## Werksta Group

Sustainability Report 2024

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# **Werksta**

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This is Werksta's Annual and Sustainability Report for the financial year 2024. The report has been prepared in accordance with the provisions of the Swedish Annual Accounts Act regarding the annual report and sustainability reporting for the parent company and the Group.

## **Industry Leader in the** Nordics in a just a decade

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In 2025, Werksta celebrates its ten-year anniversary. When we started the business in 2015, it was with two car repair workshops in Sweden. Today, we have 111 workshops–95 of which are company-owned and 16 franchise-operated. The business has expanded into both Finland and Norway. Meanwhile, our rapid growth has been achieved profitably. We are already market leaders in Finland and Sweden, while we also see a strong growth potential in Norway.

Today, Werksta is the Nordic region's leading car repair workshop chain. In Finland and Sweden, some of our workshops also offer mechanical services. One of our key competitive advantages is our sustainable approach. This is also a major reason why our largest customer group-insurance companieschooses us. For us, a sustainable approach does not only mean reducing our environmental footprint. It also means providing our customers with the highest quality, offering our employees a workplace where they thrive and can grow, as well as delivering solid returns to our owners- and thereby becoming a role model in the industry.

Werksta is the Nordic region's leading car repair chain for body and paint damage on cars, as well as for windshield repair and replacement. Werksta operates 111 collision repair workshops in Sweden, Finland, and Norway, with approximately 1,700 employees. The business operates under the Werksta brand in Sweden and Norway, and under the Autoklinikka brand in Finland. In 2024, the Group had a turnover of SEK 3.3 billion.



## Werksta in Brief

Werksta operates damage repair and service workshops where we carry out all types of body, plastic, and paint repairs, as well as mechanical servicing of cars. We also repair stone chips and replace windshields. Werksta collaborates with all insurance companies in our markets and services all car brands. When we perform repairs, we take sustainability into account. This means we avoid unnecessary work, repair whatever can be repaired, and use used spare parts where possible. However, we never compromise on safety or quality.

#### **Sustainability Key Figures**



Used parts

44%

**Glass** repairs

12% 21%

Share of female employees

Photo inspections

Through our sustainability efforts, we save approximately:



#### This corresponds to:

50%

**Plastic repairs** 

13 000 flights between Stockholm and Rome or 31 900 car trips between Gothenburg and Madrid 12,7 million milk cartons

\*Based on the share of repairs, used parts, and photo inspections out of approximately 100,600 car repairs per year.











Customer satisfaction (NPS)

## Ten years' of growth

Werksta was founded through the acquisition of a damage repair workshop in Danderyd and one in Örebro.

Additional workshops in Norrköping were acquired.

2015

Continued growth through the acquisition of eleven new damage repair workshops in Sweden, including TKBM Bil in Haninge and four workshops from Göteborgs Lackcenter in the Gothenburg region.

2017

Acquisition of two additional workshops in Norway.

Brand harmonisation: all Werksta collision repair workshops in Sweden, Norway, and Finland were given the same visual identity.

2019

Acquisition of Alppilan, a Finnish service and repair chain. Two new establishments in Finland. One acquisition in Uppsala and two in Norway. Certification according to ISO 9001 and 14001.

2021

Acquisition of the Finnish chain Autoklinikka Oy: eleven wholly owned repair workshops and five partner workshops.

2016

Expansion into Norway through the acquisition of vehicle damage repair workshops in Oslo.

2018

Werksta's first greenfield establishment in Norway - in Drammen, south of Oslo.

2020

Six new establishments in Finland.

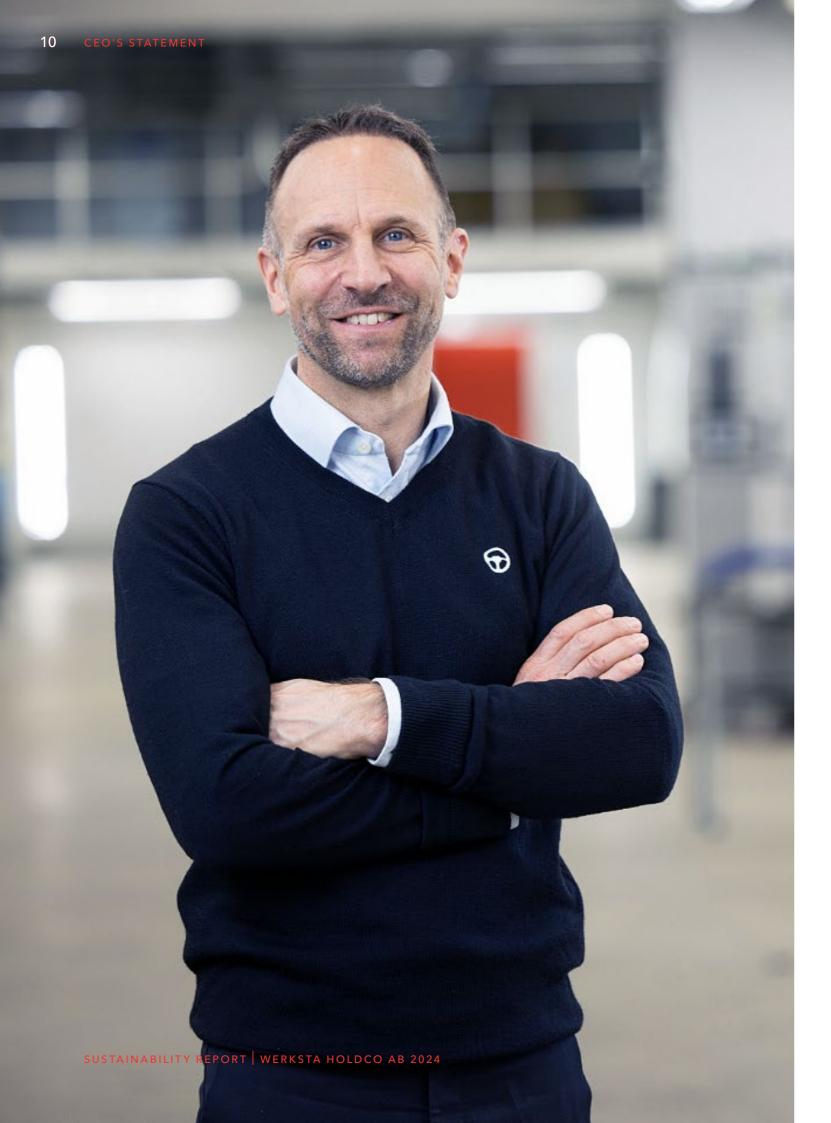
Joined the Science Based Targets initiative (SBTi). Started work on replacing fluorescent lighting in all workshops in Sweden. Two new workshops built in Finland. Eleven acquisitions in Sweden and

Norway.

- First sustainability report published.
- Acquisition of four new workshops in Sweden.
- All waste management centralised to a single
- partner in Sweden and Norway.
- Two new greenfield workshops in Finland.
- Acquisition of four new workshops in Norway.



One acquisition in Finland.



Joel Granath, Group CEO, Werksta

## "Investing in sustainability contributes to strong and profitable growth"

This year, 2025, Werksta celebrates its 10th anniversary. In just a decade, we have grown to become the Nordic region's leading damage repair chain. At the same time, we've helped steering the industry toward greater sustainability which is also one of the key secrets behind our success. Over the past year, we added nine more workshops to the chain in Sweden, one in Finland, and two in Norway. Alongside this strong growth, we also improved our margins.

We don't replace car parts unnecessarily. We don't By taking a leading position in our industry, we not perform unnecessary work. We repair everything only contribute to reducing our climate footprint, that can be repaired. This means that our business but we also meet the growing sustainability expectations of all our stakeholders. To remain is fundamentally sustainable. This philosophy, constantly finding new ways to conserve the planet's relevant in the future, we must be able to prove our resources, has shaped our operations since the start value to society. That means ensuring insurance in 2015. We call this approach Green Repair. As the companies to continue to choose our services, that Nordic region's leading car damage repair chain, we skilled employees want to work with us, and that have both the opportunity and the responsibility to shareholders remain committed to supporting our help drive the industry toward greater sustainability. continued growth. Like all parts of society, we face a necessary transition.

"Digitalisation is a central part of our strategy, and in 2025 we will further accelerate this work. We see great potential in implementing AI solutions to improve the quality and precision of our services."

#### Strong growth in all markets

2024. Many of these acquisitions took place in the northern part of the country, which means the chain is now nationwide in Sweden.

In Finland, where Werksta operates under the name Autoklinikka, we continued our profitable growth. Since 2016, the Finnish operations have grown by about 20 percent annually, primarily organically, but also through acquisitions. One additional acquisition was completed during the year.

In Norway, where two new workshops were added to the operations, results improved significantly in 2024, and we are optimistic about continued development.

The strong growth in all three markets also came with increased margins.

At the end of the year, Werksta had a total of 111 workshops across Sweden, Finland, and Norway, employing 1,700 people. Revenue in 2024 amounted to SEK 3.3 billion, compared to SEK 2.8 billion the previous year.

#### Strengthened Group Management and Digital Initiative

Another important development during the year was the strengthening of Group Management's work and organisation through separating and defining positions. A CEO was appointed for the Swedish operations, alongside a Business Development Manager for the Group. We also took significant steps to improve the digital customer journey, with the goal of making the claims process smoother, more transparent, and more accessible. Digitalisation is a central part of our strategy, and in 2025 we will accelerate this work even further. We see great potential in implementing AI solutions to enhance the quality and precision of our services. Our investments include

improved communication, expanded self-service options, and a mobile-friendly platform. Our digital initiatives-such as an increased share of digital photo inspections, automated status updates, and digital payment solutions-enhance the quality of our work and simplify everyday life for both car owners and our partners.

By staying at the forefront of technological development, we strengthen our position as an industry leader and create a modern, customerfocused claims management process.

#### **Continued Strong Market Potential**

There are several reasons behind Werksta's success so far and expectations for continued strong growth. A key reason is our well-established relationships with our most important customer group; i.e. insurance companies. Their trust is based on knowing that we deliver high quality-both in terms of our specialist expertise in car damage repairs and the fact that our workshops are equipped with the technical tools and skills needed to repair today's high-tech vehicles. But it is also about doing this in a resource-efficient and sustainable way, a factor that is becoming increasingly important for insurance companies. Another important factor is our consistently friendly and professional treatment of the customer's customer, the car owner. When car owners are satisfied with us, they are likely to be satisfied with their insurance provider.

Our rapid growth is also driven by the ongoing restructuring of the market. Many smaller workshops struggle to keep up with the fast pace of technological development and are therefore seeking opportunities to merge with larger players. This results in new acquisition opportunities for us.



#### The Werksta Way

One of the challenges associated with acquiring new businesses is getting everyone to think and act according to our approach. Training and knowledge sharing during the integration process are therefore essential. In addition, we have developed detailed processes for every part of our operations. These processes, which serve as a guide for best practices, are what we call "The Werksta Way."

#### New Steps in Sustainability

Our view of sustainability is not only about the repairs we perform-it is also very much about our employees. To maintain quality in our operations, we depend on competent, motivated, and above all, satisfied employees who all strive toward the same qoals.

Since the beginning, we have worked hard to build a strong and inclusive corporate culture that offers both a sense of community and opportunities for personal development.

One challenge today is the shortage of skilled workshop staff, which makes it all the more important for us to attract and retain the right people.

A new challenge in our industry is that components are becoming increasingly expensive-but this also strengthens the incentive to repair rather than replace.

Thanks to our strong corporate culture, established processes, and ambitious employees, we are well positioned to continue finding new, smarter ways to work more sustainably-and to continue our successful growth journey.

Joel Granath

CEO of the Werksta Group

## **Business model for** sustainable growth

Werksta's vision is to become Europe's leading car damage specialist. So far, we have achieved that position in Finland and Sweden-and are well on our way in Norway. To succeed with our ambitious plans, we follow a business model built around putting the customer at the centre, constantly becoming more sustainable, and optimising operations through a structured approach.

#### **Customer Focus**

The focus of Werksta's business model is to deliver a first-class customer experience. To achieve this, we maintain a high level of service, short lead times in the repair process, and offer digital solutions that make the interaction between us and our customers smooth and simple. Our extensive workshop network means that our customers can quickly get their car repaired, reducing time spent in the workshop-and the inconvenience of being without a vehicle.

#### Sustainability at the Core

Werksta strives to be the industry leader in sustainable car repairs. Therefore, we prioritize repairing rather than replacing to reduce carbon emissions and waste, thereby contributing to a greener future. We invest in leading technologies, material recycling, and energy-efficient methods in our workshops. In addition, our ESG initiatives (Environmental, Social, and Governance) align with the UN's global goals for sustainable development to ensure we continuously minimize our impact on the climate, environment, and society.

#### The Werksta Way for Optimised **Operations**

Werksta's recipe for success is operating according to The Werksta Way. This is a structured framework of processes, methods, and tools aimed at optimising operations. It also involves engaging employees in continuous improvement efforts. By integrating best practices and digital solutions throughout the organisation, we optimise workflows, reduce lead times, and increase productivity. The Werksta Way also incorporates a data-driven approach to decision-making and deviation management in daily operations, ensuring that every workshop consistently delivers top quality.

#### **Scalability and Potential for In**creased Market Share

Werksta operates in a fragmented market with strong potential for growth through acquisitions and regional expansion. Our strategy focuses on acquiring and constructing in order to grow and increase market share in the Nordic region, strengthen our service network, and achieve economies of scale. By integrating new operations, refining our digital workflows, and forming strategic partnerships, Werksta ensures both scalable and sustainable growth-while optimizing operations and delivering high customer satisfaction

## **Our Strategy for Becoming Europe's** Leading Damage Repair Group

Werksta's strategy is to become the safest, most efficient, and most sustainable car damage repair group in Europe. By combining expertise in the field with leading technology and customer-centric service, we create long-term value for customers, employees, shareholders, and society. Our strategy is based on three key elements-our values, our vision, and our strategic goals..

#### **Our Vision**

Werksta's vision is to be the leading European car damage specialist, trusted by our customers and partners and loved by our employees. We are a leader in sustainability, a trailblazer in the industry, and we lead by example.

#### **Our Strategic Goals**

Our strategic goals define Werksta's ambitions for growth, sustainability, and stakeholder engagement. These goals ensure that we continue to strengthen our market position, increase efficiency in our operations, and contribute to a greener, more sustainable industry. Werksta's strategic goals are focused on three of our most important stakeholder groups.

#### **Customers and Industry Partners**

Ensuring high-quality and efficient repair services in a timely manner.

#### Examples of indicators:

Customer satisfaction (NPS), lead time, and repair rate.

#### **Employees and Society**

Creating a positive workplace culture and investing in education and development. A strong focus on sustainability also future-proofs our operations.

#### Examples of indicators:

Employee engagement and satisfaction (eNPS), inclusive and equal gender distribution, proportion of used spare parts, and energy consumption.

#### Shareholders

Delivering profitable growth and financial stability.

#### Examples of indicators:

Profitability, growth, and market share.

"The best part of my job is being able to develop a great workplace with a good environment and high productivity. All the small details that go into achieving this are very rewarding and developmental - and the team spirit when we succeed is enormous."

Stig Slapgard, Site Manager at Werksta Alna, Norway

#### Values

#### People

Our business is built on people. Even though we are all different, everyone-and everyone's work-is equally valuable. Titles come second-we lead by being good role models. We are kind and show that we care. That's how we create a unique team spirit.

#### Quality

We have a professional and competent team. We strive to go the extra mile for our customers. We take pride in our work, but we're also eager to develop. That's how we can become leaders in our industry.



#### Honesty

We are honest and genuine. We keep our promises-to customers, partners, and each other. We act with integrity in our work and communicate openly. That's how we build trust.

#### Respect

We treat our customers, partners, and each other with respect. We take responsibility for our actions and deliver on time. Out of consideration for the environment, we repair rather than replace-because we can. That's how we take responsibility.

## Werksta builds and acquires to continue growing

When Werksta grows, we do it in three ways: organically, through acquisitions, and by building new workshops. Here we share two examples from the past financial year - one workshop we built in Bromma, Stockholm, and one we acquired in Mölnlycke, outside Gothenburg.

#### "High volume of assignments from insurance companies from the start"

Strategically located in an industrial area, across from Bromma Airport and just a stone's throw from the Bromma Blocks shopping centre, the latest addition to Werksta's own construction projects can be found. The workshop was officially opened in December 2024.

Planning the workshop began in the spring of 2024, and by October of the same year, the framework was in place. The construction progressed quickly, and the current body and paint workshop was ready to receive its first damage cases in November. Demand from insurance companies is high.

- The location was chosen for two main reasons firstly, it is well-connected in terms of transportation for customers, and secondly, there was no certified BMW workshop in the area, which we have successfully become, says Petar Presl.

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Contrary to the prevailing industry trend of difficulties in recruiting skilled employees, Werksta in Bromma receives a steady stream of inquiries from people who want to work there - some are even willing to commute daily from Enköping, or even relocate from Nyköping, to do so.

- Many people want to work in such a modern and clean environment. Additionally, Werksta's open corporate culture, where everyone is seen and considered important, is found attractive, as well as the great opportunities here for further development in their profession, comments Petar Presl.

Among the things he is most proud of accomplishing in such a short time is influencing employees' attitudes towards repairing as much as possible, instead of replacing.

 $\odot$ Presl. Site Manager at Werk "To date, we haven't replaced a single rear fender. We've also become number three in Werksta Sweden for repairing plastic damage. The goal is to become the best."



After running MLS Bil and Däck in Mölnlycke since 1990, the Gustafsson family felt it was time to sell. "We had several interested parties, but we chose Werksta because it would give us the opportunity to expand while still preserving the soul of the business. Our shared values around guality, sustainability, and caring for our employees played a major role in the decision," says Linn Stenholm, who, following the ownership transfer, took over the leadership role of the business from her father.

For four generations, the Gustafsson family has run MLS in Mölnlycke, just outside Gothenburg. The business has grown steadily since its inception and now includes service, tire, and collision repair shops with authorisation for VW, Audi, Skoda, Seat, Cupra, and VW Transport. MLS currently employs 14 people and generates approximately 25 million SEK in revenue. In August 2024, the family sold their life's work to Werksta.

"We realised that significant investments were needed to keep pace with the rapid technological development of cars and to remain relevant to our customers. This required an owner with both financial strength and deep knowledge," says Linn Stenholm.

"We also had a desire to further develop the business and expand. Now, we can do that, including by building our own paint shop. I'm happy to continue as the manager of the business and look forward to an exciting journey ahead," she continues.

MLS has a strong local presence and many loyal customers. For Linn Stenholm, it was important to maintain the family-like atmosphere within the business and to ensure that customers would still recognize it after the ownership change.

"I appreciate that we are given the space to do this

- while also benefiting from all the expertise and systems and processes within Werksta. The rapid technological development in the automotive sector, for example, requires new digital diagnostic tools that we need to learn to handle. It feels reassuring that a specialist from Werksta is just a phone call away and can come to us on short notice to provide on-site guidance.

"It's also comforting that there are clear processes for everything, so we don't have to spend time and energy constantly reinventing the wheel," she says.

Sustainability is something the Gustafsson family has always valued in their business, which includes repairing everything that can be repaired and not replacing parts unnecessarily. According to Linn Stenholm, sustainability also means taking care of the employees, ensuring they enjoy their workplace, and making them proud of the work they do.

"Our policy is to promote diversity, because we've found that it creates a better dynamic in the workshop when we mix ages, genders, and backgrounds," she says.

"One strength of our business has always been that everyone helps each other with everything. We appreciate that this feeling is also present within Werksta."

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**Market driven by** rapid development of vehicle technology

Digitalisation. Electrification. New car manufacturers. These are some of the trends currently shaping the automotive industry. The rapid development means that the demands on repair shops are increasing - both in terms of specialist expertise for repairing car damage and the requirement for workshops to have the technical equipment necessary to address damage on today's hightech cars. This, in turn, drives the consolidation of the market, where small shops are finding it increasingly difficult to meet the new demands and conditions.

#### **Digital transformation**

When digitalisation within the automotive industry began, many manufacturers chose to integrate computers into cars. Suppliers programmed these computers for individual tasks, such as displaying speed or controlling the ABS system. Now, the development is moving towards centralised software, a computer that handles everything. As a result, complexity is increasing even more. Today, nearly every function in a car, such as exhaust cleaning, steering, and stabilisation, requires software to operate. If that software fails, the car cannot even begin to be inspected. The next step is self-driving cars, where AI development is a central force, and massive amounts of data are collected via the car's sensors and processed by intelligent algorithms.

This development means that repair shops must have experience, competence, and often advanced, costly, and constantly updated equipment to repair car damage. Additionally, software licenses are expensive and require significant administration. Digitalization favours larger players who can offer better systems and processes, facilitate knowledge exchange between workshops, and provide specially trained mechanics.

#### Electrification

Sales of electric vehicles have increased significantly in recent years and are expected to continue to rise as a These trends present a good potential for Werksta to result of more environmental regulations, restrictions continue its growth, both by acquiring smaller, indeon fossil-fuel vehicles, and increased environmental pendent workshops and building new ones, as well as awareness among consumers. Electrification impacts by constantly developing its sustainability efforts. all parts of the industry's value chain, creating new challenges and opportunities. One example is that

companies are adding new brands to their vehicle fleets, which results in a need for specialised knowledge about these car brands. The increasingly powerful vehicles have also led to a growing number of insurance claims.

#### Insurance companies drive professionalisation

The increasing demands on repair shops mean that the market is currently undergoing a process of professionalisation. Small workshops are struggling to make the extensive investments and increased training efforts required to keep up with the technological development of vehicles.

In addition to technological development, this trend is largely driven by insurance companies, which want fewer partners and simplified, standardised, and digitised processes. Therefore, they prefer to collaborate with larger repair chains with a good geographic spread, i.e. close to the insurance companies' customers. Insurance companies also desire quick deliveries, consistent quality, and a full-service offering.

Another important factor for insurance companies is that their partners deliver services in a sustainable and resource-efficient manner.

## This is how we create value

#### **For Customers:**

Our customers primarily consist of insurance companies, but also fleet companies and other corporate clients. To these, Werksta offers high quality and efficiency in damage repair, fast service, and sustainable processes. We maintain an ongoing dialogue with our customers to ensure that we meet their expectations and to identify potential areas for improvement.

We also engage in dialogue with our customers' customers – that is, the car owners – to ensure they are satisfied with our work. We conduct a customer satisfaction survey (NPS) after each customer visit to learn about their experience of how we perform.

#### For Shareholders:

Werksta must continue to demonstrate long-term and sustainable profitability for the company to build value. This is also important for our shareholders to remain committed to our growth. It also requires us to operate a responsible and sustainable business and to be an attractive employer that provides a safe and secure work environment.

#### **For Employees:**

Consistently high ratings in employee surveys are a A well-functioning collaboration creates value for sign that Werksta has been successful in offering a both Werksta and our suppliers. When suppliers are stimulating and enjoyable work environment. This is satisfied with us, the likelihood of receiving good also crucial for attracting and retaining competent and service and products increases. It also enhances our service-oriented employees. We also strive to offer a ability to ensure suppliers' compliance with Werksta's diverse and healthy workplace, free from discriminacode of conduct in areas such as laws and regulations, tion. To ensure that we succeed, we maintain a contihuman rights, and good working conditions. We manuous dialogue with employees through, among other intain continuous dialogue with our suppliers to jointly things, one-on-one meetings, weekly and monthly contribute to reducing the environmental impact in meetings, as well as the annual employee survey. We the supply chain. Sustainability is a central selection actively work on competence development through criterion when procuring new suppliers. onboarding training, brand training, and technical training.

#### **For Society:**

The main value Werksta creates for society is that we extend the lifespan of cars by ensuring they are repaired, rather than being scrapped, and that we repair instead of using new spare parts whenever possible. This means we contribute to reducing the consumption of the Earth's resources. We pay taxes in the markets where we operate, and we offer jobs 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 greater sustainability.

#### **For Suppliers:**

## **Materiality Analysis**

Our focus areas and sustainability priorities are based on our materiality analysis. We asked our stakeholders which sustainability issues they consider most important and mapped the areas where we can make an impact. Based on this, we have identified eleven relevant focus areas for Werksta that align with the UN's Sustainable Development Goals from Agenda 2030. Sustainability issues are integrated into our business and are also described in other parts of the annual report.

#### **Global Goals Where Werksta Can** Contribute

The global sustainability goals where Werksta can contribute include 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 with the greatest significance for both our stakeholders and the company is our offering. This is also where we have the greatest opportunity to make an

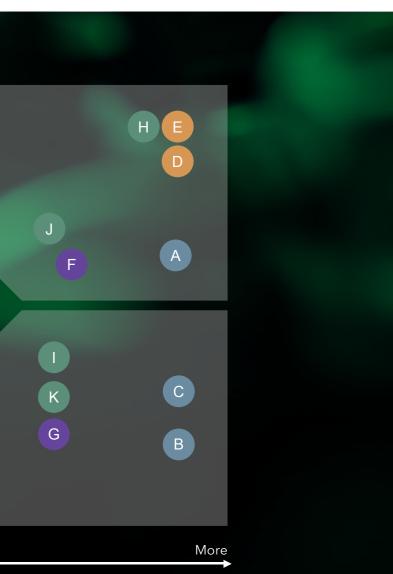
#### Mor **11 Focus Areas Employees and Ethics and Corporate Environment and** Our Offering Climate Operations Governance Code of Con-Less Environ-Process duct, Policies, mental Impact F H Importance for stakeholders Work Safety Efficiency and Anti-During Corruption Repairs Leadership, Quality and Use of Training, G Corporate Customer Chemicals Employee Governance Satisfaction Satisfaction Diversity, J Energy Equal Oppor-Consumption tunities Waste Mana-K gement Less Importance for the company and its impact

25 MATERIALITY ANALYSIS





impact. The repair process is also a valuable area for stakeholders, one where we can reduce our climate impact.



## **Focus on sustainability for** a stronger company and **better society**

Since 2021, Werksta has supported the Global Compact's principles for responsible business. We also support 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 is embedded throughout our operations and our offering, we strengthen 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 are characterised by systematic and proactive environmental efforts, minimised environmental impact, and a commitment to becoming carbon neutral.

Some areas of our operations are subject to notification requirements, and we have chosen to apply the same environmental practices and comply with the self-monitoring regulation across all units.

#### Human Rights, Anti-Corruption, and Bribery

Supporting and respecting human rights and promoting good social conditions are important to us-both internally and externally. Our approach is reflected in our values and in a range of policy documents such as the Code of Conduct, Gender Equality Policy, and Whistleblower Policy. Through our management systems, control bodies, and certifications, regular audits are conducted to identify any deficiencies or opportunities for improvement.

The risk of misconduct, such as bribery or corruption, exists in all business relationships, and our operations are no exception. Our ambition is to uphold high ethical standards in everything we do. We have group-wide policies for procurement and representation, along with a Code of Conduct for our suppliers. Responsible

sourcing is a cornerstone of our operations and our sustainability strategy, which reflects our commitment to integrating ethical, social, and environmental considerations into our procurement processes. We comply with applicable legislation in the countries where we operate, as well as national codes regarding gifts, rewards, and other benefits in business. Gifts to employees are applied restrictively, as is external representation.

#### Employees

A key factor for our success is that our employees thrive and develop within Werksta.

We continuously work to improve leadership, health, and safety across all our workplaces and have set group-wide targets for employee engagement, reduced staff turnover, sick leave, and maintaining a consistently low number of workplace accidents. We strive for a safe, equal, and diverse work environment with satisfied and engaged employees.

#### **Sustainability Program**

We have consolidated our local sustainability commitments into a new group-wide sustainability strategy and a 10-point sustainability program that we evaluate annually (see page 33).

All workshops in Sweden and Finland are certified according to ISO 9001:2015 and ISO 14001:2015 for quality and environmental management. In Norway, the operations are Miljøfyrtårn-certified.

### SUSTAINABILITY POLICY

- Werksta contributes to sustainable development by raising awareness about sustainability and minimising the company's negative impact on the environment.
- Werksta strives to provide a safe, equal, and diverse workplace with engaged and motivated employees.
- Based on the UN's Global Goals, Werksta requires its suppliers to adhere to existing codes of conduct and take these into account when purchasing and procuring for the company.

#### **10-point program**

#### 2024 Focus areas

- **1.** Gender balance
- 2. Increased employee satisfaction
- 3. Preparation for joining the SBTi
- 4. Double materiality analysis
- 5. Increase the share of sheet metal, plastic, and glass repairs
- 6. Increase the share of used parts
- 7. Increase the share of photo inspections
- 8. Reduce energy consumption
- 9. Improve waste management in workshops
- **10.** Increase customer satisfaction

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#### **RESPONSIBLE BUS**

#### 2025 Focus areas

- **1.** Gender balance
- 2. Increased employee satisfaction
- 3. Preparation for joining the SBTi
- 4. Implementation of CSRD reporting
- 5. Increase the share of sheet metal, plastic, and glass repairs
- 6. ncrease the share of used parts
- 7. ncrease the share of photo inspections
- 8. Reduce energy consumption
- **9.** Improve waste management in workshops
- **10.** Increase customer satisfaction

# **Green** Repair

#### 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 repair 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 prioritise repairing plastic, metal, and glass whenever possible.

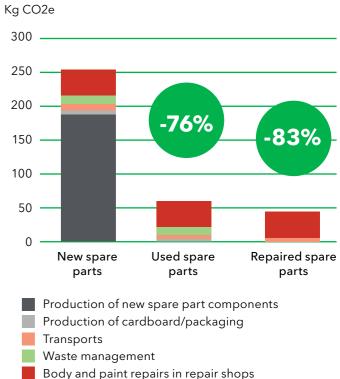
If all emissions, including energy, waste, and transportation, are included in the carbon emissions from the production of a new component, using a used component can save approximately 76 percent in terms of carbon emissions.

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

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 repair 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.



#### Carbon footprint from repairs in kg CO2e



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



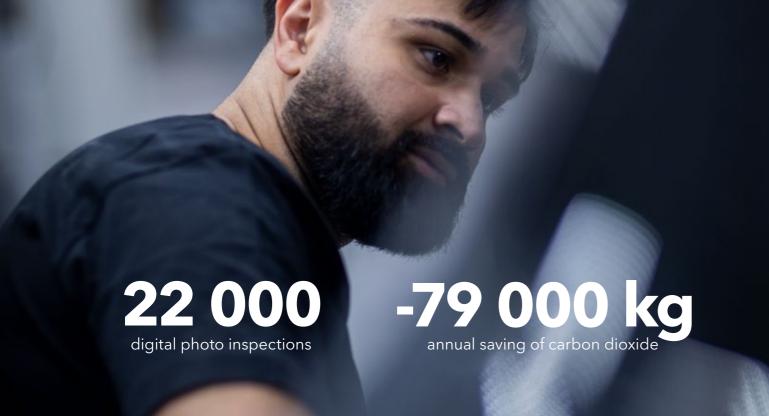
## **Reduced climate impact through** concrete initiatives

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**

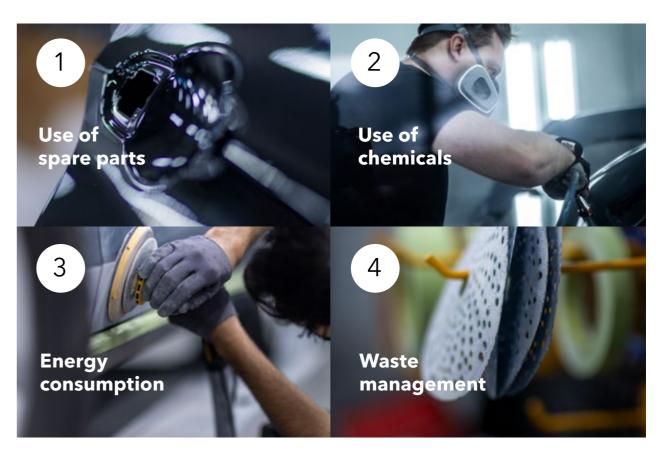
We offer our customers digital photo inspection which facilitates and saves time for those who have had damage to their car. Instead of going to a workshop for a damage inspection, one simply takes photos with their mobile phone and sends them to the workshop. The fact that one doesn't need to drive 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.





**Four Areas to Reduce Environmental Impact** 

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





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

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

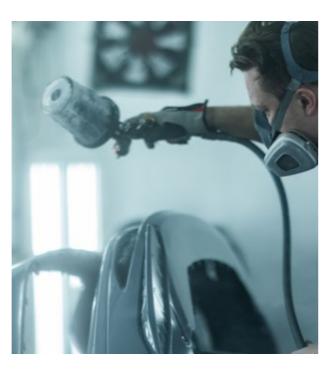
used spare part instead of a new one. If all emissions, such as energy, waste, and transportation, are included in the carbon emissions from the production of a new component, a used component can save approximately 76 percent in terms of carbon emissions\*.

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.

#### **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. Turnover in the group increased by 21 percent from 2023 to 2024, while tco2e only increased by 18 percent.

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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 source existing work shops, which means that they are placed into Scope 2 for 2024.



#### 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.

## Satisfied employees lead to satisfied customers

For us, social responsibility is about our values: people, quality, honesty, and respect. This results in employees who are happy and comfortable at work, which in turn leads to satisfied customers..

We take responsibility for how we act, and we deliver what we promise. This is reflected in both the quality of our repair work and the safety of our workplaces. We see diversity as an asset. We treat all our employees equally and with respect.

#### 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, paying attention to both physical and psychosocial stress factors at work. We continuously invest in developing the skills and professionalism of our employees.

"No two days are the same - and every day I get to learn something new. I'm happy to work at a place where everyone truly cares about customer satisfaction and making sure our customers leave happy and content."

Sanna Pekkola, supervisor at Autoklinikka Petikko, Finland

#### We take responsibility for our actions

Werksta should be a workplace where each of our employees can safely report any misconduct they discover. In addition to internal reporting procedures, we have a whistleblowing policy to detect and prevent any types of irregularities that could seriously harm the business or our employees. The whistleblowing function offers all employees the opportunity to anonymously report suspected misconduct.

Through the whistleblowing function, employees and business partners can report suspected violations of the law or Werksta's internal regulations. Information reported through the whistleblowing function is handled confidentially and ensures a safe and effective management of the matter for the person who has chosen to use the whistleblowing function.

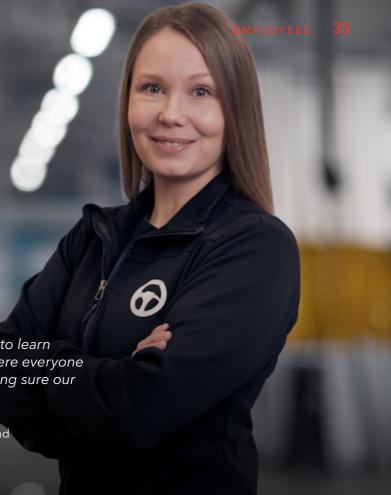
#### Werksta as an employer

Our success now and in the future is based on our employees. We measure employee satisfaction through annual employee surveys. In 2024, the response rate for the employee survey was over 92%

"I really enjoy working here - we're like a family. I started eight years ago in the workshop as a car mechanic, but I've now moved over to bodywork, which I'm truly passionate about. It runs in the family - my father had a body shop in North Macedonia, where I grew up, and now one of my sons is eager to try out the trade."

Daniel Veckov, panel beater at Werksta Mölnlycke, Sweden

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in Sweden, Noway and Finland. The average rating of Werksta by employees was 8.4 on a scale of 0-10. Our employees' eNPS (Employee Net Promoter Score) index (recommendation) was 47.

#### High employee and customer satisfaction

Job satisfaction and motivated employees lead to excellent service, which in turn leads to high customer satisfaction. In 2024, the average customer feedback to Werksta was measured with an NPS of 82.5. NPS (Net Promoter Score) describes the customer experience and the likelihood that the customer will recommend the service. Globally, an NPS over 50 is considered excellent customer service, though levels vary between industries.

#### Diversity

Werksta strives for increased diversity and gender equality within the organisation and aims to have more than 15 percent women in the organisation, which is above the industry average of 10 percent. Today, the proportion of women working at Werksta is 12 percent.

