saving of approximately 79,000 kg of carbon dioxide since the number of photo inspections is approximately 22,000.



22,000
digital photo inspections

-79,000_{kg}
annual saving of carbon dioxide

Four Areas to Reduce Environmental Impact

We have identified four key areas that we specifically focus on when it comes to reducing environmental impact.

1

Use of spare parts

2

Use of chemicals

3

Energy consumption

4

Waste management

1

Used spare parts and more repairs lead to lower emissions

Much of the waste generated in workshops comes from broken car parts such as plastic, metal, and glass. In close collaboration with our customers, especially insurance companies, we always strive to repair damaged parts instead of replacing them with new ones, whenever possible.

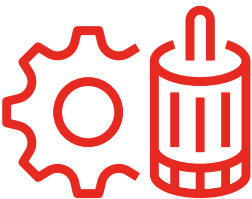
At Werksta, the general rule is to first determine if a broken part can be repaired in a high-quality and safe manner so that it doesn't need to be replaced. This saves the environment, repair time, and costs. Repairing the original usable part results in approximately 83 percent lower emissions*.

Replacing car parts always generates waste, and the production of a new spare part also burdens the environment. If a repair is not feasible, we try to find a used spare part instead of a new one. If all emissions, such as energy, waste, and transportation, are included in the carbon emissions from the produc-

tion of a new component, a used component can save approximately 76 percent in terms of carbon emissions*.

Repairing or replacing a damaged part with a used original part is therefore always a more environmentally efficient solution and the solution we strive for.

Even in the area of glass, climate impact can be reduced by repairing a chip before it becomes a crack and the entire windshield needs to be replaced. Therefore, it is important for us to always ask customers who are repairing another damage if they would like to repair a chip at the same time. According to our calculations, repairing a car windshield (chipped glass) emits up to 44 kg less carbon dioxide than replacing the glass.



*)Based on the insurance companies' Cabas calculations and life cycle analysis made by IVL 2020.

2

Use of chemicals

By systematically rationalising the number of suppliers of chemical products to our repair shops, we have reduced the use of chemical products and chemical waste. More formalised procurement ensures that there are no duplicates of products in stock and that turnover is high, so that goods do not become old. This is also reflected in smart storage solutions that save time for our employees. We mainly use water-based paint in our painting process, which is a more environmentally friendly alternative than solvent-based paint.



3

Energy consumption

We set clear goals for energy consumption in our production. In 2021, we began measuring our Scope 1 and 2 emissions. The next step was to train our staff in energy-saving measures in their daily work. In Scope 1, we have included emissions from oil, transportation,

gas, and propane. Scope 2 includes emissions from purchased electricity and district heating. Meanwhile, turnover in the group increased by 40 percent from 2022 to 2023.



ANNUAL USE	SCOPE 1 (tCO2e)	SCOPE 2 (tCO2e)
2021	2420	366
2022	2894	265
2023	3520	575

Scope 2 increases more than the turnover as newly acquired work shops use other energy sources than our existing work shops, which means that they are placed into Scope 2 for 2023.

4

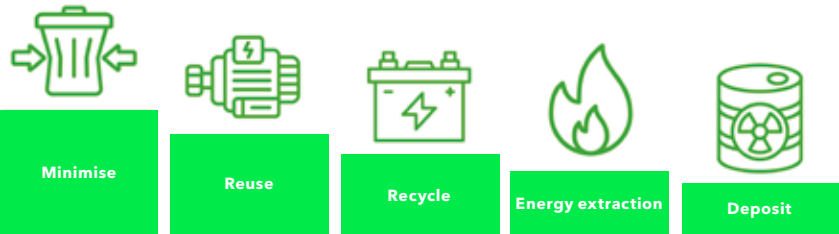
Waste management

In addition to Werksta always meeting the legal requirements regarding waste management, the waste generated in our workshops is handled sustainably. Every year, our operations generate a significant amount of waste that needs to be managed in the best possible way. Metal, cardboard, glass, rubber, and electronics; all waste is sorted, and as much as possible is sent for recycling.

We sort and recycle mixed scrap like metal and aluminium. Much of the waste can be converted into energy, instead of burdening landfills. We handle hazardous waste, such as chemicals, correctly.

Efficient material recycling means reduced costs for us and our partners while also being beneficial for the climate. To ensure that waste is handled efficiently and that materials are recycled or turned into energy to the greatest extent possible, we collaborate with our waste management partner.

Together, we set clear goals and monitor recycling rates, sorting rates, and material recycling. We also review the environmental impact of waste transport in our efforts to reduce our footprint. Our employees are trained in circular thinking, which fosters engagement and generates new ideas on how we can become even more sustainable.



Employees

For us, social responsibility revolves around our values; **people**, **quality**, **honesty**, and **respect**, which make employees enjoy and thrive at work - and, ultimately, result in satisfied customers..

We take responsibility for our actions and we deliver what we promise. This is reflected in both the quality of our repair work and the safety at our workplaces. We see differences as an asset. We treat all our employees equally and with respect. The operations in Sweden and Finland have collective agreements.

We do not compromise on safety

We do not compromise when it comes to occupational safety for our employees. In addition to legal obligations, we regularly assess potential hazards and risk factors in the work environment and address the physical and

psychosocial stressors at work. We constantly invest in developing employees' competence and professionalism.

We take responsibility for our actions

Werksta should be a workplace where each of our employees can report safely if abuse is detected. As a complement to the internal reporting procedures, there is a whistleblower policy.

This is to detect and prevent all types of irregularities that could seriously harm the business or our employees.



"Our new way of working, with increased focus on repairing instead of replacing, and striving to use used spare parts whenever possible, places greater demands on the knowledge of our employees. At the same time, the training we offer and the weekly meetings we have about our successes in the sustainability are create a sense of pride and commitment".

Christopher Bülow, Damage Manager, Werksta Danderyd

A whistle-blower function is an opportunity for all employees to report suspected irregularities anonymously.

Through the whistle-blower function, employees and business partners can report suspected violations of the law or Werksta's internal rules. Information reported through the whistle-blower function is treated confidentially and ensures safe and effective handling of the case for those who choose to use the whistleblower function.

Werksta as an employer

Our success now and in the future is built on our employees. We measure employee satisfaction through annual employee surveys. In 2023, the response rate for the employee survey was over 93 percent, and the average score for employees' satisfaction with Werksta was 8.2 on a scale of 0 - 10. Our employees' eNPS index (recommendation) was 50.1 in 2023.

High Employee and Customer Satisfaction

Well-being at work and motivated employees lead to excellent service, which in turn results in high customer satisfaction. In 2023, the average customer feedback from customers to Werksta was measured at an NPS of 80. The NPS (Net Promoter Score) describes the customer experience and the likelihood of the customer recommending the service. Globally, an NPS above 50 is considered excellent customer service, though levels vary between industries.

Diversity

Werksta strives for increased diversity and gender equality in the organisation and aims to achieve more than 15 percent women in the organisation, which is above the industry average of 10 percent. Currently, the proportion of women working at Werksta is 10.9 percent.



Werksta

BILSKADECENTER