OEM INTERNATIONAL'S



SUSTAINABILITY REPORT 2014



SUSTAINABILITY REPORT 2024

OEM's sustainability work prioritises long-term business benefit with responsibility for environmental, social and economic aspects. The Board of Directors has the ultimate, overarching responsibility for the sustainability strategy, which is implemented operationally by the companies in the Group. With the support of the Parent Company, the decentralised structure ensures that each company can align its goals and plans with the Group's overall sustainability goals. To strengthen and coordinate this work, OEM has established a sustainability committee made up of representatives from the larger companies. The committee's task is to ensure focus, quality and coordination in the Group's sustainability work. If necessary, support is also offered in the form of tools and processes.

The sustainability work is integrated into the business model and permeates the entire business. With a clear link to Agenda 2030, OEM is working to achieve sustainable development with a focus on profitable growth, reduced environmental impact and high professional ethical standards. The ambition is not solely to follow developments, but to be a leading player in the field. OEM will offer an attractive working environment where employees can thrive and grow. One aspect of ensuring compliance with ethical guidelines is the whistleblowing system, which gives employees and others the opportunity to report suspected irregularities anonymously, thereby contributing to transparency and high ethical standards.

The engagement of employees is critical to OEM's success. Through their knowledge, experience and drive, OEM is continuing to develop its competitiveness. A key part of the strategy is to be a workplace that promotes well-being, equality and development. In-depth knowledge of products and applications also includes sustainability aspects, creating a natural link between sustainability and business benefit. This not only strengthens our position in the market, but also our reputation as an attractive employer.

This sustainability report covers all the companies in the OEM Group and has been prepared in accordance with Chapter 6 of the Swedish Annual Accounts Act (ÅRL). 12 §. The Board of Directors has approved the report for publication.



BUSINESS MODEL

OEM's business model is based on being a link between suppliers and customers with the intent of creating value. Continuous work aimed at developing the customer offering forms the basis for value creation, and by extending the product range, increasing the level of service and strengthening technical expertise, the position of OEM's companies on their respective markets is strengthened. Strong relationships with suppliers contribute to loyalty and a long-term perspective, and OEM's position in the market means that the suppliers reach out to customers that they themselves would find it difficult to reach.





MANUFACTURERS







CUSTOMERS

In developing our activities, we work on the basis of four key processes

Product range development

OEM offers a unique and extensive range of products from leading manufacturers.

Logistics

OEM has an efficien logistics process with high service standards.

Sales process

OEM runs an efficient sales process based on personal selling and extensive product knowledge.

Marketing communication

OEM creates modern marketing communication that supports its sales.

What this means for our manufacturers:

Assistance with marketing in local markets.

Can have their products marketed with complementary products.

Reach markets and customers that are difficult to reach when acting alone.

A partner who contributes with customisations.

Efficient logistics solutions that meet customer demands.

Feedback from customers that, for example, aids efforts to strengthen the competitiveness of existing products and customer requirements for future product development.

What this means for our customers:

Access to components from more than 400 leading manufacturers.

Extensive knowledge of products and applications.

End-to-end solutions with complementary components.

Possibility to reduce the number of manufacturers.

Deliveries to the right place at the right time.

Assurance of high product quality.

STRATEGIES

OEM has defined five strategic areas that are important for the company to continue to develop successfully and achieve its financial targets.

GROWTH

OEM creates growth by growing organically, through acquisitions and through geographic expansion. These three together will generate growth that meets the growth target.

1) Organic growth

Organic growth is prioritised at OEM. OEM achieves organic growth by increasing its market shares and expanding the product range the company offers to its customers. Where OEM is well established, the operations are expected to show growth above the underlying market growth. In markets where OEM has yet to achieve a position among the five largest players, the aim is to achieve considerably higher growth.

2) Acquisitions

Business combinations are a priority in OEM's growth strategy. OEM acquires companies and product ranges that strengthen its market position within existing product areas on existing markets, including companies that add a completely new product range or give OEM access to a new geographic market.

3) Geographic expansion

Geographic expansion into new markets will take place when it is possible for OEM to become a prominent player by representing several of the company's suppliers.

PRODUCT RANGE

OEM shall offer a product range consisting of components and systems from leading suppliers. The range is adapted to the local markets in which OEM operates. Continuous development of the product range is of central importance for OEM – work that is carried out together with both existing and new suppliers. Each local marketing organisation is also tasked with finding new products that will further enhance the competitive edge of the portfolio of offerings.

MARKETING

OEM shall have a strong marketing approach, which is mainly based on personal sales combined with the website as a hub in the sales process. Face-to-face meetings are essential to understand the customer's needs, while providing the opportunity to share OEM's experience and technical expertise. Face-to-face selling is supported by digital and printed marketing communication materials.

LOGISTICS

OEM shall develop logistics solutions that deliver high levels of customer service and quality, as well as significant cost efficiencies. In total, there are 15 logistics units within the group, with the majority of the real estate owned by OEM. Each unit adapts its range to current operations and works towards greater coordination of the stockholding with other warehouses. Many of OEM's logistics units also have processing units that provide efficient customised adjustment and assembly of products.

EMPLOYEES AND MAN-AGEMENT

All activities should be permeated by an informal culture with the focus on entrepreneurship. OEM gives its staff opportunities to develop within the company, taking into account the targets and strategies of the business and the ambitions of the staff. Recruitment and employee strategies will lead to a significant number of leadership positions being filled internally.





SUSTAINABLE DEVELOPMENT GOALS



For 2021, OEM introduced a sustainable development programme in order to more clearly define associated activities, set out the goals it aims to achieve and step up sustainability efforts within the group. The first step in this process was to conduct a stakeholder and materiality analysis to enable new group-wide sustainability targets to be put in place. OEM has continued its efforts in line with this working model and Agenda 2030, and the Global Goals inform the principles of OEM's sustainability goals. OEM has chosen to focus on 4 of the 17 Global Goals. To optimise and drive the sustainability agenda forward, the subsidiaries' own sustainable development goals should be linked to the Group's main goals. Depending on the specific circumstances of the companies, they can also have other goals linked to any of the other global goals.

The 4 priority Global Goals were chosen based on the focal points and risk areas identified as having most significance to both OEM and the Group's stakeholders. OEM believes that change starts from within and has therefore categorised identified focus areas from the product, which is the core business, to people and the environment.







THREE ASPECTS OF SUSTAINABILITY

OEM is convinced that real change starts from within. For this reason, OEM has identified and structured its focus areas so that they cover the entire business – from the products, which are the core of the offering, to the employees and the environment in which they operate. This ensures that the targets take all three ESG sustainability dimensions into account – environmental, social and corporate governance – defined by OEM as Product, Person and Planet.

PRODUCT

Inventory the number of suppliers who report CO2 emissions

Result: Analysis of the work forms the basis for future activities aimed at strengthening the sustainability work in the supply chain

• Communicate environmentally sound products in marketing communications and sales processes

Result: This is already a natural part of the sales process and marketing communication

 100% of our A-suppliers must have completed self-assessment in accordance with "Supplier assessment"

Result: 73%

PERSON

• At least 30% women in recruitment, with the aim of increasing the proportion of women employed Result: 37%

• At least 20% women in recruitment for sales and product services, with the aim of increasing the number of women in management positions over time

Result: 29%

Employee satisfaction index (ESI) should be higher than 4.0

Result: 4.2

100% of our suppliers must have signed the Code of Conduct

Result: 64%

Zero vision regarding workplace accidents

Result: 13

PLANET

Halve CO2 emissions every 10 years, base year 2020

Result: Scope 1: 1,075 tonnes CO2 (1,027)

Scope 2: 960 tonnes CO2 (153)

Scope 3: 5,432 tonnes CO2 (3,013)

Some of the increase in emissions can be explained by much more extensive reporting

• 100% renewable purchased energy by 2030

Result: The companies are already purchasing a significant proportion of renewable energy, which is also a priority when entering into new agreements

Fossil fuel-free vehicle fleet by 2030

Result: 28%

Implement activities to reduce fossil fuel dependency in freight transport

Result: Several activities completed. For example, several Group companies have signed an agreement with the Geodis Marine Fuel Insetting programme

Increase the share of self-generated energy

Result: In 2024, solar panels were installed on the properties OEM owns in Finland and Denmark



PRODUCT

OEM will use its extensive knowledge of products and applications to influence a customer's choice of components and solutions from a sustainability perspective. Financial stability and strength is a prerequisite to invest in sustainable business development.

Examples of risks: Control of sustainability aspects in the supply chain is necessary to ensure compliance with sustainability requirements in the development of products. Deficiencies in control can, for example, lead to products containing environmentally hazardous substances being purchased and sold.

ECONOMIC AND ETHICAL RESPONSIBILITY

Guiding customers in selecting the right components and solutions is an important element of sustainability work. The manufacture and use of products account for a significant proportion of OEM's environmental impact, which is making it necessary to initiate and support development efforts in these areas. The work is carried out in close collaboration with the suppliers, both through product development and the development of innovative new solutions.

SUSTAINABLE BUSINESS

OEM offers sustainable alternatives, for example through products delivering low energy consumption, high efficiency, reduced travel needs or smart features that streamline production and operations. In addition, some products are designed to contain less raw materials, have a long service life and be easy to repair and recycle, all of which support the circular economy. With its solid product knowledge, OEM is able to see the bigger picture and work closely with customers in large and small projects alike. The company is not only striving to sell products, but also to contribute to better, more complete solutions. This is done in partnership with experts within specific fields, or by combining products in such a way that customers can save energy and work more efficiently.

SUSTAINABILITY AS A COMPETITIVE ADVANTAGE

OEM's ambition to offer sustainable solutions is not only contributing to the transition towards a more sustainable society, but also creating competitive advantages and new business opportunities. The aim is to increase knowledge, awareness and commitment regarding sustainability issues throughout the Group. By continuing to integrate sustainability into sales processes and training, as well as working closely with suppliers, OEM will be able to offer even more sustainable products and solutions in the future.

PERSON

OEM shall have an inclusive working environment where everyone has equal opportunities based on their qualifications for the job regardless of gender, ensure sustainable economic growth and promote decent working conditions at both OEM and its suppliers.



Examples of risks: A deterioration in the working environment, inclusion and diversity risks undermining economic stability. Working environment risks can endanger both life and health, and all forms of discrimination, harassment, abuse and threats are entirely unacceptable. In addition, breaches of the Group's Code of Conduct (CoC) and the exchange of bribes are strictly prohibited, and violations can have serious consequences for both individuals and the company's finances.

SOCIAL RESPONSIBILITY

A safe and pleasant working environment, together with an equal and healthy corporate culture, are key aspects of OEM's investment in its personnel. These factors help to make the company attractive to both current and potential employees, which forms the basis for long-term competitiveness.

To ensure ongoing development and growth, priority is given both to skills development for existing staff and the influx of young talent. As part of this work, OEM conducts annual performance appraisals during which issues relating to the working environment, any discrimination, gender equality, health and safety are discussed. In 2024, more than 95% of all employees participated in these appraisals, underlining the company's commitment to creating a sustainable and inclusive workplace. During the year, OEM conducted a Group-wide employee survey that achieved a response rate of 99% and an ESI score of 4.2. Both the response rate and the outcome are satisfactory and show a high level of commitment.

MORE WOMEN EMPLOYED

The proportion of women in the Group stands at 24%, which is an increase of 1 percentage point compared to the previous year.

One of OEM's sustainable development goals is to increase the percentage of female employees, with the aim of increasing the number of women in senior positions in the long term. This work is based on the insight that gender-equal organisations are more dynamic and strengthen competitiveness. The aim is to recruit two-thirds of managers internally, and senior positions are currently often held by people with a background in the sales and product organisations. It is therefore particularly important to increase women's representation in these particular areas in order to achieve the gender equality objective. The technology sector is generally male-dominated, which leads to an over-representation of male applicants when recruiting. For this reason, the focus is on increasing the number of female applicants, especially in roles close to customers and suppliers. A number of specific activities are being carried out in order to succeed with this, including setting requirements for those conducting the recruitment process and giving female candidates the opportunity to meet female employees during the recruitment processes.





STRONG TEAMS AND CONTINUAL DEVELOPMENT

Curiosity, creativity and a goal-oriented approach are encouraged within OEM, as they promote both the employees' career opportunities and the Group's continued development. Experience from the sales and product organisations is highly valued and mobility between different operations and countries contributes to a broader skills base and new perspectives.

At the same time, strong teams that have clear goals, for both groups and individuals, are important success factors in OEM's leadership culture. To meet employees' expectations as regards development, each manager works actively to identify and further develop individuals possessing leadership qualities who can become the leaders of the future. This is a high priority, as the majority of management recruitment activities take place internally within the Group.

Each company is responsible for their employees' skills development, although this work is supplemented with central initiatives. For example, Group-wide development programmes are carried out that not only strengthen employees' skills, but also establish important networks between colleagues.

YOUNG TALENTS STRENGTHEN THE ORGANISATIONS

An important element in building competitive teams is to reinforce them regularly with young talent. To ensure that new employees settle into their duties quickly, well-established induction programs and personal development plans are applied. These also provide opportunities for long-term career development in more responsible positions. In addition, new employees are regularly recruited through trainee programmes, primarily aimed at recent technology or economics graduates who have the potential to take on leadership responsibilities in the future. OEM collaborates with educational organisations to facilitate future recruitment and spread knowledge about the company's operations. As part of this, OEM offers both internship opportunities and guidance in thesis research projects. At the same time, an interest in technology and sales is in particular demand during recruitment, as these qualities contribute to increased dynamism and drive in the organisation.

FOCUS ON EMPLOYEE WELL-BEING

OEM considers that well-being and health are crucial in order for employees to be able to perform and develop in the long term, both on an individual level and in groups. Great emphasis is therefore placed on creating a safe and secure working environment, which is supported by ongoing investments. To further promote a healthy lifestyle, support is offered in respect of exercise activities and company-wide events.

OEM focuses on strengthening group dynamics and cohesion at both workplace meetings and conferences. These opportunities are used to generate commitment and a positive team spirit, which in turn contribute to long-term well-being within the organisation.

EMPLOYEE TURNOVER

Accordingly, OEM strives to keep staff turnover at a low yet reasonable level. In 2024, total employee turnover was 11%, which was one percentage point lower than the previous year. The number of employees at the end of the year fell from 1,054 to 1,048.



ABSENCE DUE TO ILLNESS

In 2024, absence due to illness averaged 7 days per person, which is unchanged since the previous year. Sound health is essential in order to perform and develop as both an individual and as a group. The objective is for no one to be affected by physical or mental ill-health as a result of their working situation. OEM encourages a healthy lifestyle by supporting physical exercise and preventive healthcare.

LABOUR LAW

All our companies and suppliers must, in accordance with our Code of Conduct, comply with the minimum requirements in national legislation concerning labour law. OEM has zero tolerance of forced labour and works actively to ensure there are no violations of regulations in our operations or our value chain.

	2024	2023
Average no. of employees	1,054	1,045
Employees at year-end	1,048	1,054
Women (%)	24	23
Sickness absence person/year (Days)	7	7
Training costs per employee (TSEK)	4	3
Healthcare costs per employee (TSEK)	2	1
Employee turnover	11%	12%

PLANET

OEM will contribute to climate change mitigation by reducing CO2 emissions, which is critical to slowing down climate change.

Examples of risks: The purchase and sale of products that may potentially contain environmentally hazardous substances poses a risk both during production and in use. Environmentally hazardous packaging materials used in packaging, as well as the transport operations that involve both products and personnel, also contribute with additional risk elements.

ENVIRONMENTAL RESPONSIBILITY

OEM's operations are characterised by significant levels of freight transport, business travel and energy consumption in properties. In order to succeed with sustainability work in general and to achieve emission targets specifically, it is therefore necessary to conduct active work to streamline processes and at the same time persuade customers and suppliers to make more sustainable choices.



One important initiative involves improving sustainability reporting, especially within Scope 3 according to the GHG Protocol. However, more precise measurement methods can make annual comparisons more difcult, with the result that the focus is now on those areas with the greatest environmental impact. As a logistics-intensive company, OEM views transport as one of its biggest challenges. For this reason, the use of sustainable marine fuel was initiated in 2023 through a collaboration with Geodis. This reduces emissions from sea freight, and the initiative has been extended to include more companies in 2024.

At the same time, the transition to a fossil-free vehicle fleet has intensified in 2024, including through investments in more charging stations in the company's own properties. Pool cars are powered in part by HVO100, a renewable diesel alternative that works particularly well in cold climates. In addition, electrically powered transport vehicles are used for urgent deliveries to major customers, resulting in significant emission reductions.

Several of the businesses in the Group are also quality and environmentally certified in accordance with ISO 9001 and ISO 14001.



ENERGY-EFFICIENT BUILDINGS

A clear focus on sustainability and goals to reduce energy consumption and carbon dioxide emissions have resulted in OEM investing in solar panels on the properties it owns. In 2024, solar panels were installed on the properties in Finland and Denmark. To optimise energy consumption and maximise the use of the premises, mapping and optimisation work is being carried out in respect of heating, cooling and lighting.

In rented premises, measures are being implemented in collaboration with the landlord, contributing to an improved working environment and a reduced energy requirement. During 2025, OEM is planning to carry out several projects with a focus on energy savings, mainly as regards electricity and district heating. In a number of rented premises, older lighting solutions are being replaced with LED luminaires from the company's own brand, Hide-a-lite. The work on energy saving measures is constantly ongoing and includes, for example, the expansion of boreholes and heat pumps, the modernisation of ventilation units and a complete transition from fluorescent luminaires to LEDs in all properties.

MORE FOSSIL-FREE COMPANY CARS

With a total of some 1,000 employees, the group also has a direct impact on the environment through its choice of company cars and carbon emissions from these. OEM aims for the vehicle fleet to be fossil-free by 2030. A new company car policy permits electric cars to be chosen as company cars to a greater extent. By the end of 2024, 28% of the Group's vehicle fleet was fossil-free. The objective is to achieve an annual reduction in carbon emissions through the choice of company cars, more efficient driving practices, and by replacing some travel with video meetings.

THE GHG PROTOCOL

The Greenhouse Gas Protocol (GHG) is a global standard that supports companies in measuring and reporting their greenhouse gas emissions. In the past, OEM has focused on Scope 1 and Scope 2, along with certain parts of Scope 3, such as transportation, business travel and leased premises. Today, a more detailed and extensive mapping process is underway to provide a comprehensive picture of Scope 3. This means that comparisons with previous years are misleading. Work is now being carried out to produce more accurate comparative figures.

This development is a crucial step in meeting the CSRD requirements and preparing the company for a future accession to the Science Based Targets initiative (SBTi). More complete reporting ensures increased transparency, at the same time as laying the foundation for setting science-based climate targets, which in the long run will strengthen the company's sustainability work.



OEM aims to halve its carbon dioxide emissions by 2030, compared to the base year of 2020. A large proportion of the emissions come from goods transport, business travel and energy consumption in properties. By streamlining operations and encouraging both customers and suppliers to make more sustainable choices, the company is striving to reduce its environmental impact. In parallel with this, sustainability reporting is being extended in accordance with Scope 3 in the GHG Protocol. This can complicate annual comparisons, but provides a more comprehensive picture of emissions.

As a logistics-intensive company, OEM views the impact of goods transport as a particularly great challenge. In 2023, a collaboration was therefore initiated with Geodis to use sustainable marine fuel, thereby reducing emissions from maritime transport. In 2024, OEM Electronics AB took another step by investing in Sustainable Aviation Fuel (SAF) through Air France and KLM's Corporate SAF programme, which covered more than half of their carbon dioxide emissions from air travel in 2023 and all aviation-related emissions in 2024. This initiative is in line with UN Sustainable Development Goal 17 and underlines the importance of collaboration for a sustainable future, especially when it comes to replacing fossil fuels with renewable raw materials.

CONTINUED INCREASED FOCUS ON SUSTAINABILITY

OEM has a clear ambition to further prioritise sustainability issues by developing more specific goals for the business. In this way, the company is able to take a more purposeful and hands-on approach within this area. In addition, OEM has a number of overall activity goals aimed at increasing internal commitment, as well as spreading knowledge about the company's own sustainability actions and raising awareness of sustainability in general.

OEM'S CODE OF CONDUCT

Since 2013, OEM has had a shared Code of Conduct that governs the Group's sustainability work and ensures that issues relating to the environment, ethics and social responsibility are handled in a uniform manner. This not only promotes efficient operations, but also strengthens competitiveness, creates an attractive working environment and promotes a healthy business culture.

The Code is based on the UN Global Compact and its ten principles, with a focus on human rights, labour law, the environment and anti-corruption. It also places demands on suppliers, who must confirm in writing that they are complying with laws, combating corruption and offering a safe working environment without child labour. The objective is to consistently increase the proportion of suppliers signing up to the Code, and regular evaluations are carried out to ensure compliance. In 2024, in-depth efforts were initiated aimed at strengthening sustainability work throughout the value chain, including by developing a specific Supplier Code of Conduct.

OEM does not accept corruption, bribery or other unlawful restrictions of competition, and all such incidents must be reported. The Group supports and respects the protection of human rights and is working to ensure that it does not contribute to violations in this area.

THE CODE OF CONDUCT

HUMAN RIGHTS

- 1) OEM supports and respects international human rights within the sphere of the company's influence.
- 2) OEM does not participate in the infringement of human rights.

LABOUR LAW

- 3) OEM maintains freedom of association and the right to collective bargaining.
- 4) OEM takes exception to all forms of forced labour.
- 5) OEM takes exception to all types of child labour.
- 6) OEM opposes discrimination in terms of recruitment and work assignments.

THE ENVIRONMENT

- 7) OEM supports the prudence concept in terms of environmental risks.
- 8) OEM takes initiatives to strengthen a greater environmental awareness.
- 9) OEM encourages the development of eco-friendly technology.

ANTI-CORRUPTION

10) OEM opposes all forms of corruption, including extortion and bribery.

The Group has an online whistleblowing system in place as an important mechanism for maintaining high ethical standards and a culture of transparency. This provides a channel for employees to report any violations or suspected wrongdoing or misconduct. The chairman of the audit committee is the designated recipient of whistleblower notifications.

Financial stability and strength is a prerequisite to invest in sustainable business development. In a world that is constantly changing, the business must constantly develop.



BUSINESS CONCEPT

OEM's business concept is to offer an extensive and detailed range of industrial components and systems from leading suppliers in selected markets in Europe. OEM's well-structured local marketing organisation and efficient logistics offer suppliers a better alternative to setting up their own sales companies. OEM provides a high level of expertise and service and markets the products according to the specific conditions of each market.

All of this creates a long-term partner for customers and suppliers, which in turn is synthesised in profitability, growth and development. OEM's financial performance can be followed in the Annual Report.

OEM'S ROLE IN SOCIETY

OEM takes active responsibility at a community level, not least because many of the Group's companies are established in smaller towns and operate with strong local roots. The companies contribute to sustainable development in the communities in which they operate through long-term business operations, support for local associations and collaboration with various organisations.

As part of this work, the companies aim to recruit new employees locally and offer job opportunities to young people. By conducting a close and constructive dialogue with the local community, the companies are creating the conditions to be able to grow in the area and thereby further strengthen their local presence.

TAXES

Through employer's contributions and taxes the Group contributes to our communal welfare. National tax laws and regulations are complied with in all the respective countries where we conduct business.

EU TAXONOMY

OEM adheres to the requirements of the EU directive on sustainability accounting (Non-Financial Reporting Directive or NFRD), and therefore reports in line with the established taxonomy and the rules and regulations for sustainability reporting for 2024.

For the 2024 reporting period, we therefore disclose the proportion of our Group turnover, capital expenditure and operating expenditure associated with Taxonomy-eligible economic activities related to all six environmental targets.

PROPORTION OF ECONOMIC ACTIVITIES COVERED BY THE TAXONOMY

	Total (SEK million)	Proportion of taxonomy-eligible economic activities (%)	Proportion of taxono- my-non-eligible economic activities (%)
Sales	5,239	0	100
Capital expen- diture	70	76	24
Operating expenditure	30	100	0

Applicable economic activities (SEK million)	Sales (SEK million)	Capital expendi- ture (SEK million)	Operating ex- penditure (SEK million)
6.5 (CCM & CCA) Transport with motorcycles, passenger cars and light commercial vehicle		29 (23)	12 (11)
7.2 (CCM & CCA) 3.2 (CA) Renovation of existing properties			4 (5)
7.6 (CCM & CCA) Installation, maintenance and repair of renewable energy technologies		6 (5)	
7.7 (CCM & CCA) Acquisition and ownership of buildings	2 (4)	19 (53)	14 (15)

(the comparison year's turnover, CapEx and OpEx, are stated in brackets)

Share of sales/total sales	Share of capital expenditure/	Share of operating expenditure/
	total capital expenditure	total operating expenditure

	Taxonomy compatibility per target	Taxono- my-eligible targets	Taxonomy compatibility per target	Taxonomy-eligible targets	Taxonomy compatibility per target	Taxonomy-eli- gible targets
ССМ		0%	8%	68%		100%
CCA		0%	8%	68%		0%
WTR						
CE						0%
PPC						
BIO						



DEFINITIONS

Taxonomy-eligible financial activity means a financial activity that is described in the delegated acts supplementing the taxonomy regulation, irrespective of whether that financial activity meets any or all of the technical screening criteria that have been laid down.

Taxonomy-non-eligible financial activity means any financial activity that is not described in the delegated acts supplementing the taxonomy regulation.

TAXONOMY

We have examined the relevant taxonomy-eligible economic activities based on our activities as a technology trading company that also has property holdings, and have identified the following in accordance with delegated acts supplementing the taxonomy regulation.

Economic activity	Description	NACE code
6.5 (CCM & CCA) Transport with motorcycles, passenger cars and light commercial vehicle	Purchase, financing, rental, leasing and operation of vehicles	77
7.2 (CCM & CCA) 3.2 (CA) Renovation of existing properties	Construction and engineering work or their preparation	41
7.6 (CCM & CCA) Installation, maintenance and repair of renewable energy technologies	Installation, maintenance and repair of renewable energy technologies, on site	43
7.7 (CCM & CCA) Acquisition and ownership of buildings	Purchase properties and exercise ownership of the property	68

ASSESSMENT OF OUR ACTIVITIES COVERED BY THE TAXONOMY REGULATION

For environmental objectives 1 to 6, it has been judged that the activities that are applicable to OEM's operations are unchanged.

The vast majority of vehicles in the OEM fleet consist of leased cars, which our sales professionals present at customer visits. For 2024, this means that activity 6.5 is still eligible for reporting. Energy from own solar panel systems has long been a strategically important commitment. In recent years, work has been initiated on extending installation of these on the majority of our owned properties. As in 2023, activity 7.6 will be eligible for reporting in 2024 as well. The majority of OEM's properties are owned for the purpose of being used for own activities and, under the taxonomy regulation, are therefore not eligible. In 2024, there will still be external tenants in two of our properties, albeit to a reduced extent compared to the previous year, which means that activity 7.7 is still eligible. Furthermore, needs-based renovations are carried out on an ongoing basis, with a focus is on renewability and circularity, and so we are also subject to activity 3.2 in environmental objective 4.

OEM's large volumes of components that can be used as spare parts or replacement components. However, it is not possible to quantify with certainty an actual proportion of sold components that are used by the end customer as a spare part or as a subcomponent of a larger application. Thus, the assumption is made that activity 5.2 is not considered to apply to OEM's operations.

OEM has no operations that have points of contact with nuclear energy and fossil gas-related activities.

NUCLEAR AND FOSSIL GAS-RELATED ACTIVITIES

	Nuclear energy-related	YES/NO
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas-related operations	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO



TAXONOMY COMPATIBILITY

Based on analysis of environmental objectives 1-6, OEM's assessment is that only activity 7.6 Installation, maintenance and repair of renewable energy technologies is taxonomy-aligned. The continued work to install solar panels on all of our owned properties has been ongoing in 2024 and will continue in 2025. Climate risk analyses are carried out on an ongoing basis as part of strategic decisions such as the expansion of solar panel installations. Through these activities, along with that described in the Person section and OEM's Code of Conduct, our judgement is that criteria for minimum safeguards are deemed to be met.

In 2024, Taxonomy-aligned CapEx amounted to SEK 6 million, which was an increase of 20% compared to the previous year. The total Taxonomy-aligned CapEx for both the current and the previous year is recognised under the balance sheet item Buildings and land.

KEY PERFORMANCE INDICATORS

SALES

The proportion of taxonomy-eligible economic activities of our total sales has been calculated as the portion of taxonomy-eligible net sales divided by total net sales.

The proportion subject to the taxonomy is defined as follows:

- Activity 6.5 is defined as being the proportion of assets to which OEM provides right-of-use.
- Activity 7.6 is defined as the proportion of owned properties where OEM provides the service.
- Activity 7.7 is defined as the proportion of owned properties that also have external tenants.

Total net sales is defined in accordance with IAS 1.82(a). and can be found in the Consolidated Statement of Income in the Annual Report as Net sales.

CAPITAL EXPENDITURE

The proportion of taxonomy-eligible economic activities of our total capital expenditure has been calculated as the proportion of taxonomy-eligible capital expenditure divided by total capital expenditure.

The proportion subject to the taxonomy is defined as follows:

- Activity 6.5 is defined as being the proportion of assets to which OEM provides right-of-use.
- Activity 7.6 is defined as the proportion of owned properties where OEM provides the service.
- Activity 7.7 is defined as the proportion of owned properties that also have external tenants.

Total capital expenditure comprises additions to tangible and intangible assets during the financial year, before depreciation and amortisation, revaluations, including impairments, and excluding fair value changes. Goodwill is not included in total capital expenditure. Assets acquired during the year are reported in Note 13 in the Annual Report.

OPERATING EXPENDITURE

The proportion of taxonomy-eligible economic activities in our total operating expenditure has been calculated as the share of the taxonomy-eligible operating expenditure divided by total operating expenditure.

The proportion subject to the taxonomy is defined as follows:

- Activity 6.5 is defined as being the proportion of assets to which OEM provides right-of-use.
- Activity 7.6 is defined as the proportion of owned properties where OEM provides the service.
- Activity 7.7 is defined as the proportion of owned properties that also have external tenants.

Total operating costs refers to direct non-capitalised costs that relate to building renovation measures, short-term leases, maintenance and repair, and any other direct expenditure relating to the day-to-day servicing of assets of property, plant and equipment by the company or a third party employed for this purpose and that are necessary to ensure the continued and effective functioning of such assets.

PROPORTION OF ECONOMIC ACTIVITIES COVERED BY THE TAXONOMY

ANNEXII

TEMPLATES FOR THE KPIs OF NON-FINANCIAL UNDERTAKINGS

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities—disclosure covering year 202

Financial year N		Year			Sub	ostantial Cont	tribution Crit	eria		DI	NSH criteria	('Does Not	Significan	tly Harm')	(h)				
Economic Activities (1)	Code (a) (2)	Turnover (3)	Proportion of Turnover, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigatio n (11)	Climate Change Adaptatio n (12)	Water (13)	Pollutio n (14)	Circular Econom y (15)	Biodiversit y (16)	Minimum Safeguard s (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Text		Currency	%	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	Ε	T
A. TAXONOMY-ELIGIBLE ACTIVI	TIES																		
A.1. Environmentally sustainab	le activities (Tax	onomy-align	ed)																
			0%																
Turnover of environmentally stactivities (Taxonomy-aligned) (0	0%																
Of	which Enabling																	E	
Of wh	nich Transitional																		
A.2 Taxonomy-Eligible but not	environmentally	sustainable	activities (not	Taxonomy-a	ligned activit	ties) (g)													
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Acquisition and ownership of buildings	CCM, CCA 7.7	2	0%	EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Turnover of Taxonomy- eligible environmentally sustainable ac Taxonomy-aligned activities) (A	tivities (not	2	0%	0%	0%												0%		
A. Turnover of Taxonomy eligib (A1+A2)	ole activities	2	0%	0%	0%												0%		
B. TAXONOMY-NON-ELIGIBLE A	CTIVITIES							•									•		
Turnover of Taxonomy-non-eli	gible activities	5 237	100%																
TOTAL		5 239	100%]															
Check			SANT	Ī															

 $Proportion \ of \ Cap Exfrom\ products\ or\ services\ associated\ with\ Taxonomy-aligned\ economic\ activities\ -disclosure\ covering\ year\ 2024$

Financial year N			Sub	stantial Con	tribution Crit	eria		DNSH criteria ('Does Not Significantly Harm')(h)											
Economic Activities (1)	Code (a) (2)	CapEx (3)	Proportion of CapEx, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigatio n (11)	Climate Change Adaptatio n (12)	Water (13)	Pollutio n (14)	Circular Econom y (15)	Biodiversit y (16)	Minimum Safeguard s (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Text		Currency	%	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	Ε	T
A. TAXONOMY-ELIGIBLE ACTIVIT	IES																		
A.1. Environmentally sustainable	e activities (Tax	onomy-align	ed)																
Installation, maintenance and repair of energy efficiency equipment	CCM, CCA 7.6	6	8%	J	J	N/EL	N/EL	N/EL	N/EL	J	J	-	-	-		J	3%		
CapEx of environmentally sustai activities (Taxonomy-aligned) (A		6	8%	3%	0%					ı	,	J	1	,	J	J	3%		
	which Enabling		%	3%	0%					J	J	-	-	-		J	3%	E	
	ich Transitional		%	0%						J	J	-	-	-	-	J	0%		T
A.2 Taxonomy-Eligible but not e	nvironmentally	sustainable	activities (not																
Transport by motorbikes, passenger cars and light commercial vehicles	CCM, CCA 6.5	29	41%	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f) N/EL	EL; N/EL (f) N/EL	EL; N/EL (f) N/EL	EL; N/EL (f) N/EL								15%		
Acquisition and ownership of buildings	CCM, CCA 7.7	19	27%	EL	EL	N/EL	N/EL	N/EL	N/EL								33%		
CapEx of Taxonomy- eligible but environmentally sustainable act Taxonomy-aligned activities) (A.	ivities (not	48	68%	68%	0%												48%		
A. CapEx of Taxonomy eligible ac (A1+A2)	ctivities	54	76%	76%	0%												51%		
B. TAXONOMY-NON-ELIGIBLE AC	CTIVITIES										•				•				
CapEx of Taxonomy-non-eligible	activities	17	24%																
TOTAL		70	100%	1															

 $Proportion \ of \ OpEx \ from \ products \ or \ services \ associated \ with \ Taxonomy-aligned \ economic \ activities-disclosure \ covering \ year \ 2024$

Financial year N		Year			Sub	stantial Conf	ribution Crit	eria		DI	NSH criteria	('Does Not	Significan	tly Harm')	(h)				
Economic Activities (1)	Code (a) (2)	CapEx (3)	Proportion of CapEx, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigatio n (11)	Climate Change Adaptatio n (12)	Water (13)	Pollutio n (14)	Circular Econom y (15)	Biodiversit y (16)	Minimum Safeguard s (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Text		Currency	%	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	Ε	T
A. TAXONOMY-ELIGIBLE ACTIVIT	TIES		•							•	•		•						•
A.1. Environmentally sustainab	le activities (Tax	onomy-align	ed)																
Installation, maintenance and repair of energy efficiency equipment	CCM, CCA 7.6	6	8%	J	J	N/EL	N/EL	N/EL	N/EL	J	J	-	-	-	-	J	3%		
CapEx of environmentally susta activities (Taxonomy-aligned) (A.1)	6	8%	3%	0%					J	J	J	J	J	J	J	3%		
	which Enabling		%	3%	0%					J	J	-	-	-	-	J	3%	E	
	ich Transitional		%	0%						J	J	-	-	-	-	J	0%		
A.2 Taxonomy-Eligible but not	environmentally	sustainable	activities (not	EL: N/EL (f)	EL; N/EL (f)	ies) (g) EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Transport by motorbikes, passenger cars and light commercial vehicles	CCM, CCA 6.5	29	41%	EL; N/EL (J)	EL; N/EL (J)	N/EL	N/EL	N/EL	N/EL								15%		
Acquisition and ownership of buildings	CCM, CCA 7.7	19	27%	EL	EL	N/EL	N/EL	N/EL	N/EL								33%		
CapEx of Taxonomy- eligible bu environmentally sustainable ac Taxonomy-aligned activities) (A	tivities (not	48	68%	68%	0%												48%		
A. CapEx of Taxonomy eligible a (A1+A2)	ctivities	54	76%	76%	0%												51%		
B. TAXONOMY-NON-ELIGIBLE A	CTIVITIES		•																
CapEx of Taxonomy-non-eligible	e activities	17	24%																
TOTAL		70	100%]															
Check			SANT	Ī															

 $Proportion \ of \ OpEx \ from \ products \ or \ services \ associated \ with \ Taxonomy-aligned \ economic \ activities-disclosure \ covering \ year \ 2024$



Example 2 Auditor's report for companies preparing the statutory sustainability report separate from the annual accounts

Auditor's report on the statutory sustainability report

To the general meeting of the shareholders in OEM International AB (publ), corporate identity number 556184-6691

Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2024 and that it has been prepared in accordance with the Annual Accounts Act according to the prior wording that was in effect before 1 July 2024.

The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

Jönköping on the date of our digital signature Öhrlings PricewaterhouseCoopers AB

Frida Wengbrand Authorized Public Accountant

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