

Sustainability Policy

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1. Introduction

Instalco is a leading Northern European Group that offers electrical, heating & plumbing, ventilation, industrial and technical consulting services. The Group's strength lies in the specialised expertise of its subsidiaries and its ability to balance autonomy with collective strength. Instalco generates benefits for society through its climate-smart, energy-efficient installations, which reduce resource consumption and help promote sustainable development

Through close collaboration with customers and suppliers, Instalco creates long-term solutions that enhance security, quality, and efficiency, while driving innovation and responsible entrepreneurship in our markets.

1.1 About this Sustainability Policy

This policy has been established by Instalco's Board of Directors and it applies to all areas of Instalco's operations, including all subsidiaries at all locations where Instalco conducts business. The policy applies to all parts of the value chain where Instalco has actual influence or control – both upstream (e.g. in the procurement of products and services) and downstream (e.g. in the execution of installation projects). The policy applies without exception, but its implementation is adapted to the areas of the value chain where we have a genuine ability to influence.

The main stakeholder groups affected are employees, customers, suppliers, and other business and cooperation partners.

The Sustainability Policy is based on the following frameworks:

- The UNGP's (UN Guiding Principles on Business and Human Rights)
- The Ten Principles of the UN Global Compact
- The OECD Guidelines for Multinational Enterprises
- The OECD Due Diligence Guidance for Responsible Business Conduct
- The ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration)

Sustainability forms an integral part of both day-to-day operations and strategic governance."

2. Responsibility, governance and compliance

2.1 Implementation and internal alignment

Sustainability is an integral part of Instalco's business model, with the Group driving its sustainability efforts through strategic initiatives and governance. Sustainability is also built into the company's incentive programmes.

Allocation of responsibility for the Group's sustainability efforts is structured as follows:

- The Board of Directors is ultimately responsible for ensuring that sustainability is managed in a systematic way, embedded in the business strategy, and carried out in accordance with applicable laws and standards.

- The Group CEO and subsidiary CEOs are operationally responsible for ensuring that sustainability work, including this policy, is implemented, followed up, and integrated into day-to-day operations. Responsibility for local implementation and adaptation rests with the subsidiary CEOs, supported by central functions as needed. Implementation may be delegated to other roles, but ultimate responsibility remains with each subsidiary CEO.
- All subsidiaries must comply with this policy and are expected to actively identify, manage, and internally report both risks and opportunities.

Relevant external stakeholders – such as suppliers, customers, and business partners – have been informed of the policy, which must always be accessible and published on the Group's website.

Violations of the policy are handled in accordance with established procedures, and consequences may include disciplinary measures or other action depending on the violation.

The policy shall be reviewed and decided on at least once a year to ensure that it remains current, relevant, and complied with in practice. The results of the review are reported to Group Management and the Board of Directors as part of the internal control process.

2.2 Communication and training

The policy shall be deeply rooted in the Group. It is communicated through internal channels such as the intranet, introduction programmes, management teams, project meetings, and other relevant forums. The policy is also shared with external stakeholders as an attachment to contracts, codes of conduct, and through stakeholder engagement activities.

Individuals in relevant roles are offered training to ensure understanding and compliance. Training content and scope are determined by the person's role and level of responsibility.

When necessary – such as in the case of major revisions – all stakeholders who are impacted will be informed to ensure continued compliance and relevance.

2.3 Reporting and whistleblower function

Instalco has a whistleblower service in place that provides a channel for anonymously reporting serious irregularities or suspected misconduct. The service is available to employees within the Group via the intranet, to employees of suppliers or other business partners within Instalco's value chain, and to external parties through the Group's website.

Our whistleblower function complies with the EU Whistleblower Directive, is managed confidentially by an external and independent party, and strictly prohibits all forms of retaliation against whistleblowers.

Appropriate corrective and preventive actions are taken whenever violations or risks are identified.

More information is available at: <https://instalco.se/om-instalco/kontakt/visselblasning>

2.4 Follow-up

Instalco's sustainability efforts are based on an annually approved double materiality analysis in line with the CSRD and ESRS. The analysis covers impacts on people and the environment, as well as the financial risks and opportunities associated with sustainability issues. It provides the foundation for strategy decisions, the business model, goals, and reporting.

An essential element of the analysis is dialogue with relevant stakeholder groups – including employees, suppliers, customers, and the capital market. Stakeholder engagement – through data collection, dialogue, and surveys – captures and considers diverse perspectives and expectations, which are then used in the prioritisation of material sustainability matters. This ensures that Instalco's sustainability commitments are driven not merely by legal requirements and internal goals, but by the real needs of our stakeholders.

The analysis results provide the foundation for the policy and guidelines. Each year, specific targets and KPIs are defined and reported in the company's sustainability report. Internal audits and digitally enabled traceability are conducted to ensure data quality and transparency. An external audit, conducted in accordance with applicable requirements, ensures the quality of the report.

3. Sustainability commitments

Instalco has identified the following four material sustainability matters.

3.1 Climate change

Instalco prioritises efforts to reduce climate impact, in line with the Paris Agreement. The following initiatives are carried out within the Group:

- Emission reduction targets and a climate transition plan aimed at achieving net zero throughout the value chain by 2045.
- Scope 1, 2, and 3 emissions are documented, calculated, and reported annually in line with the GHG Protocol.
- Energy and resource efficiency in operations and projects is ensured, for example through our certification system, Sustainable Instalco Project.

3.2 Own employees

Instalco complies with applicable occupational health and safety legislation in all countries where it operates and prioritises being a responsible employer across the entire Group. It means that:

- All employees shall have access to training and development that fosters personal growth while addressing business needs.
- The work environment shall be safe and healthy. This is ensured through systematic health and safety management, along with preventive measures in order to minimise risks.
- All employees shall be treated fairly and provided with equal opportunities, in line with the principles of equality, diversity, and non-discrimination.
- Instalco prioritises fair and inclusive recruitment processes aimed at countering both intentional and unintentional discrimination, while promoting diversity at all levels.

- To promote long-term job security and stability, we implement transparent employment conditions that are aligned with applicable legislation and collective agreements.

Instalco listens to its employees and engages them in dialogue on employment conditions, work environment, and development opportunities. This occurs, for example, through employee surveys, performance reviews, and regular follow-up.

Instalco has established procedures and processes to address potential negative impacts on employees. These include reporting channels and action plans for situations where an employee feels that discrimination, harassment, or other misconduct may have occurred.

3.3 Employees in the value chain

Instalco sets clear expectations for its business partners. They must respect international principles on human rights, working conditions, and responsible business practices.

Risks in the value chain are identified, prioritised, and managed through a due diligence process, with particular focus on forced labour, human trafficking, and child labour. The process covers risk identification, follow-up, and the management of deviations. Dialogue with the employee or their representative also takes place when needed.

3.4 Business ethics

Regardless of company level, business area, or subsidiary – business ethics and transparency are fundamental to Instalco. Instalco strives to heighten awareness of ethics, transparency, and responsibility within the Group, thereby promoting a strong culture of business ethics.

Instalco counteracts bribery and corruption, while striving to promote a sound, ethical company culture. This is ensured through clear policies, guidelines, controls, and relevant training.

Instalco's priority is to ensure that responsible business practices prevail in the value chain. Identifying, preventing, and addressing corruption risks are also prioritised.

The Instalco Code of Conduct and Supplier Code of Conduct guide such efforts. They also provide the foundation for expected behaviour in business relationships. Business ethics risks are identified, assessed, and managed in accordance with Instalco's risk policy.