

2024

January – December

Sustainability Report Kjell Group AB

***Kjell &
Company***

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Kjell cleverio

About Kjell Group

Since its inception over 35 years ago, Kjell Group has become the leading group in electronic accessories in the Nordics. The Kjell & Company brand combines a market-leading curated assortment of nearly 10,000 items with advisory services and installation – online, via 145 service points, including 114 in Sweden and 31 in Norway, and together with collaboration partners through the Kjell & Company Express concept. The Danish company AV-Cables, which has been part of Kjell Group since April 2021, offers a broad assortment of consumer electronics accessories, with online sales. AV-Cables' assortment offers customers over 20,000 products.

The majority of the company's customers begin their customer journey at Kjell.com or AV-Cables.dk/se, where they search on their own or receive advice from our experts. The products are delivered from service points or the central warehouse, frequently within a day and sometimes within an hour in the case of online purchases.

In 2024, sales amounted to 2,583.6 MSEK, adjusted EBITA totalled MSEK 49.1 and the number of employees was approximately 1,350.

A sustainable leader in the Nordic home electronics market

For the third year in a row, Swedish consumers ranked Kjell & Company as Sweden's most sustainable brand 2024 within the category of *home appliances & electronics – stores*. Sustainable Brand Index is the largest independent brand study in Europe with a focus on sustainability. The study includes thousands of participants from various age groups and locations within Sweden, who are interviewed and asked how they perceive the performance of well-known brands in relation to the UN's 17 global goals. Kjell Group is proud to hear that the efforts in sustainability are noticed by the consumers.

Number of employees
approximately

1,350

People

Gender
distribution

72%

Men

Customer
Satisfaction

67

NPS

Our CSRD journey

Early in 2024 Kjell Group began the journey to meet the new EU legislations on sustainability reporting – the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). The CSRD states *what* the Group should report on and ESRS states *how* to report it.

According to the current implemented EU Directive, Kjell Group is required to report for FY 2025. However, the Omnibus proposal, which is yet to be decided and implemented, may exclude Kjell Group from the CSRD or postpone the required reporting year.

The CSRD has ignited a renewed commitment within Kjell Group to elevate its sustainability efforts. In 2025 a new strategy will be established with targets and actions aligned with material topics in the ESRS. A greenhouse gas calculation will be conducted to set a new baseline for future progress, and selected policies will be updated to meet CSRD requirements.

To put the focus and efforts where they are most needed, Kjell Group has chosen to publish a concise and summarised report this year, prioritising improvement and development for next year. Previous years' goals have been revised, with some no longer relevant. This report will highlight the achievements and initiatives in 2024.

Preparations completed in 2024

Double Materiality Assessment (DMA)

The DMA outlines Kjell Group's material sustainability topics, highlighting the Group's impacts, risks and opportunities. The findings determine which ESRS topical standards should be reported. For further information and results, refer to page 5-7.

GAP analysis

The GAP analysis identifies gaps between the current annual and sustainability reporting and the requirements of the ESRS framework. This analysis, based on the results of the materiality assessment, highlights whether the data points are reported on, available or currently missing.

Taxonomy eligibility screening

The EU taxonomy is a fundamental component of the EU's sustainable finance framework, designed to guide investments towards sustainable activities. The taxonomy screening evaluates Kjell Group's products and services and assesses whether they qualify as *eligible* (i.e. qualify as sustainable activities). Eligible activities become *taxonomy aligned* when they meet certain criteria. Current regulations mandate that companies required to publish a sustainability report according to the CSRD must also report on the EU Taxonomy.

Green House Gas screening

Detailed preparations have been completed for Greenhouse Gas (GHG) accounting on a digital platform



Double Materiality Assessment

Kjell Group's material topics

A Double Materiality Assessment (DMA), conducted in accordance with the ESRS, considers all sustainability topics to determine which are relevant for reporting. The ESRS framework includes ten topical standards, each with sub-topics and, in some cases, sub-sub-topics.

Materiality is assessed from two perspectives: impact materiality (inside-out) and financial materiality (outside-in). Impact materiality evaluates the Group's effect on its surroundings, considering the likelihood and severity of the impact. Severity is assessed based on three factors: scale, scope, and remediability. Financial materiality, on the other hand, examines how external factors affect the Group, including financial risks and opportunities. This assessment considers both the likelihood and scope of potential risks or opportunities.

Each material topic is presented with its justification and necessary actions. However, specific implementation plans and ongoing initiatives are not included in this section. The list of material topics may be adjusted in future reports.

For an overview of the DMA results, including all material and non-material sub-topics, see Figure 4. The structure of each material topical standard and its associated material sub-topics is detailed in Figures 1–3.

Environmental material topics

E1: Climate change

Material sub-topics: Climate change mitigation, climate change adaptation, energy

Why is this material? As a retailer, Kjell Group contributes to climate change across the value chain. Future operations may face risks related to climate change, but there are also opportunities, depending on how these challenges are managed. To ensure long-term resilience, the Group must reduce greenhouse gas emissions, optimise energy use, and adapt its operations to mitigate climate-related impacts.

E2: Pollution

Material sub-topics: Pollution of air, pollution of water, substances of high concern, substances of very high concern, microplastics

Why is this material? The extraction of raw materials, electronics production, and product transportation contribute to air and water pollution. This is particularly relevant in regions where much of Kjell Group's upstream value chain is located. Additionally, substances of high or very high concern may be present in raw material extraction and manufacturing. Kjell Group must actively promote awareness and support responsible practices throughout the supply chain and maintain a high level of compliance with its products.

E5: Resource use & circular economy

Material sub-topics: resource inflows including resource use, resource outflows including products and services, waste

Why is this material? As a retailer our impact is largely tied to the products offered. These products, whether from external brands or private labels, are made from raw materials, including critical raw materials, and generate waste throughout their lifecycle. To ensure long-term sustainability, circular business practices and responsible waste management will be essential for Kjell Group's continued success.

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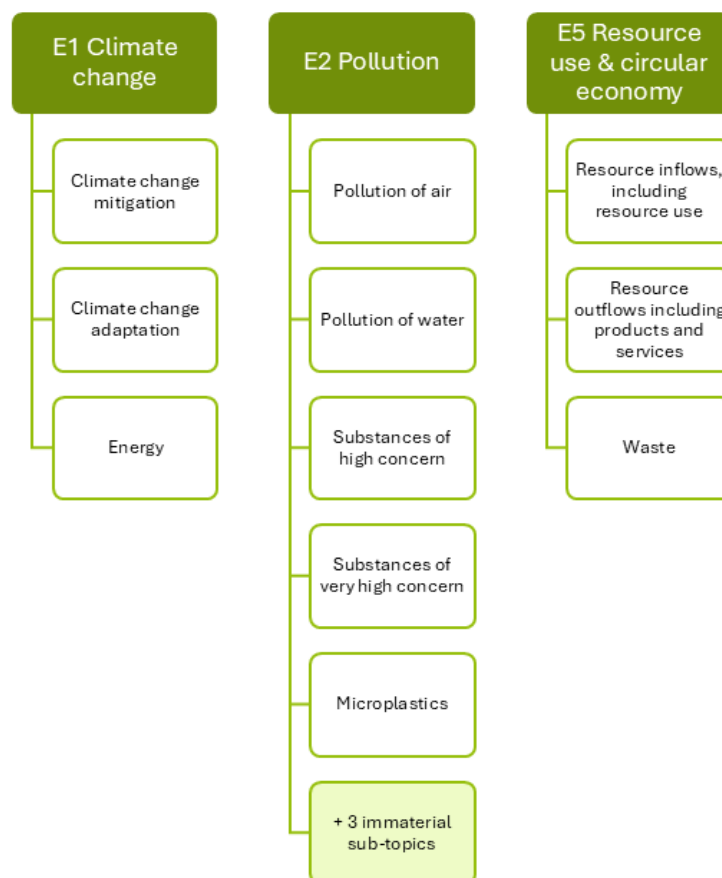


Figure 1. Environmental material topics and sub-topics

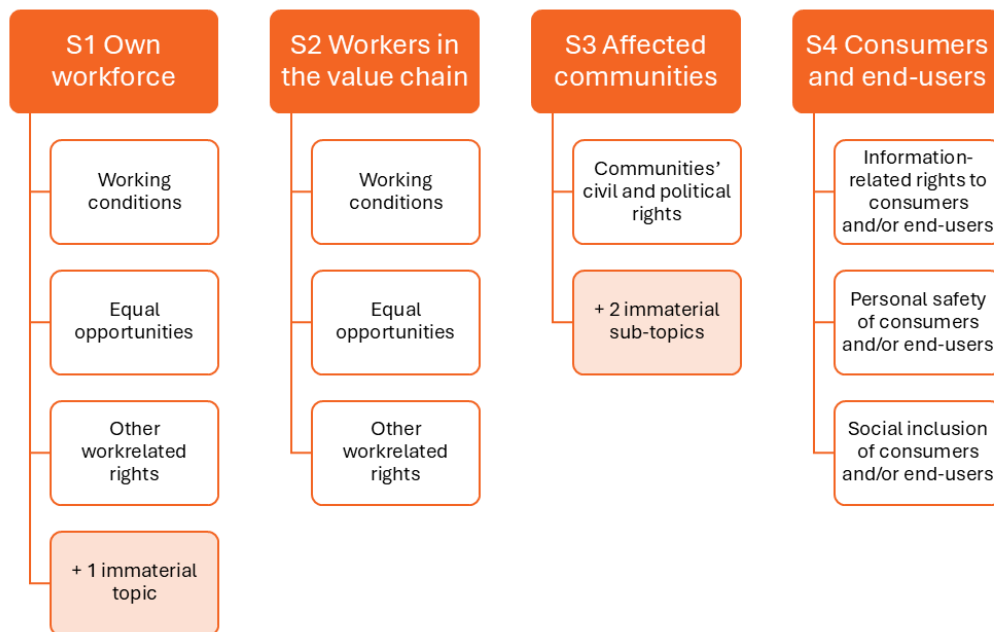


Figure 2. Social material topics and sub-topics

Social material topics

S1: Own workforce

Material sub-topics: working conditions, equal opportunities, other work-related rights

Why is this material? As an employer of approximately 1,350 people, the Group has a responsibility to provide a healthy, inclusive, and supportive work environment. Ensuring equal opportunities and fostering personal growth are essential for employee well-being, engagement, and long-term success.

S2: Workers in the value chain

Material sub-topics: working conditions, equal opportunities, other work-related rights

Why is this material? Like most businesses in the consumer electronics accessories market, the majority of Kjell Group's upstream value chain is based in Asia. Human rights may be restricted at a national, regional and supplier level. Ensuring responsible business practices throughout the supply chain is essential, including safeguarding human rights and promoting fair working conditions.

S3: Affected communities

Material sub-topics: communities' civil and political rights

Why is this material? Explanation under S2: *workers in the value chain* also applies to this topic. Apart from human rights, there are also risks of restrictions on communities' civil and political rights which may be restricted at a national or regional level.

S4: Consumer and end-users

Material sub-topics: Information-related rights to consumers and/or end-users, Personal safety of consumers and/or end-users, social inclusion of consumers and/or end-users

Why is this material? Kjell Group's communication reaches a broad audience, presenting both risks and opportunities. Responsible consumer communication is essential to building trust and creating opportunities for positive impact. Product safety encompasses both regulatory compliance and clear guidance on safe usage. Additionally, access to electronics can influence social inclusion or exclusion, making it crucial for Kjell Group to contribute to greater digital accessibility and inclusion.

Governance material topics

G1: Governance

Material sub-topics: Corporate culture, corruption and bribery, entity-specific cybersecurity

Why is this material? A strong corporate culture fosters integrity and positively influences the entire organisation. Preventing corruption and bribery remains critical at national, regional, and supplier levels to ensure ethical business practices. Additionally, with 3.4 million members, Kjell Group manages a significant amount of personal data, making cybersecurity a top priority. Failure to uphold anti-corruption measures or safeguard cybersecurity could result in severe financial and reputational consequences for the group.

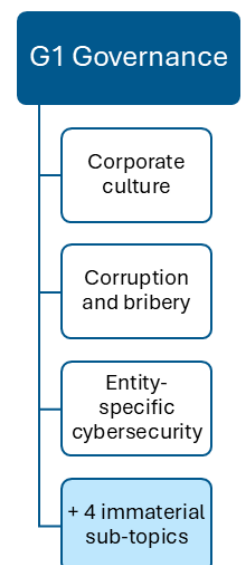


Figure 3. Governance material topics and sub-topics

<div> <div>● Environmental sub-topic</div> <div>● Social sub-topic</div> <div>● Governance sub-topic</div> </div>	
Material - Impact <ul style="list-style-type: none"> ● Pollution of water ● Microplastics ● OW – Working conditions ● WMV – Equal opportunities ● Communities' civil and political rights ● Social inclusion of consumers and end-users ● Corruption & Bribery 	Material – Impact & financial <ul style="list-style-type: none"> ● Climate change mitigation ● Energy ● Pollution of air ● Substances of very high concern ● Resource inflows, including resource use ● Resource outflows, including products & services ● Waste ● OW – Equal opportunities ● WMV – Working conditions ● WMV – Other work-related rights ● Corporate Culture
Non-material <ul style="list-style-type: none"> ● Pollution of living organisms ● Pollution of microplastics ● Pollution of soil ● Direct impact drivers of biodiversity loss ● Impacts on the state of species ● Impacts and dependencies on ecosystem services ● Impacts on the extent and condition of ecosystems ● Water ● Marine resources ● Communities' economic, social and cultural rights ● OW – Other work-related rights ● Particular rights of indigenous communities ● Political engagement and lobbying activities ● Protection of whistle-blowers ● Animal welfare ● Management of relationships with suppliers including payment practices 	Material - Financial <ul style="list-style-type: none"> ● Climate change adaptation ● Substances of concern ● Information-related rights for consumers and/or end-users ● Personal safety of consumers and/or end-users ● Entity-specific: Cybersecurity

Figure 4. Matrix of all material/non-material sub-topics in the DMA for Kjell Group



Employee engagement

Puls+

In 2023, the company initiated the process of procuring a digital tool designed to enhance and streamline employee engagement. Kjell Group established requirements for an evidence-based service that included the possibility to send invitations via SMS. Given the high importance of employee anonymity, a minimum threshold of five participants was set for result filtering.

In the first quarter of 2024, the inaugural employee engagement survey was conducted using the Puls+ platform. This tool is expected not only to strengthen the Group's approach to employee engagement but also to serve as a future instrument for measuring and understanding organisational diversity. Kjell Group looks forward to the positive impact this initiative is anticipated to have on the organisation.

The inaugural survey of 2024 establishes the new benchmark for employee engagement. Since the methodology of the previous engagement survey differs from the current approach, the results are not directly comparable, and as such, no data from 2023 have been presented. Furthermore, the restructuring of central functions may have adversely affected the eNPS results for the year.

Participation

79%

Engagement

7.8

eNPS

-3



Towards a circular economy

Every household in the Nordics possesses a significant volume of consumer electronics - whether actively used, unutilized, or in need of repair. Yet, the collection and proper handling of electronic waste are on the decline and consumer electronics account for 70% of hazardous waste that is sorted incorrectly. According to Avfall Sverige, the weight of consumer electronics waste collected in Sweden represents only 10–25% of the weight of products sold.

Kjell Group is committed to contributing to a circular future. The primary goal is to ensure that products sold by the Group are used for as long as possible. Additionally, the aim is to enable customers to repair their products or sell them secondhand. Furthermore, efforts are made to ensure that when products need to be recycled, customers are informed about where and how to sort them. This includes initiatives to collect electronic waste at service points. Several initiatives have already been implemented to move closer to these goals.

ReuseIT

Kjell Group has continued its collaboration with ReuseIT to facilitate the resale of electronic devices, including phones, tablets, and computers. Each step is designed to ensure transparency and maximize value for both the customer and the circular economy. The process is structured as follows:



Online Valuation: Customers initiate the process by entering product details on the website to receive an estimated price.



In-Person Verification: Customers then visit one of the selected service points, where the staff verify the accuracy of the product information and revalue the item.



Resale and Payment Options: Once the product is left for resale, customers are offered two payment options: either decide to receive a check valued at 10% above the revalued price, or to receive a direct refund to a designated bank account.

Mentech

In May 2024, Kjell Group, in partnership with Mentech, launched an initiative to repair phones, tablets, computers, and smartwatches. Customers can now leave their electronic devices for service at any of our 145 service points across Sweden and Norway. The process is structured as follows:



Ticket creation: Customers begin by creating a ticket through Mentech's system, providing the required product information, and selecting a preferred service point.



Repair ID: Once the ticket is completed, a unique repair ID is issued, which must be presented when the product is delivered by the customer for repair.



Estimation and Approval: After collecting the product, Mentech conducts an assessment and provides an estimated repair cost. Repairs commence only once the customer accepts the estimated sum.

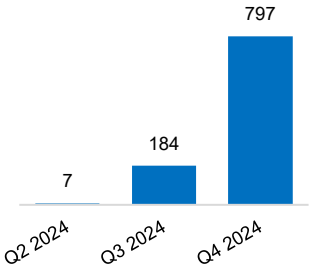


Product Collection: The repaired device is then available for pick-up at the same service point using the repair ID. Since launching—May 2024 in Sweden and June 2024 in Norway—this initiative has successfully facilitated the repair of 988 products by the end of 2024.

Total number of repaired products

988

Amount repaired by quarter



Total number of string lights collected

385

Collection of string lights

During October and November 2024, all service points in Sweden and Norway participated in a campaign encouraging customers to return old and broken string lights in exchange for a discount on their purchase. This initiative was designed to promote proper waste handling practices among households. In total, 385 string lights were collected at the service points.

Improvements in key environmental aspects

KPI follow up

Kjell Group will develop a new sustainability strategy with targets, metrics, and action plans in 2025. No long-term targets are therefore specified in this report. However, a significant portion of the goals set in 2023 for 2024 have been monitored. Please note that the goals outlined below may be revised in next year's report. All key performance indicators (KPIs) apply to all subsidiaries within Kjell Group, unless otherwise specified.

Recycling of electronic waste

During 2024 73.6% (66.7%) of the collected electronic waste in Norway and Sweden was diverted for material recycling. Ambitions were to recycle 80% of all the collected electronic waste. In 2024 Kjell Group initiated a cooperation with Stena Recycling to ensure proper handling and easier monitoring of waste.

Electricity consumption

Kjell Group has consistently monitored the electricity consumption at its Swedish locations connected to the main electricity supplier. A target was set to reduce electricity use per square meter by 10%. Although a shift to LED lighting yielded a 9.2% reduction in 2023, overall consumption in 2024 remained at the same level as the previous year - a result attributed to the opening of new service points.

In Norway, 30 out of 31 service points were consolidated under a single electricity supplier in 2024, simplifying future monitoring efforts. The electricity consumption for 2024 of AV-Cables's warehouse in Denmark and Scandsource's office in Shanghai has also been collected. The Group's total electricity consumption for 2024 will be incorporated into the GHG accounting, which sets the new baseline for monitoring and further development.

All Kjell Group locations in Sweden, Norway, and Denmark, where electricity contracts are managed by the Group, are powered by renewable sources.

Plastic packaging

Kjell Group has achieved and maintained its goal of keeping plastics in private label packaging below 10% by weight. In 2024, the Group successfully replaced Styrofoam shock absorbers that earlier could not be replaced, due to drop test requirements. In 2024 the use of plastics in private label packaging was reduced to 7.4% (9.3%).

Female leaders

Kjell Group has continued to work towards the goal to reach at least 25% female leaders in the organisation. In 2024 21.3% (18.5%) of the leaders were female.

Anti-corruption and bribery

In 2023, 100% of the staff engaged in assortment, sourcing, and procurement completed anti-corruption training. Ambitions were set to annual training on the matter; however, this goal was not met in 2024. Kjell Group will resume systemised anti-corruption training in 2025 to ensure all existing staff renew their training yearly, and all new staff complete training during the onboarding process.

Responsible sourcing

Kjell Group maintained a high level of compliance, with 100% (100%) of active direct suppliers signing the supplier Code of Conduct. In 2025 the supplier Code of Conduct will be updated, the new version will be signed by all suppliers. The sourcing office in Shanghai enables closer engagement with suppliers, with audits conducted yearly and third-party audits performed regularly.

Product safety

In 2024, Kjell Group collected 100% (100%) of the required compliance documentation for new items introduced to our range. The Group remains committed to ensuring all mandatory documentation is secured prior to any product being placed on the market.

Recycling of electronic waste

73.6%

(2024)

66.7%

(2023)

Plastic packaging

7.4%

(2024)

9.3%

(2023)

Female leaders

21.3%

(2024)

18.5%

(2023)

Kjell Group offers the most comprehensive assortment of electronic accessories on the market. The Group operates online in Sweden, Norway, and Denmark as well as through 145 service points, including 114 in Sweden and 31 in Norway. Headquartered in Malmö, the Group generated SEK 2.6 billion in revenue in 2024.

With Kjell Group's customer club, which boasts over three million members, and its wholly owned Danish subsidiary AV-Cables, the Group has a unique understanding of people's technology needs. Approximately 1,350 employees work every day to improve lives through technology.

Learn more at kjell.com or kjellgroup.com

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Kjell & Company

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