



Samhall's Annual and Sustainability Report

2022

samhall

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Samhall's vision:

To contribute to a Sweden where everyone is considered an asset to the labour market



Irfan Chaudhry, superintendent for Samhall at IKEA.
Malin Herder, customer experience manager, IKEA.

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2022 IN BRIEF

New strategy

In autumn, we launched our new strategy. We are now taking the next steps toward our overall vision: a Sweden where everyone is considered an asset to the labour market.

1483

This year 1483 people got a new job outside Samhall.

War and an uncertain world

In 2022, we saw the world change: war in Europe, new pandemic surges and the effects of high inflation and increasing interest rates.

Swedavia contract extension

We were asked to continue providing cleaning services to Arlanda and Bromma airports. That's more than 77 000 m² to keep tidy, day and night.

SEK 3 289 million

This year, we provided services to the value of SEK 3 289 million.

New life for packaging

During Politicians' Week in Almedalen, we helped turn single-use items into "multiple-use items". We played a key role in the project, including washing up and managing the logistics.

Focus on inclusivity in the labour market

During the year, we started a series of breakfast seminars and participated in debates, to demonstrate the benefits of a society that allows everyone a place.

Industrial investment in the north

Many manufacturing jobs are on their way back to Sweden. Therefore, to meet this large demand, we have invested in a new industrial facility in Gävle.



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We all win when more people can work

Now we put yet another eventful and turbulent year behind us. Just when we all hoped for renewed stability in our world, a terrible war broke out in Europe instead, with major humanitarian, geopolitical and economic consequences.

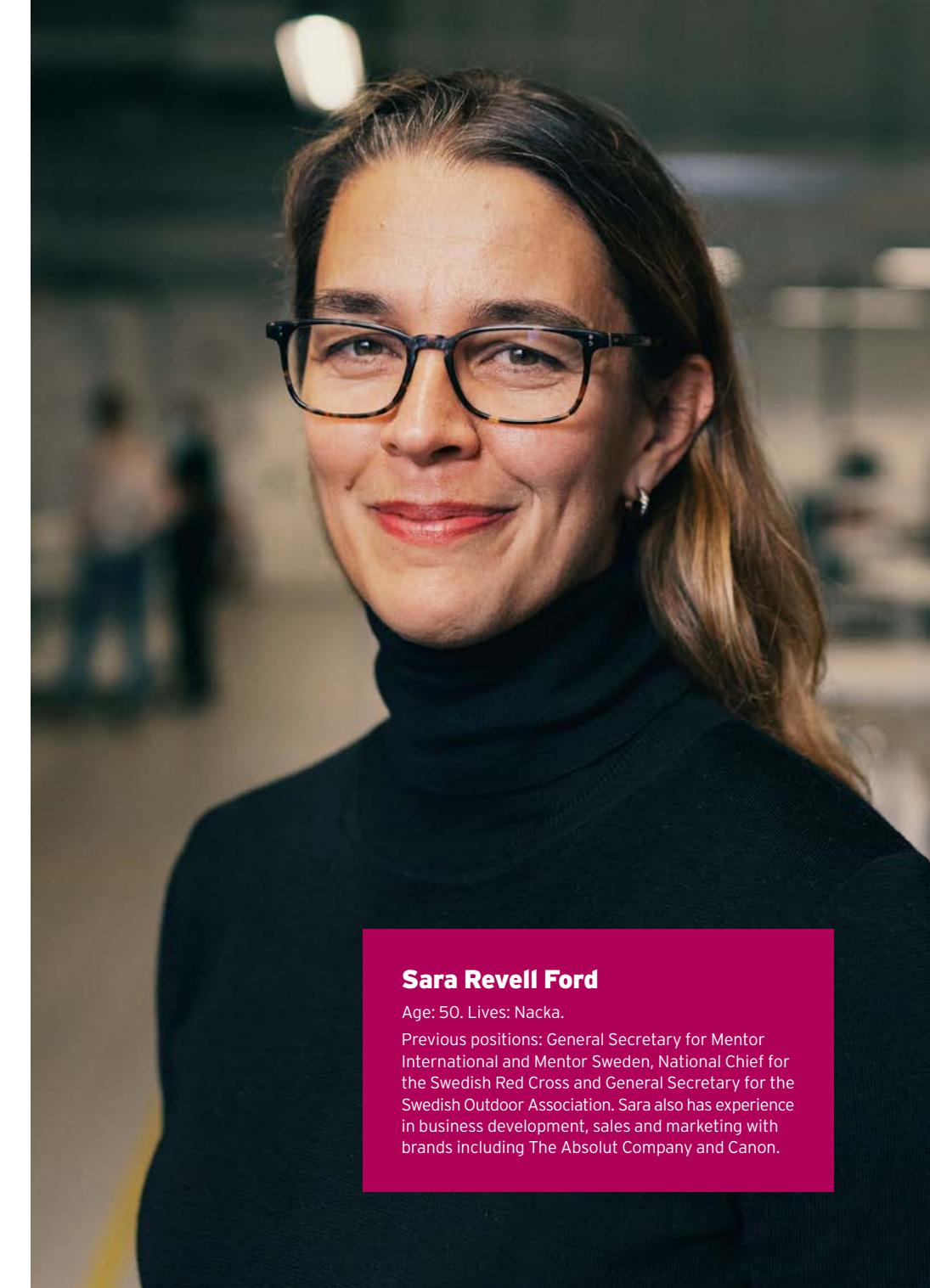
Despite such instability and uncertainty, Samhall has continued to deliver its vital societal assignment and welcomed a grand total of 6 438 new employees with functional impairment to the company in 2022. With so many people finding their way from social exclusion to starting work at Samhall, fantastic value is created for both the individual and Swedish society. In part economically, where people who were previously supported by social welfare and subsidies, and expending resources meant for the general good, become taxpayers instead. It also contributes great social value, including improved self-esteem and a stronger cohesion to society.

In 2022, we had socioeconomic experts create a model to calculate the value of our operations. Preliminary results provide a simple and reliable method to demonstrate the enormous power and society benefit that Samhall generates through its assignment. I look forward to telling you more about this later in the year.

Impact of current events

An uncertain world continues to influence both society and the markets in general. For Samhall, these increasingly negative currents mean, among other things, that the company's decade of fantastic growth has now come to a halt. This is due to a range of circumstances, including market uncertainty, inflation, rising costs and shortcomings in supply chains, as well as a business structure that involves limited capacity during certain times and in specific areas.

Unfortunately in 2022, Samhall did not receive a sufficient number of new employees directed to us through the Swedish Public Employment Service. This has impacted both our ability to take on new contracts and our fulfilment of existing contracts; in addition, it means that we, in 2022, did not attain the owner's targets regarding the number of wage hours generated in either protected work or development assignments (WED). Considerable efforts are being made, together with the Public Employment Service, to direct more workers to Samhall.



Sara Revell Ford

Age: 50. Lives: Nacka.

Previous positions: General Secretary for Mentor International and Mentor Sweden, National Chief for the Swedish Red Cross and General Secretary for the Swedish Outdoor Association. Sara also has experience in business development, sales and marketing with brands including The Absolut Company and Canon.

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The number of employees who left us for a new job last year, what we call transitions, was 1 483. This is a fantastic result that demonstrates the enormous power and skill of Samhall's programme to develop employees through their work. Such a good result, however, will be difficult to maintain over time, as a consequence of the reduced inflow of new employees to the company.

In closing the books for the fourth quarter, we can state an operating profit of SEK 182 million. That good result is a consequence of sustained client revenues and significant pandemic-related funds from the state covering sick pay allowances and suppressed expenses. Without these one-time items, operating profit was SEK 29 million.

Looking ahead, we see challenges remaining in the markets, while simultaneously the company's financial model, without indexed compensation for additional costs, is expected to contribute to a negative result in 2023. As compensation for the assignment-related additional costs does not keep pace with collectively bargained wage rises, Samhall's degree of underfinancing rises every year. This is expected to weigh heavily on financial results in 2023, as pandemic-related compensation and one-time effects that positively influenced results are forecast to end. A close dialogue with the owner is being conducted regarding the long-term conditions for the company's operations.

New strategy gives direction

During the last quarter of 2022, we adopted a new strategy for the entire company. Based on our societal assignment, it covers objectives and

transformations for Samhall in crucial areas, including workplace environment, sustainability and long-term relations with clients. A supporting element in the strategy, despite thousands of workplaces distributed widely across Sweden's municipalities, is for the company to improve further through common work processes, whereby we can all learn from each other.

Within the framework of working on the new strategy, Samhall has also assumed new strategic objectives for sustainable value creation. In coming years, we will measure and follow up more coherently how our work impacts and contributes to a more sustainable society. In practical terms, this includes halving our CO₂ emissions and clearer follow-up of our employees' development. We are also working on demonstrating Samhall's vital role in the Swedish labour market. This is done, in part, through a series of regular breakfast seminars, increased participation in the public debate and better clarification of our economic and social value creation.

Together with our employees, clients, trade union organisations and other stakeholders, we now enter a new year. Supported by our new strategy and the fantastic commitment that exists in all areas of our operations, I look forward to further developing Samhall in 2023.

Sara Revell Ford
CEO

Stockholm, March 2023

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This is Samhall

We give people with functional impairment the opportunity to develop through work and thus provide vital benefits to society and sustainable services to Swedish business and the public sector.

More than 23 000 people received work with Samhall in 2022.

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We create thousands of opportunities every year

People with functional impairment and reduced working capacity have it tough in the labour market. To break through this social exclusion and provide meaningful work is our task. Every year, we create thousands of new opportunities for people who were far removed from the labour market. At the same time, many companies and organisations get the employees they need. That makes us proud, but not satisfied. For we will only be satisfied when everyone is considered an asset to the labour market.

Samhall is owned by the Swedish state, and it is the Swedish Public Employment Service that determines who gets a job with us. All our employees have some form of functional impairment and reduced working capacity, which means they have difficulty finding work by themselves. Our task is to equip and match

our employees to client assignments within our service sectors. We need to continually adapt ourselves to the employees' circumstances, as well as market demand. One of our most important objectives is that our workers get employed by another employer.

Five explanatory facts:

- We do not decide who gets a job with us.
- We are present where the need is greatest.
- The number of employees drives our need for business, not the other way around.
- We cannot retrench employees due to a shortage of work.
- Our objective is for our employees to find new jobs outside Samhall.

Employee turnover in the labour market policy assignment



New workers beginning during the year

Number of people receiving employment during Jan - Dec 2022: **3 613**
Number of people receiving a traineeship in Labour Market Services: **2 825**

6 438



Workers leaving during the year

Transitions to new jobs: **1 483**
Time-limited positions ending in WED: **641**
Traineeships ending in Labour Market Services: **2 545**
Pensions and other departures: **1 673**

6 342



Number of workers at year-end

Employees in sheltered work: **20 715**
Number of positions with wage subsidy for employees under development: **1 741**
Number of people in traineeships in Labour Market Services: **1 222**

23 678

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Two types of employment

We provide two forms of employment within our assignment: employment in sheltered work and wage subsidy for employees under development (WED). Each year, the state establishes the number of positions we need to offer in sheltered work and WED, expressed as a minimum volume of wage hours. However, we are completely dependent on the Public Employment Service to refer people to us at the rate that we need them. Last year, the Public Employment Service had great difficulty in filling the available positions at Samhall.

Employment in sheltered work

Here are the majority of our employees. The target group is people whose working capacity is so reduced that the person cannot find any other work and whose needs cannot be met by other labour market policy initiatives. Also includes people with 75% sickness benefit or activity subsidy.

Wage subsidy for employees under development (WED)

These positions are offered to people with functional impairment who have been out of work for a long time. Young adults under 30 are prioritised. These are time-limited positions (1-2 years), where at least 25% of time at work must be spent on development activities, such as skills training, introduction to working life and traineeships.

We prioritise those with the greatest need

At least 40% of new recruits during the year must come from prioritised groups whose functional impairment and reduced working capacity pose particularly great difficulties in the labour market. These prioritised groups are:

- People with mental impairments and/or generally diminished learning abilities

- People with specific cognitive impairments in combination with impaired hearing or vision or mental impairments
- People with multiple impairments that together cause a comprehensive reduction in working capacity according to particular specifications

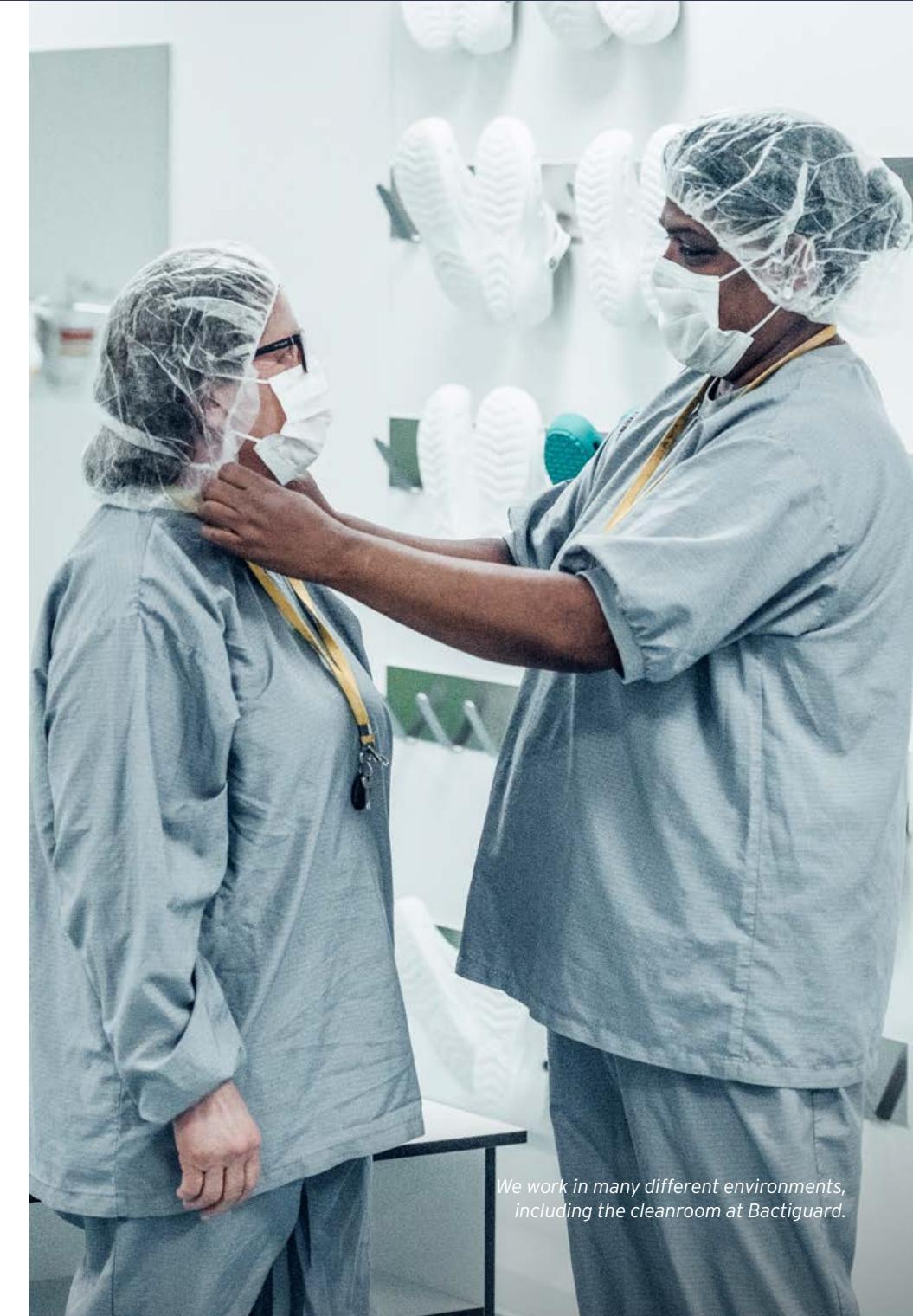
Labour Market Services

Included in the instructions from the owner, but not part of the assignment, is that we provide the Public Employment Service with positions for work training. Via the Public Employment Service, unemployed people with functional impairment can participate in reinforced work training programmes and receive in-depth assessment conducted by Samhall. 2 825 persons took part in such work training at Samhall in 2022.

State compensation

In many ways, we work just like any other company at all. However, the labour market policy assignment creates conditions no other company has. It can mean workers need adapted workplace environments, customised work rates or specific work materials or that a certain work task is divided into several phases. It can also involve special transport to and from the workplace. That means extra costs for us as an employer and this difference is compensated for by the state.

This is called compensation for additional costs and in 2022 it amounted to SEK 6 539 million. It is all regulated carefully by a compensation and control mechanism to ensure no over-compensation occurs. Additionally, there are specific reporting requirements. The terms and conditions of the company's operations and compensation from the state are provided in ordinance (2018:1528) regarding state compensation to Samhall. For more information, see note 6.



We work in many different environments, including the cleanroom at Bactiguard.

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Competitively neutral pricing

We produce goods and services in competition with other companies in an open market. Clients pay a market price for the actual work done, while the state's compensation for additional costs cannot be used to compete on price. Therefore, our pricing is carefully regulated through guidelines, calculation tools and the monitoring of market prices in order to comply with competition legislation.

Competitively neutral, market-rate pricing is a necessity. Market-rate prices mean the price related to the actual service delivered. Samhall's strategic direction is to secure calculation and pricing through guidelines, organisation, digitalised processes and other tools. The aim is to build an automatic function based on the established market rates. In recent years, internal controls have been reinforced, including through the "four-eyes principle", random control sampling and structured reviews of contracts. Calculations, contracts and business-critical decisions are documented to facilitate follow-up and auditing. Since 2021, there has been a digital solution for companywide follow-up and establishing market rates.

In recent years, Samhall's pricing has been examined by both the EU Commission and the Swedish Competition Authority, which found no indications that Samhall distorts competition. In 2022, the Swedish Competition Authority opened two cases on Samhall's pricing, both of which have yet to be concluded.

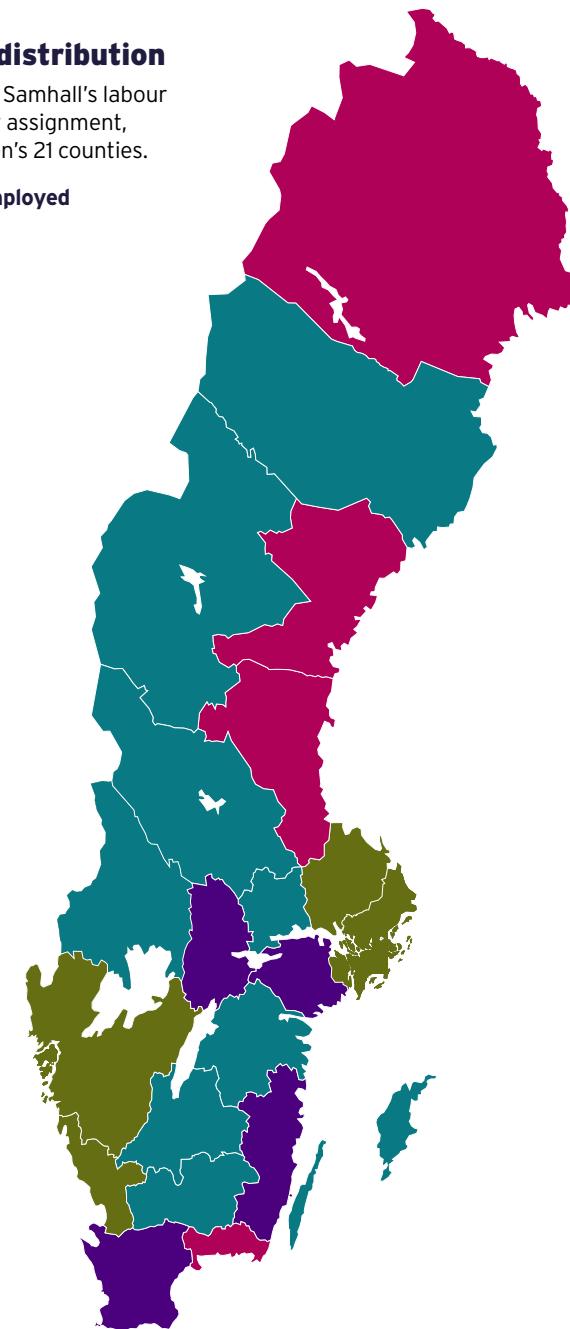
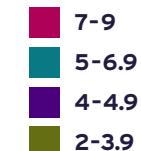
The needs of society come first

Our operations are governed by society's needs. We are present where the need exists, nationwide. The geographical allocation is decided annually together with the Public Employment Service. The latest allocation of employees, as per 31 December 2022, is shown in the map opposite.

National distribution

Employees in Samhall's labour market policy assignment, across Sweden's 21 counties.

Per 1 000 employed
No.



Our objective: that our employees leave us

For us, it is one of our most important goals, to see people grow and move forward on their own to a meaningful, rewarding job. Having a paying job is one of the foundation stones of a fully fledged, independent, free life, where you decide for yourself how you want to live. For most other companies, that would sound strange, but we are not quite like other companies. We cannot imagine anything more satisfying than seeing an employee moving forward in life.

We want at least 1 500 employees to leave us each year. We call it a transition, meaning an employee of ours has got a job with another employer.

Gratifying top score for transitions

1 483 people got new jobs outside Samhall in 2022. It is one of the highest numbers in Samhall's history, in spite of the first six months being affected by the pandemic. This is a consequence of much hard work in our districts, in combination with efforts made to secure strategic recruitment partners.

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Our targets set a clear course

Samhall's targets steer the company's development and are divided into three categories: assignment, owner's targets and the board's strategic targets.

Assignment

The targets mandated by Samhall's overall assignment and established annually in the state's ownership directives.

Prioritised groups

TARGET: At least 40% of new recruits directed to Samhall for sheltered work must come from prioritised groups.

RESULT: 62% of new recruits came from prioritised groups; thus the target was attained by a wide margin.



Wage hours, sheltered work

TARGET: Samhall must provide positions with sheltered work of at least 32.84 million wage hours.

RESULT: The year's result was 32.65 million wage hours, due to fewer workers being directed to us through the Public Employment Service.



Wage hours, WED

TARGET: Samhall must provide positions with wage subsidy for employees under development of at least 3.26 million wage hours.

RESULT: The year's result was 2.97 million wage hours, due to fewer workers being directed to us through the Public Employment Service.



Transitions

TARGET: Samhall must ensure that at least 1500 people make transitions to work in the regular labour market, as well as decreasing returns and increasing the number of women making transitions.

RESULT: 1483 people got new jobs. It is one of the highest numbers in Samhall's history. 32% (31%) of transitions were by women. The number of returns was 453 (346).



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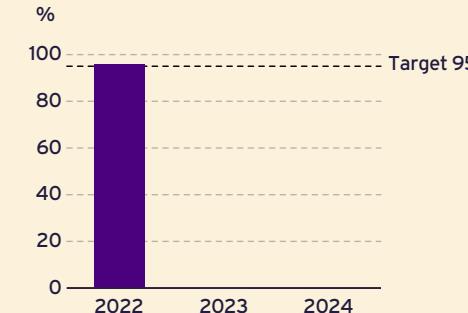
Owner's targets

Targets aimed at establishing clearer requirements on the assignment, as well as Samhall's economic development. These are sub-divided into Assignment targets and Financial targets, and are determined at the annual general meeting.

Degree of utilisation (new target)

TARGET: The degree of utilisation should attain at least 95% over time.

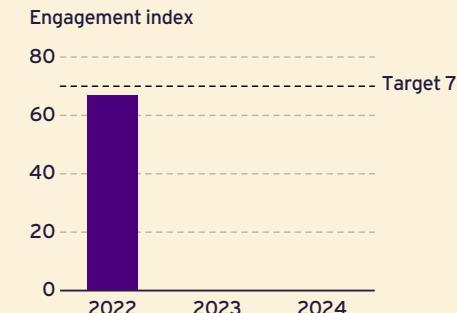
RESULT: The degree of utilisation was 95.7%. Included in the degree of utilisation is work on client assignments and development activities such as traineeships and education.



Engagement index (new target)

TARGET: The engagement index must show a positive development and, in the long term, attain a score of at least 70.

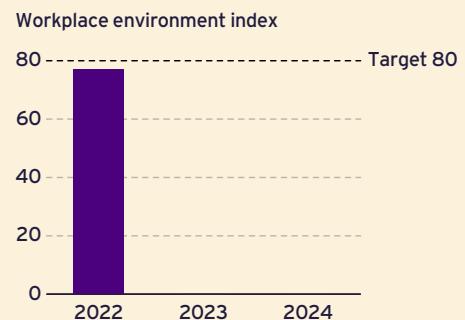
RESULT: This year's engagement index was 67 on a scale of 1-100.



Safe and secure workplace environment (new target)

TARGET: The workplace environment index must show a positive development and, in the long term, attain a score of at least 80.

RESULT: The workplace environment index was 77 on a scale of 1-100.



Return on own equity

TARGET: Return on own equity must attain 5% over the long-term.

RESULT: Return on own equity attained 0% over a 12-month period, 7% over a 5-year period and 2% over a 10-year period.



Equity ratio

TARGET: An equity ratio of at least 30%.

RESULT: The equity ratio was 41%.



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The board's strategic targets for sustainable value creation

The board establishes targets for sustainable value creation. In 2022, new strategic targets were set in line with the new strategic framework from 2023. Results for the 2022 strategic targets follow below.

Employees in work (E.I.W)

TARGET FOR 2024: E.I.W measures our ability to provide employees with real work. The lower the E.I.W. score, the more employees in real jobs. The target score is 2.5.

RESULT: The result was 3.1, the same as the previous year.



Occupational accidents

TARGET FOR 2023: Halve the number of serious accidents (under 67) compared to 2018.

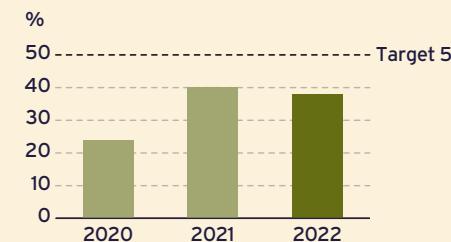
RESULT: 110 serious incidents occurred in 2022. That is fewer than the previous year, but still above the target for 2023.



Recruitment collaboration

TARGET FOR 2025: At least 50% of transitions through long-term recruitment collaborations.

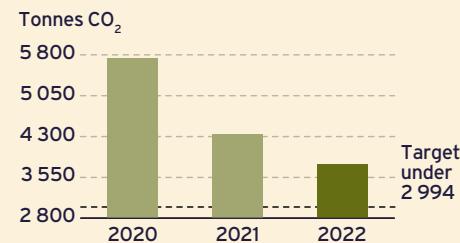
RESULT: 38% of the year's transitions took place through long-term recruitment collaborations.



Climate impact

TARGET FOR 2025: Halve climate emissions compared to 2018 (under 2 994 tonnes CO₂-eq).

RESULT: This year's result was 3 798 tonnes CO₂-eq. Samhall has reduced emissions by 37% since 2018 and is well on the way to reaching the target.



Fossil-free fleet

TARGET FOR 2030: 100% fossil-free fleet.

RESULT: 34% of the fleet is solely electrical and gas-driven vehicles. A large number of electric vehicles is on the way, but delayed due to disruptions in the supply chain.



Satisfied clients

TARGET FOR 2025: 8.5 average Net Promoter Score (NPS).

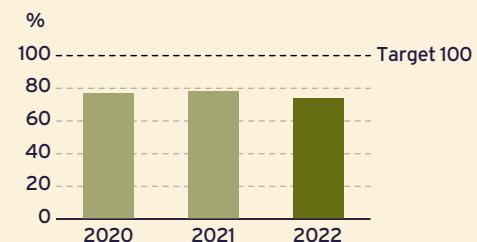
RESULT: Average NPS was 8.04. Samhall has successively increased its client satisfaction level each year since measurements have been taken. This year's result is in line with the long-term target.



Responsible supply chains

TARGET FOR 2023: 100% of Samhall's centrally contracted suppliers to have undergone sustainability analysis.

RESULT: 74% of centrally contracted suppliers have undergone sustainability analysis in the past 3 years. Further initiatives will be made in 2023.



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New strategy focuses on our stakeholders

We have adopted a new strategy for 2023–2026. It is based on our vision, our guiding star, which directs everything we do: to contribute to a Sweden where everyone is considered an asset to the labour market.

Our transformation from sheltered workshops to a leading service provider has, along with the previous decade's successful focus on creating even more jobs, given us a good foundation to build further on. At the same time, the labour market, society and our clients' needs are affected by megatrends including sustainability, technology, globalisation and demographic changes. In parallel, the target groups referred to us have been modified. Today's labour market and society place completely new demands on us. This applies to Samhall, both as a company and a labour market policy initiative.

In our new strategy, valid until 2026, we want to highlight employees, clients and society. So that even more employees will grow and develop with us, we strive for a wider breadth of work tasks. We also wish to demonstrate more clearly the value we create for our stakeholders.



Our strategic framework

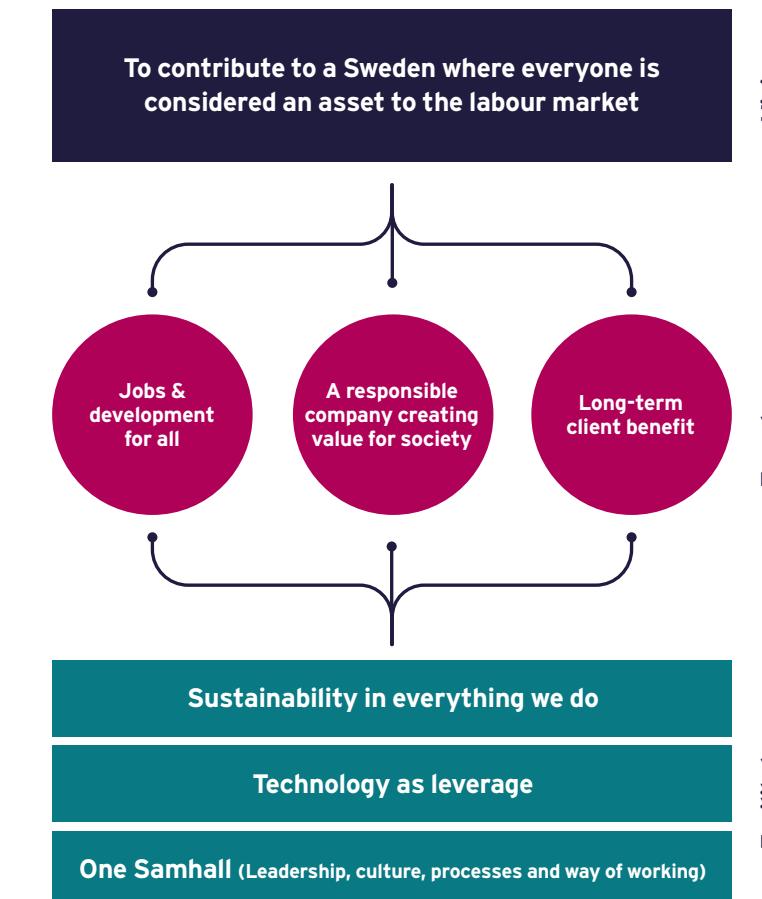
Our strategic framework gives direction and answers the questions we face about the future: why, what and how?

At the top of the figure, shown opposite, you see **VISION**, our guiding star, something we always navigate with. Our vision lets us understand why we exist and what we are always striving to achieve. It motivates why we make certain decisions; why we do what we do.

Beneath the vision, you see our **THREE TARGET AREAS**. They show what we need to do and how we need to act in order to create value for our employees, society and clients. All three target areas depend mutually on each other. They need to be attained together, so we can realise our vision and fulfil our assignment.

For each target area, there are new targets for sustainable value creation.

Beneath the target areas, you see our **THREE FACILITATORS**. They are necessary for us to have the right conditions today and in the future, in an efficient way.



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Some notes about our target areas

1 We must create jobs and development for all

This target focuses on our employees. They need a job with a good workplace environment and we need to broaden our mix of business. They also need to develop their skills through learning. In such a way, their opportunities increase for a transition to another employer. We monitor our success through a new employee development index and the mix of business.

2 We must be a responsible company creating value for society

This target covers how we contribute to society and do so in a responsible way. We monitor our success by measuring confidence in us, our socioeconomic value and our CO₂ emissions.

3 We must create long-term benefit for our clients

This target focuses on the value we create for clients. We build long-term client relationships and consider this collaboration a mutual journey. We ourselves, our offering and our way of working continually develop and adapt. We monitor our success through client satisfaction measurements.

The new strategic framework, with a balanced focus on creating value for our employees, clients and society, makes it possible to turn our vision into reality.

Some notes about our facilitators

1 Sustainability

We must make sure that sustainability permeates all operations in order to enable value creation and increase our competitiveness. We use our position and unique know-how to contribute in the best way to our employees, our clients and the entire society. In such a way, we safeguard our most important assets: our employees and the planet we live on.

2 Technology as leverage

Through digitalisation and automation of both processes and routine operations, we can attain our targets more efficiently and sustainably. Technology gives us a way to constantly improve and adapt over time.

3 One Samhall

Clients, employees and the outside world must see one and the same Samhall. We work together with clear targets and a clear strategy. In all teaching, all leadership, all roles, all processes and all ways of working, one and the same Samhall must be communicated. This is crucial to attaining our targets.

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Sustainability in word and deed

It is part of everything we do. It is integrated into our assignment, strategy and daily operations. Our most important contribution to sustainable development is to help people with functional impairment enter the workforce.

More than 200 000 people with functional impairment have got jobs through us since the start in 1980 and around 1 500 employees leave us each year for a new job outside Samhall. To succeed with our unique assignment, we also need to take responsibility for our impact on the environment, deliver sustainable services and ensure good business ethics and fair conditions in our entire value chain. This is part of our strategy to increase our competitiveness and value creation.

Samhall makes the greatest effort where we can make the biggest difference

Therefore our sustainability programme is based on analysis of the most important issues to our stakeholders and areas where we have the largest influence regarding sustainable development from a social, environmental and economic perspective. It coincides with many of the global targets in Agenda 2030.

Our contributions to Agenda 2030



Quality education

We educate and train our employees in our occupational roles and offer work training for people with functional impairment. For more info, see pages 22-23.



Responsible consumption and production

We develop sustainable services and take responsibility for our impact in the supply chain. For more info, see pages 29 and 33.



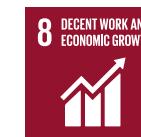
Gender equality

We work to encourage more women to make transitions, i.e. find new jobs outside Samhall. For more info, see page 26.



Climate action

We reduce our climate emissions and strive for fossil-free operations. For more info, see page 29.



Decent work and economic growth

We create work for people with functional impairment and help them move on to a new job. For more information about our method, see page 22.



Peace, justice and strong institutions

We fight against corruption and irregularities. For more info, see page 33.



Reduced inequalities

We contribute to breaking the cycle of social exclusion for people with functional impairment and show the way towards a more inclusive labour market by disseminating knowledge about these issues. For more info, see pages 20-21.

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We are Samhall

Employees are our driving force. Their development is the reason we exist.
Meet some who together make up Samhall: a part of Sweden.



Ann-Charlotte Holmgren

Ann-Charlotte Holmgren works at our laundry in Malmö. Here the mood is good and co-workers help each other.

"I like it so much at work, I could sleep here!"

Jesper Gullberg

Jesper Gullberg is our industry manager for northern Sweden. He works to bring back manufacturing for Swedish industries from low-wage countries. It is an issue where the wind has shifted in Sweden's favour.

"Our quality and secure supply chain are now preferred over lower costs. I see great potential for our concept."



Gudrun Greus

Gudrun Greus is our area manager in Pajala; she manages employees of many nationalities.

"Language is key to society. I encourage everyone to work on it!"



Pontus och Linus Nilsson

The Nilsson brothers, Pontus and Linus, work at Coop's warehouse in Stockholm. Here, they work well, despite their congenital heart defect.

"Work has changed our lives."



Jörgen Lorentzon

Jörgen Lorentzon is an area manager for our service centre in Visby, where some 50 employees help Samhall internally with IT support. After many years as an IT manager, he wanted to lead and develop other people.

"I encourage my team to solve tasks their own way. Finding their own solutions lets people grow."

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Sandra Norring

Sandra Norring is a superintendent at our laundry in Karlstad. During her 18 years, she has had time to come to terms with a former anxiety disorder.

"I feel needed and have grown. Today, I can actually perform tasks that I think are uncomfortable."

Karin Nyberg

Karin Nyberg is the manager of our workshop in Värnamo. Here she has thoroughly improved the mood since 2017. She has resolved conflicts and doubled productivity using three simple rules: everyone must speak Swedish, everyone rotates through the work groups and all conflicts are resolved immediately.

"It's crucial to show clear and straightforward leadership. I'll give instructions as simply as possible, whenever necessary."



David Falk

David Falk works as an internal teacher and instructor for us in Gävle. Here, he sorted out his own life and now he helps others to grow and be seen.

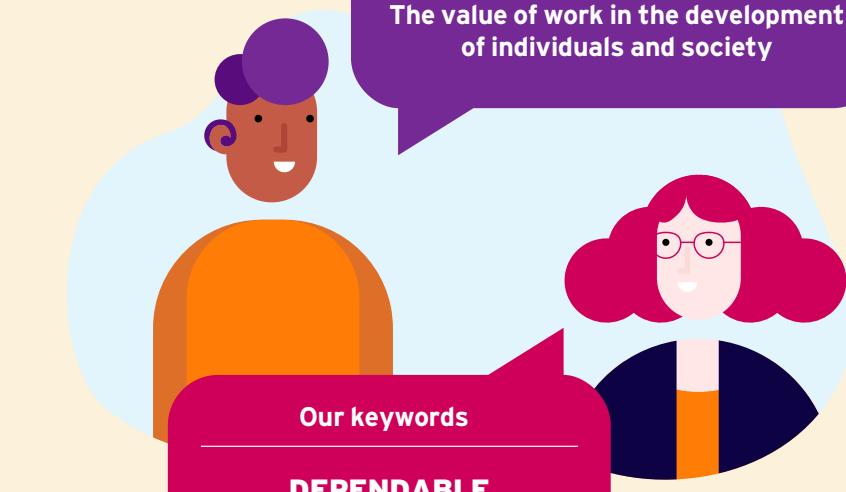
"I need the routine, structure and security."

Our core values

Belief in the equal value of all people

Faith in the ability of every individual

The value of work in the development of individuals and society



Our keywords

**DEPENDABLE
ATTENTIVE
DEDICATED**

Our values

We are a value-driven company. Our core values and keywords guide us in our actions. These are the linchpins that unite and lead us.

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How Samhall accomplishes its assignment

We succeed by developing the abilities and work skills of our employees, in combination with offering services in demand by the market, and operating in a long-term sustainable manner. This is how we create value for employees, clients and society in general.



The majority of our employees work at the client's workplace.

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"I believe in the business world as a forward-looking partner."

Sabina Rasiwala Hägglund is Director of Human Resources and Communications at Samhall. We spoke to her about employee development and current affairs in 2022.

What's happening with inclusivity in Sweden today?

"As a group, our employees are invisible; they rarely engage in public debate themselves. Yet they are often seen doing physical jobs, not office work. So there is much to be done. Our job is more important than ever."

What are the positive aspects?

"Many clients have seen the advantages, not only in terms of social sustainability, but that our employees create a better, more considerate, happier workplace. I also see companies bringing their production and logistics back to Sweden; it ensures a more secure delivery, now the world has skidded off course. This is positive for us. We are very good when it comes to production."

And what are the challenges?

"Complacency. Many organisations are aware of discrimination issues concerning gender, religion, ethnicity, sexual orientation, age, etc. But the push to include the functionally impaired is most often made by family. So once again, we are greatly needed, really!"

How is it with inclusivity and accessibility now?

"Many forward-looking companies have understood that including people with functional impairment is not charity. It is about utilising our employees' superpowers: they are better than others at many things. More and more view this as a commercial opportunity: a win-win. I think many companies understand that the rising pension age

means that a lot more people will need support and adaptation of various kinds, including those with no functional impairment. In this way, our operations are exactly right for the times."

And what are Samhall's unique benefits?

"We have competent managers who see the potential in each person. We have been doing this for 40 years and understand the importance of clear leadership and accessibility."

And what about the future?

"Our target group faces risks in economically challenging times. To consider what's best in the long term, during tough times, takes confidence and seniority. You need to see further than the next round of wage negotiations or mandate period. If not, we don't build society. Currently, the business world is pushing the green shift; I also think it will drive more inclusive workplaces too. For commercial reasons, because how else will we secure a supply of skills to the labour market."

How will Samhall cope with rising prerequisites in the labour market?

"We are already coping; Samhall is no playground. Our employees do qualified work and their skills are certified. Cleaning services, for example, is one sector that is digitalised today; the work is planned and managed with tablets. And we have a strong system of occupational training that evolves constantly to meet the needs of the real world."

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Labour markets change. So do we.

Samhall lives in the present; we are responsive and flexible to developments in society. We have, over time, developed from sheltered workshops to competitive service jobs for the public. Our journey reflects Sweden's development, just as it should be. Today, one of our greatest challenges is to see and clarify opportunities for jobs in a market that sets ever higher prerequisites.

There are approx. half a million Swedes with functional impairment causing reduced working capacity. Of these, almost half are completely outside the labour market. Among those who can work, unemployment is nearly double that of the general population (17% and 9% respectively).

Of the total number who took part in specific initiatives for people with functional impairment and reduced working capacity, 26% were employed at Samhall. That proportion has decreased since the 1990s, as many other initiatives have been established that give people with functional impairment access to more and better-adapted support. For people with functional impairment but no working capacity, there are other initiatives, for example at municipal level. There are also various types of work preparation aimed at clarifying working capacity.

Tougher requirements, smarter Samhall

The prerequisites for getting a job have risen considerably; competition is increasing. Today it is very difficult to get any job without having

completed upper secondary school, and very many also require security classifications or other specific forms of qualifications. The Swedish labour market has one of the lowest proportions of unqualified labour in the EU and, over time, simple jobs in the regular labour market have become fewer and fewer. Despite the labour market remaining strong for a long period, many people risk social exclusion through long-term unemployment. Now as the economy weakens, there is a risk that it will hit people with functional impairment hard. To continue to offer new pathways into the labour market will be even more important in the near future.

At the same time, many sectors cannot find enough staff. People with functional impairment causing reduced working capacity constitute a large proportion of the unemployed in Sweden. But under the right conditions, most of them are able to work. In highlighting the competencies and possibilities of people with functional impairment, Samhall plays a vital role. There is enormous potential for both employees and employers to match competencies and requirements, and therefore create good jobs.

Nathalie Andersson

Nathalie Andersson made a transition from us to Coor in Västerås. She is now employed there as a janitor.

"I feel good having a job."



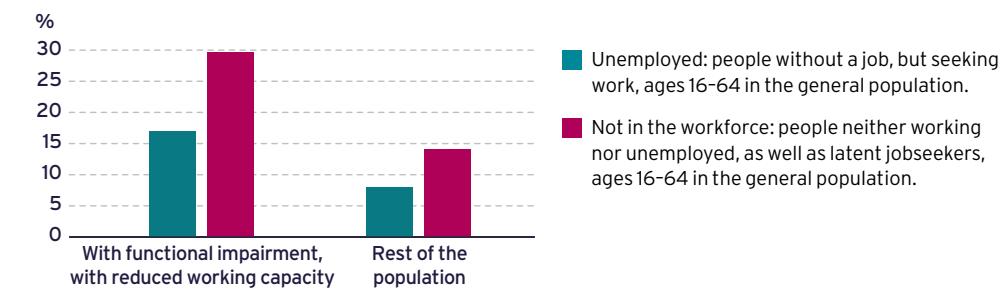
Special initiatives for people with functional impairment



Samhall accounts for 26% of the initiatives for people with functional impairment

- 9% - Wage subsidy for employees under development
- 2% - Public sheltered work (PSW)
- 24% - Sheltered work at Samhall
- 2% - Wage subsidy for employees under development at Samhall
- 34% - Wage subsidy for secure employment
- 29% - Wage subsidy for employment

Unemployment & degree of utilisation



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The public debate: we stand for a more inclusive society

We all feel better in a society where fewer people are excluded. We strive to spread knowledge and highlight good examples showing how to create a more inclusive workforce. Our work in disseminating information includes speaking up in the public debate about society and arranging seminars and events to counteract prejudices and negative attitudes concerning functional impairments. We create arenas in which to showcase good examples and highlight positive aspects of increased diversity in the workforce. We also conduct surveys about attitudes in working together with people with functional impairments. Helped by the survey results, we can customise communication around the benefits and possibilities of an inclusive labour market.

3 advantages of employing people with functional impairments:

- Improved workplace environment
- Take social responsibility
- Increase diversity in the workplace

3 barriers to employing people with functional impairments:

- Work tasks too demanding
- Prejudices
- Lack of knowledge

Source: Survey "Company views on recruiting people with functional impairments", Novus 2021.



Everybody is needed. In the right team, everyone complements each other and all can contribute.

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Our employee journey

For 40 years, our assignment has been to help people develop through work. At Samhall, all employees are given the opportunity to strengthen their skills in work based on their individual considerations. Good matching and development in specific occupational roles is crucial. Each journey is unique, but no matter where one finds oneself, a position at Samhall always means the opportunity to develop. To prepare, plan and support this individual journey is our most important task.

How it works:



A model that works

Over the years, we have refined our model to make it work effectively. It is divided into several straightforward stages.

1 Introduction and training in occupational roles

We work with 25 occupational roles, which are closely connected to our range of services. Each role has a number of training steps; bit by bit, the employee's work skills grow. Different competency levels suit a variety of clients and recruitment partners. For the employee, there is a clear plan for reaching new levels and new jobs. Training takes place in the Samhall school; 4 565 courses were conducted with 25 993 participants in 2022. The range of courses supports employees during their entire journey with Samhall: from introduction and occupational training to preparing for a transition.

2 Professional matching

Our matching process is unique and highlights each individual's strengths and abilities. Naturally, this is to promote the individual's development, but also to match the right person to the right tasks and build teams where employees complement each other. To further increase the opportunity to develop their skills, our employees are offered adapted tasks and work rates. Adaption is an important part of the work in matching the right person to the right task.

3 Real jobs for real clients

To meet real clients, perform tasks, collaborate with colleagues and receive support and

feedback is a vital part of the daily development. Our broad and varied range of services creates all sorts of tasks to do. It provides the employee with work contacts and offers fantastic opportunities to demonstrate skills, and eventually move on to a position outside Samhall.

4 New job outside Samhall

Here, the employee is ready to start a new phase in life. Their own, new job outside Samhall! Therefore, we collaborate with employers that need to recruit workers, and help our employees before and during the recruitment process. For example, with coaching, writing a CV and finding a trainee position. We also help in contact with the Public Employment Service regarding a possible wage subsidy. In 2022, 1 483 people got a new job outside Samhall.

5 Returns: a change of heart

Those who get a new job outside Samhall are entitled to return to Samhall within one year. Known as "returns", this entitlement applies to our employees with sheltered work. It is an important condition in getting people to try work outside Samhall and gives the employee security. In 2022, 453 people chose to return. We work actively for more enduring transitions, for example through long-term recruitment collaborations. The goal is for fewer people to enact their right to return.

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Our occupational roles pave the way

We have a unique task to contribute to a more socially sustainable society. As a group, people with functional impairment and reduced working capacity face particular difficulties in the labour market and, by offering them meaningful work that develops their skills, we bring out the best abilities that exist in every person.

Training and employee commitment

Training to improve work skills and commitment is an essential factor, so many more people can develop in real jobs. Our employees are prepared through training programmes in our occupational roles and have the opportunity to receive a traineeship in order to get the right conditions for a transition to another employer.

25 occupational roles

At present, we offer jobs in 25 occupational roles, as shown in the following diagram. We continually evolve our occupational roles to best meet the needs of clients. Some of our new roles, such as textile worker and recycling worker, are connected to our investments in sustainable services and the circular economy.

Our employees are seen

Currently, 96% of our employees work at the client's workplace. We are wherever you are: where you buy your groceries, your furniture, where you eat out. In large organisations,

municipalities and authorities all over Sweden. All because many more people are aware of the competencies that exist among our employees. That our employees work side by side with others contributes to a better understanding and increased integration within society. That makes us very proud. A positive sign is that the number of employees who have left us for a permanent position with a client has risen dramatically.



Our occupational roles						
Cleaning services	Laundry & textile services	Warehouse & Logistics	Property services	Services	Industry	Education and support roles
Window cleaner	Laundry worker	Stockroom worker	Garbage collector	Administrator	Industrial worker	Driver
Cleaner	Textile worker	Forklift driver	Janitor	Care assistant	Assembler	Instructor
			Property caretaker - outdoor	Shop assistant	Machinist	Internal teacher
				Receptionist	Recycling worker	Superintendent
				Service attendant		Team leader
				Customer-service clerk		
				Kitchen attendant		



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Work adaptation: a win-win

A functional impairment can be physical, mental/neuropsychiatric or intellectual. It can affect anyone in the course of his or her life: temporarily or permanently. Various functional variations demand different types of work adaptation, but also often come with their own unique strengths and qualities.

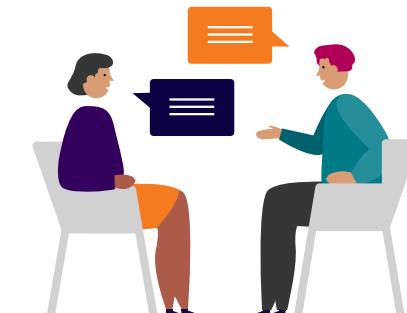
Through accessible and adapted workplaces and work processes, we create better conditions for our employees to grow and develop their skills. It is a win-win for employee and employer.

Some examples of work adaptation:

- Remove tasks that aren't working
- Limit the number of tasks
- Enable one task at a time
- Customise scheduling
- Clear instructions
- Switch tasks during the working day
- Introduce micro-breaks in the work
- Adapt equipment and furniture
- Adapt lighting and sound environment
- Minimise heavy manual labour using lifting aids
- Instruct about ergonomics

200 000

have got jobs through us



44 065

have left us for
a job outside Samhall
since the start

Lars Westerlund works for us at Ica Kvantum in Sollefteå. He keeps the supermarket clean and lends a hand with most things, except the checkouts and the bakery.

"It's the best place I've been in!"



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Workplace environment and health in focus

Good workplace environment and health contribute to our attainment of operative targets and are prerequisites in creating as much employee benefit as possible. Therefore, a major focus of our work is to ensure a safe workplace environment where employees can develop their skills, which is accessible and adapted to employees' prerequisites. In 2022, we implemented several initiatives to further improve the workplace environment.

Systematic workplace environment programme

Many people are involved in the workplace environment programme: the individual worker, managers, health and safety representatives, trade union parties and senior management. In 2022, a major focus was a systematic, common work process. The organisation was reinforced with seven new workplace environment specialists, tasked with creating even better, safer and more adaptable workplace environments for our employees. We follow up our workplace environment programme through an annual workplace environment index. Results are examined both companywide, at scheduled improvement days and in local workplace environment committees. The workplace environment index should show a positive trend and gradually attain a score of at least 80. Suggestions for improvement and action plans are developed, based on the situation in the local organisation.

Each year, we measure employee engagement. In 2022, the engagement index was 67 (66), marking a positive development from the previous year.

Focus on first-line managers

This year we initiated an improvement programme focusing on first-line managers (those working closest with our employees). The programme is based on analysis of the results from the major 2021 survey of employee working conditions.

The improvement programme aims to free up more time for employee development and is conducted in three work streams, as well as the linear workflow:

- Clarification of roles and responsibilities.
- Initiatives on ways of working and support measures with a focus on the workplace environment and improvements for those with language difficulties.
- Digitalisation and reduced administration.

No one should get injured at work

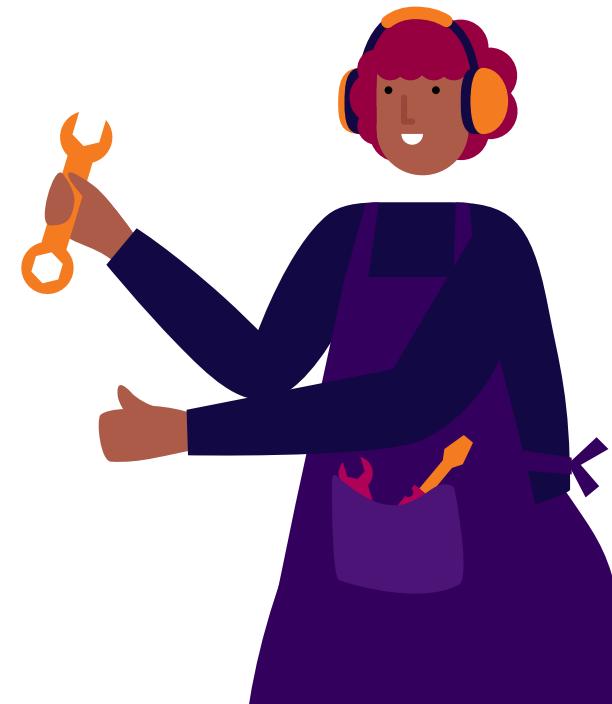
Our target is to halve, in 2023, the number of serious incidents that require reporting to the Swedish Work Environment Authority, compared to 2018 levels. During 2022, we noted a decrease in the number of accidents compared to the previous year, however the overall accident rate has not declined as we would have wished.

Health and absences due to illness

Samhall's employees in the labour market policy assignments have a higher rate of absences due to illness than in other companies. Preventing and shortening absences due to illness is an important part of our work.

After a tough pandemic-related start to 2022, absences due to illness successively stabilised during the year and totalled 17% in sheltered work, 15.9% in WED and 3.7% in professional employees. This is on par with the previous year.

Samhall's health policy aims to improve an employee's perception of health and reduce absences due to illness. All employees have the right to one hour of health-time a week.



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Equality and diversity: a competitive advantage

Samhall's employees come from the four corners of the world. We take pride in our diversity and consider it a competitive advantage, because differences are enriching and promote problem solving. Together, with such an approach, we are stronger than other companies; furthermore, we can show the way forward for others in terms of diversity.

Samhall has a clear policy of zero tolerance concerning discrimination and harassment. We work in accordance with the company's diversity and equality plan. The work is divided into four areas of priority:

- Skills-based recruitment process
- Work conditions that promote equality and diversity
- Equal terms for all
- No unfair pay gaps

Within this framework, careful analysis is given to the annual employee survey, as well as the gender breakdown between women and men making transitions, absences due to illness and occupational roles. Based on this analysis, annual activities take place including training, special recruitment drives and health activities. In addition, an annual wage survey takes place to uncover any eventual pay gaps between genders.

More women to new jobs

Encouraging more women to take the next step to a new job is an important part of the equality work. Women made 32% of this year's transitions and we want this figure to increase. Through reinforcing our collaboration with the Public Employment Service, we want to secure a more equal inflow of employees to Samhall, but also contribute to more women finding work outside Samhall. Training was conducted this year to raise awareness and highlight what more we can do to promote equality and diversity in the transition programme. Additional targeted initiatives have been conducted that focus on women, for example special recruitment drives, and work continues to secure equal matching in transition practice and new jobs.



Many nationalities work for us,
but we are one Samhall.

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A broad client offering that constantly grows

We offer a very large range of services in cleaning, laundry, care, property maintenance, recycling, logistics and manufacturing throughout Sweden. Cleaning services is our largest segment, but we also have strong growth in industry and manufacturing. For example, we have invested in a completely new industrial facility in Gävle, as well as making extensive investments in our laundries.

Cleaning services

Cleaning is our largest product area and our share of the cleaning market is approx. 5%. We provide cleaning services throughout Sweden, and besides standard cleaning, our expertise also extends to floor care, housecleaning and window cleaning. Our cleaners are among the best trained in Sweden, thanks to the Samhall school's foundational and supplementary courses. As we integrate sustainability into everything we do, staff are also educated in the importance of the Nordic Ecolabel and we follow up this compliance. To guarantee good quality, we use the INSTA 800 standard or Samhall's own quality assurance model to follow up; a model we see more and more clients starting to use as well.

Laundry and textile services

More and more companies are choosing us for their laundry and textile services. We operate over 20 laundries around the country and are one of few companies to provide nationwide coverage. Our laundries clean for both the private and

public sectors: from offices and municipalities to the care sector and industry. Because all our laundry employees have occupational training from the Samhall school, clients are assured that we always use the best methods, materials and equipment. We also provide mending and other sewing services in conjunction with the laundries. By extending the life of our clients' clothes, we reduce the environmental impact involved in textile production.

Property services

Property Services is a product area that has great potential, and we are glad to lend a helping hand with everything from regular maintenance to creating a welcoming environment for employees and visitors. We have our own trained property caretakers with experience in most jobs in the sector, for example we can take care of the gardens, keep things tidy in the car park and pathways, and assist with the recycling and simple kinds of repair work. We also have broad experience with various kinds of inspections, for example checking the lighting and fire safety.



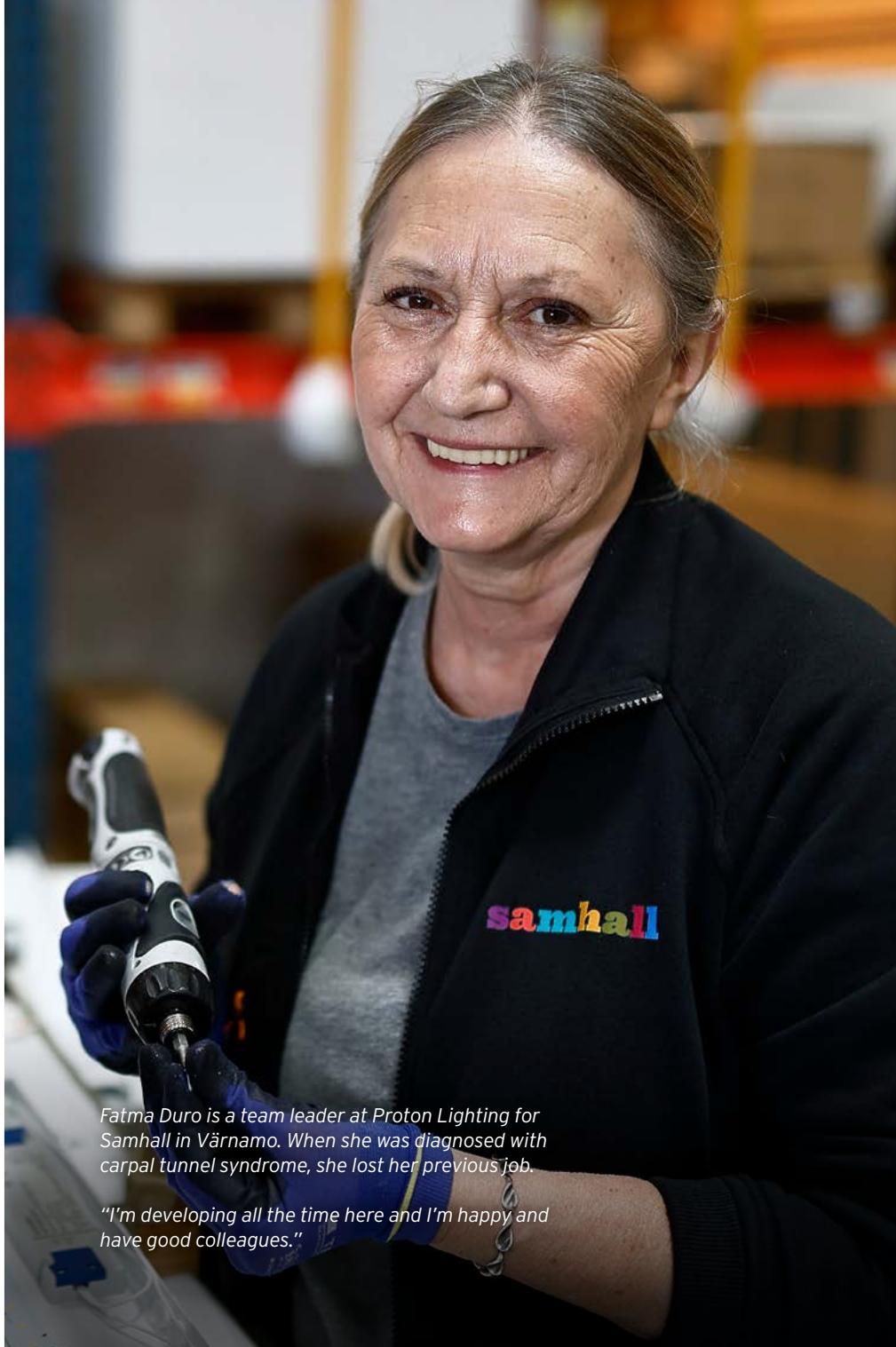
Samhall's market share of the cleaning sector is 5%



More than 20 laundries located throughout Sweden

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Fatma Duro is a team leader at Proton Lighting for Samhall in Värnamo. When she was diagnosed with carpal tunnel syndrome, she lost her previous job.

"I'm developing all the time here and I'm happy and have good colleagues."

Services in offices, shops and the care sector

We perform a broad range of services in a variety of sectors.

- In shops, we cover everything from order fulfilment to managing shopping baskets and inventory. We can also look after the surroundings outside, for example by managing shopping trolleys.
- In offices and conference centres, we can staff reception desks and be floor hosts.
- In the care sector, we do the cleaning, laundry, purchasing, helping in the kitchen and looking after clothes. It means the professional staff can focus fully on what they are trained to do.

Warehousing and logistics

E-retailers and third-party logistics warehouses hire us for personnel-intensive phases such as pick and pack, returns and processing services.

These tasks suit our employees well, as many have an ability to provide this service with exceptional accuracy. Besides the practical warehousing work, we also have strategic competencies in third-party logistics, e-retail, retail logistics, recycling logistics and consumer packing, meaning we can help improve and develop client operations.

Industry

We have vast experience in manufacturing and assembly operations, both in our own premises and at the client's. We can be of assistance across the entire scale: from simple staffing to complete functional responsibility. Assignments cover everything from basic industries to high-tech manufacturing, in practically all sectors, including the automotive, workshops, electronics and medtech. This year, we invested in a completely new industrial facility in Gävle, and also see an increase in demand from companies moving their production home to Sweden away from low-wage countries.

Assignments cover everything from basic industries to high-tech manufacturing, in practically all sectors, including the automotive, workshops, electronics and medtech.

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Services with the environment in mind

Our impact on the environment arises, above all, from the services we provide. Therefore, environmental thinking is integrated into our client offering and our services are designed to have as little impact as possible, while we simultaneously develop new offerings that help our clients transition to even better environmental solutions.

How we reduce our impact on the environment

Our environmental programme is ISO 14001 certified and the overall target is to halve CO₂ emissions by 2025 compared to 2018. Emissions from our own operations mainly come from our vehicles and therefore an important target is to have a fossil-free fleet by 2030. We choose fossil-free electricity and environmentally certified products, and targets are established in line with the Paris Agreement and the 1.5 degree climate target. Since 2018, we have reduced emissions by 37%.

Reduced emissions compared with 2018



Environmentally friendly services

Our cleaning service is Nordic Ecolabel approved, which means we are constantly working to streamline transports, use Nordic Ecolabel cleaning products, measure doses properly and strive to reduce the use of plastic bags. We offer chemical-free cleaning methods and work to replace detergents with alkaline water on a greater scale.

We are members of the Swedish Laundry Association. This means our laundries comply with the association's requirements on professional skills, good enterprise and efficient resource use. We carefully monitor our consumption of water and energy and primarily choose ecolabel detergents. All new laundries are designed to comply with the Nordic Ecolabel standards.

Proportion fossil-free fleet:

34%

Proportion fossil-free refuelling:

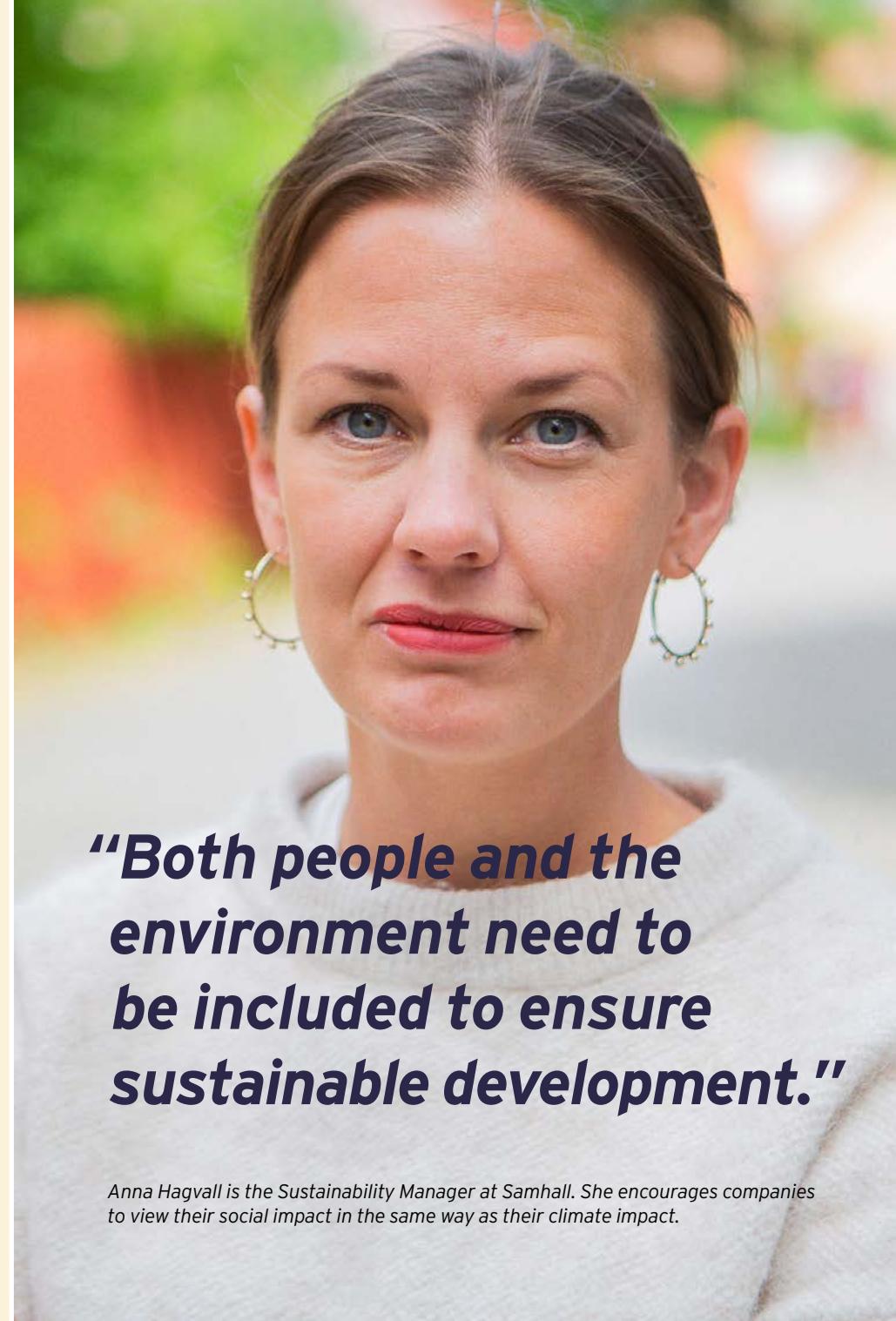
64%



Michael Larsson collected packaging during Politicians' Week in Almedalen.

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“Both people and the environment need to be included to ensure sustainable development.”

Anna Hagvall is the Sustainability Manager at Samhall. She encourages companies to view their social impact in the same way as their climate impact.

What are the commercial benefits of social sustainability?

"Sustainability issues are currently dominated by the environment and climate change. However, many people are forgetting the social aspects. We are facing an enormous environmental shift and I fear we won't be successful if we miss the human perspective. Today, many companies are looking at how they impact the climate and what risks climate change means for them. But almost no one is looking at the risks associated with inequality and social exclusion. They are also missing out on the opportunities that exist."

How does this affect companies?

"Obviously, it's going to be business-critical for many. For example, the supply of skilled labour and being seen as an attractive employer to everybody, as well as meeting customer expectations and fulfilling concrete needs through social innovations."

"Every company ought to be asking itself: how well do our business model and our services or products contribute to a socially sustainable society? In the near future, there will be new requirements on sustainability reporting where social and environmental targets will need to be included in the company's strategies and business plans. I believe that those who create the most value for customers, society and their employees will be the winners."

How can Samhall help?

"We are convinced that everybody is needed in society and there are many work tasks that would suit our target group. We can be a partner to companies that want to create a more sustainable business model or increase their contribution to society. By developing new services, for example in the circular economy, we can create good jobs for people who were previously far outside the labour market. Then we are helping to reduce inequality in society, and at the same time save the environment. That's sustainability for real."

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Case study

Conscious e-returns better for finances & the environment

E-retail has boomed in recent years. This growth has led to an increase in the amount of products being returned to the seller, especially in the ready-to-wear fashion sector, giving a headache to many e-retailers.

Challenge

Today, one in every three fashion garments bought online is returned. To keep costs down, some companies send their returns abroad to be checked, processed and repackaged, before returning to Sweden and sold once again. Reports also indicate that a large proportion of returns are discarded. This is an enormous waste of resources.

"Perhaps consumers don't realise that their returned goods are transported thousands of kilometres, and in the worst case, thrown away," says Per Tegelström, business developer at Samhall.

Obviously, reducing the amount of returns is high on the wish list of e-retailers. Consumers too have a responsibility in this matter.

"Size guides and product descriptions have got better, but still, I don't think enough is being done to make the consumer realise how returned goods impact the environment, and to establish a change in buying behaviour."

Samhall's solution

Managing returns locally and trying to reuse as much as possible would boost more sustainable e-retail, according to Per Tegelström, who has helped to develop an efficient process for managing returns that can save a great deal of money for e-retailers. The process even saves garments and textiles that would otherwise be discarded.

Another possibility, in addition to the existing business, is to establish sustainable business models such as second hand or rental and subscription services, for example with clothes and shoes.

In the very near future, it will not be possible to simply burn or discard textiles at will. In 2025, Sweden will introduce special responsibilities for the producers of textiles.



Mending and reconditioning returned clothes reduces waste for e-retailers.

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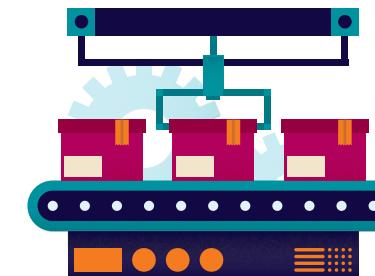
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We are constantly developing new services

We operate in a competitive marketplace and our success is based on continually developing new and attractive services for clients. An essential component is our unique ability to quickly adapt our business direction and create new offerings.

Onshoring production lines

More and more Swedish companies are moving their production home from low-wage countries. This provides a more sustainable option, one that is closer to home markets, while at the same time, global supply chains have proven vulnerable. We can provide personnel to industries, for example assembly and sewing.



Minimising waste

All sectors are prioritising the minimisation of waste. We can help. For example, we offer e-retailers efficient returns management and save garments that would otherwise be discarded, giving them a new lease of life. We wash, remove stains and mend clothes. We also help to minimise food waste and reuse multi-use packaging.



Reconditioning for reuse

New job opportunities are created when producers need to extend the lifespan of their products. We help to sort used products and process and deliver them to new customers. This may involve cleaning and repair of furniture, or fixing and rebooting electronics.



Processing for recovery

Demand for recovered materials only increases as environmental requirements get tougher and raw materials become more expensive. We can help with disassembly and material separation; we can sort textiles and help with waste compaction, for example plastics.



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We take responsibility

We take responsibility for both people and the environment in our entire value chain, and that our operations are characterised by a high degree of ethical business behaviour.

Good conditions in the entire value chain

We use a large number of suppliers and the largest purchasing area covers intermediate products used in operations, followed by items related to property, IT and support services. We take responsibility for our supply chains by following the UN's guiding principles for businesses and human rights. In such a way, we secure that our suppliers follow the guidelines and laws concerning work conditions, internationally accepted human rights, the environment and ethical considerations. By accepting our code of conduct, suppliers commit to these requirements and refer them through the supply chain. We have a due diligence process that regularly evaluates suppliers based on our code of conduct and during the business relationship. We also evaluate various sustainability risks prior to entering a new contract with a client and at the start of new assignments.

Business ethics and transparency

Our operations must be characterised by a high degree of ethical business behaviour and we have an absolute zero tolerance of bribes and corruption. We have complemented the

sustainability policy with specific anti-corruption guidelines based on the Business Code by the Swedish Anti-Corruption Institute. As we are financed by the state, there are restrictions regarding all types of gifts and representation, and we always need to be a dependable business partner. Both company introduction and leadership training cover our core values and rules on business ethics and anti-corruption measures. In 2022, a new e-training programme for professional employees was launched.

We have an external whistle-blower system, where employees, as well as suppliers, can report suspected irregularities within Samhall. Incoming reports not formally categorised as whistle-blowing are handled by line managers, primarily in HR. The remaining reports are investigated by a special team. The internal auditor informs the CEO about incoming notifications and reports to the audit committee. During the year, 105 notifications were received, of which two were examined closer by the whistle-team; none were categorised further as whistle-blowing. For complaints not covered by the whistle-blower procedure, there are opportunities to contact support functions, such as human resources or the internal auditor.

88% of centrally contracted suppliers have been assessed for work conditions, human rights, the environment and ethical considerations.

Our work process for managing risk and negative impact



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We create value in multiple dimensions

Great economic value is created when people go from unemployment to a real job. This is something that is measureable. Other values are more difficult to quantify, but just as significant: having a job to go to, gaining recognition, having colleagues and helping contribute to society.

Our value creation derives from our societal assignment; to create work for people with functional impairment. We achieve this by developing employees' occupational skills and working capacity, in combination with our production of goods and services in demand by the market, and utilising all our resources for the long term in a sustainable way. This creates value for employees, clients and society in general. We call it the Samhall benefit.



Employee benefit

The great value for our employees is having meaningful work that develops occupational skills, and not only brings a person financial security, but also provides colleagues, recognition, connection and pride in contributing to society.

Society benefit

Including more people in the labour market creates socioeconomic value. In other words, we create a richer Sweden, with room for everyone. At the same time, we take responsibility for our impact on the environment and reduce our climate emissions.

Client benefit

By developing and delivering sustainable offerings, we satisfy the clients' needs and strengthen their competitiveness. Our clients also see commercial benefits in greater diversity and a more inclusive society.



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Long-term objectives create lasting value

The opportunity of working in and leading a company such as Samhall is, for me, as rewarding as it is challenging. It constantly demands a balancing of needs and long-term strategic priorities. This applies particularly at times when the economy is weakening and there is much uncertainty in the world.

As we enter 2023, we do so with a new multiyear companywide strategy, enormous commitment and big ambitions. Our financial framework and the compensation Samhall receives for its labour market policy assignment provides a challenge to the company and limits the board's room for manoeuvre. Simultaneously, the entire company rests on a strong and well-functioning foundation on which to build further and continue Samhall's development.

For me, the core has always been that operations are sustainable in the long term and that Samhall creates lasting value in the arenas where it works. In recent years, the company has had a very effective use of resources and decreased its climate impact. But it is through employee development, the very heart of the company's operations, that the really big value is created, along with positive societal change.

6 348: that's how many new employees with functional impairment were welcomed to our company in 2022. That is a fantastic figure that few Swedish companies can match.

At the same time, we know that behind every statistic, there is a person who has gone from unemployment and social exclusion to a community of co-workers at Samhall. This contributes to better health and wellbeing, in addition to greater economic resources for our entire society.

Responsibility and courage drives us forward

The task of securing further development in a large and complex company, such as Samhall, depends on a significant sense of responsibility, strong core values and the courage to make necessary changes. These three things make Samhall stronger and ensure that every day we add value to our clients, our employees and society in general.

We take active responsibility for our assignments and continually work to limit any negative impact on our surroundings. Those resources we have are utilised responsibly, efficiently and in a long-term manner, regardless if it be people,



Cecilia Schelin Seidegård

Age: 68. Lives: Visby.

Many chairman and board appointments including:
Stiftelsen Aptitum, Tofta intressenter AB, Cellcomb AB,
Gustav V Jubileumsfond, Stockholm Science Center,
Stiftelsen Gotlands sjukhem, The Bergman Center
Foundation and Stiftelsen Körbsärgården.

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***"Behind every statistic,
there is a person."***

energy or money. We clearly demonstrated this during the year by increasing the number of employees who developed their skills and left us for a new job, while, at the same time, we reduced our CO2 emissions in line with our long-term targets.

But value creation is also about respect and co-operation with our stakeholders and partners. With a foundation of close collaboration with employee organisations, we have, over the year, worked to further develop our dialogue with other stakeholders and take new steps to show the society benefit created by Samhall.

Tomorrow's jobs

Samhall's successful work is based on a strong and positive company culture that enables us to see possibilities and encourage people to grow. This culture is also a necessity, as we make large and complex decisions. Samhall's assignment is largely the same today as when the company was founded in 1980, yet we operate in a world that has completely changed. The entry thresholds to the labour market

have become ever higher and new demands are placed on supporting employees, such as security and flexibility. These are vital factors that we considered carefully this year while making long-term plans to find tomorrow's jobs for Samhall's employees.

Through strategic partnerships, investments and business development, our new strategy guides the way, we believe, towards Samhall's next phase of growth. It is about finding new business areas and growing strategically in sectors where we think we can play a larger role.

Together with senior management, employees and our many partners, we are now laying the foundations for a 2023 where, with investments that raise quality and a long-term road map, we create lasting value for society, our clients and Samhall's employees.

Cecilia Schelin Seidegård
Chairman

Stockholm, March 2023

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Reporting and control

Samhall works actively with the company's control and follow-up of key performance indicators. With an active stakeholder dialogue and great focus on our sustainability reporting, we are guiding the company towards even larger value creation.



Fredrik Martinsson trained as an internal teacher. It improved his self-confidence and he found work more enjoyable.

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Consolidated sustainability information

Samhall's sustainability report for 2022 follows the Global Reporting Initiatives (GRI) Standards. The sustainability report is an integrated part of the annual report and is published on [Samhall.se](#).

Stakeholder and materiality analysis

Our aim is to continually evolve in order to create great benefit for employees, clients and society as a whole. Samhall has a complex assignment and the work requires balanced trade-offs, as our stakeholders value various results and activities differently. To survey and analyse our stakeholders' expectations is a prerequisite for achieving our objectives and creating the greatest possible benefit. Stakeholder groups have been identified and defined: partly based on the various components of the state's assignment, partly from general conditions applicable to a service company. Samhall's most important stakeholders are employees, clients, the state as owner and financier, the Swedish Public Employment Service, suppliers and societal organisations.

In general, stakeholder groups have not changed in recent years, but the various significance of sub-groups within the main groups is monitored regularly in order to facilitate relevant dialogue. The expectations of stakeholders are captured through stakeholder dialogue that takes place continually, both in formal and informal forums and in surveys of employees and clients. The following table lists our stakeholders, the topics they have in focus and the forums and tools used for the dialogue.

Our sustainability programme targets those areas with the greatest impact on sustainable development in terms of a social, environmental or economic perspective. Our assessments also consider the input we receive from our stakeholders.



Gustav Mattsson worked at Samhall for more than 35 years, when an offer came to make a transition to the Anten-Gräfsnäs heritage railway

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Stakeholders

Stakeholder category	Important topics	Input and response
Employees	<ul style="list-style-type: none"> Samhall as an attractive employer. A safe, secure and adapted workplace environment for employees. Opportunities for personal development. 	<p>In order to develop our operations and ways of working, an annual employee survey is conducted, in addition to regular workplace meetings.</p> <p>All employees have individual target and development dialogues.</p> <p>Within the framework of various development initiatives and strategic work, dialogue is initiated that includes the relevant personnel groups in order to obtain their perspective.</p>
Union organisations	<ul style="list-style-type: none"> Employees' working conditions. A safe, secure and adapted workplace environment. Samhall's role in the labour market. 	Samhall meets regularly with union organisations, has central and local advisory councils and negotiations, as well as regular central and local workplace environment committees.
Clients	<ul style="list-style-type: none"> The quality of service to clients. Contribute to reduce social exclusion for people far removed from the labour market. Environmentally friendly services. 	<p>In order to develop our client offering and meet the needs of clients in the future, we conduct an annual client survey and regular, quality follow-up. We maintain ongoing dialogue regarding our delivery of services and sustainability policy, as well as analysing requirements in procurement contracts.</p>
The Swedish state as owner	<ul style="list-style-type: none"> Financing, fiduciary risk, pricing and competitive neutrality, Samhall's role in the labour market and future operations. 	Samhall has a continual dialogue with the owner, and networks regularly to fulfil the owner's expectations and requirements. Areas discussed this year include: the societal assignment, Samhall's targets and economic conditions.
Parliamentary parties and elected officials	<ul style="list-style-type: none"> How well Samhall fulfils the societal assignment and Samhall's role in the labour market, competitive tendering and financing. 	Samhall regularly meets party representatives and the parliamentary committee on the labour market for dialogue about Samhall's assignments and operations, on a national and local basis.
The Public Employment Service	<ul style="list-style-type: none"> The collaboration between Samhall and the Public Employment Service and each organisation's respective role. Samhall's role in the labour market and the target groups for Samhall initiatives and the geographic allocation. 	Samhall regularly meets the Public Employment Service through central, regional and local collaboration.
Stakeholder organisations	<ul style="list-style-type: none"> How well Samhall fulfils the societal assignment. Samhall's role in the labour market and the target groups for Samhall initiatives. 	<p>Samhall regularly meets representatives of functional rights organisations and other social companies working with people with functional impairment, as well as participating in councils for occupational rehabilitation, Workability International and D-WISE.</p> <p>Samhall also participates in seminars and networks for sustainable development and is a member of trade organisations: the Swedish Textile Service Association, International Facility Management Association and Städbranschen Sverige.</p>
Business partners	<ul style="list-style-type: none"> Delivery quality to Samhall, risks in the supply chain. 	Samhall conducts regular follow-up and dialogue with our suppliers.

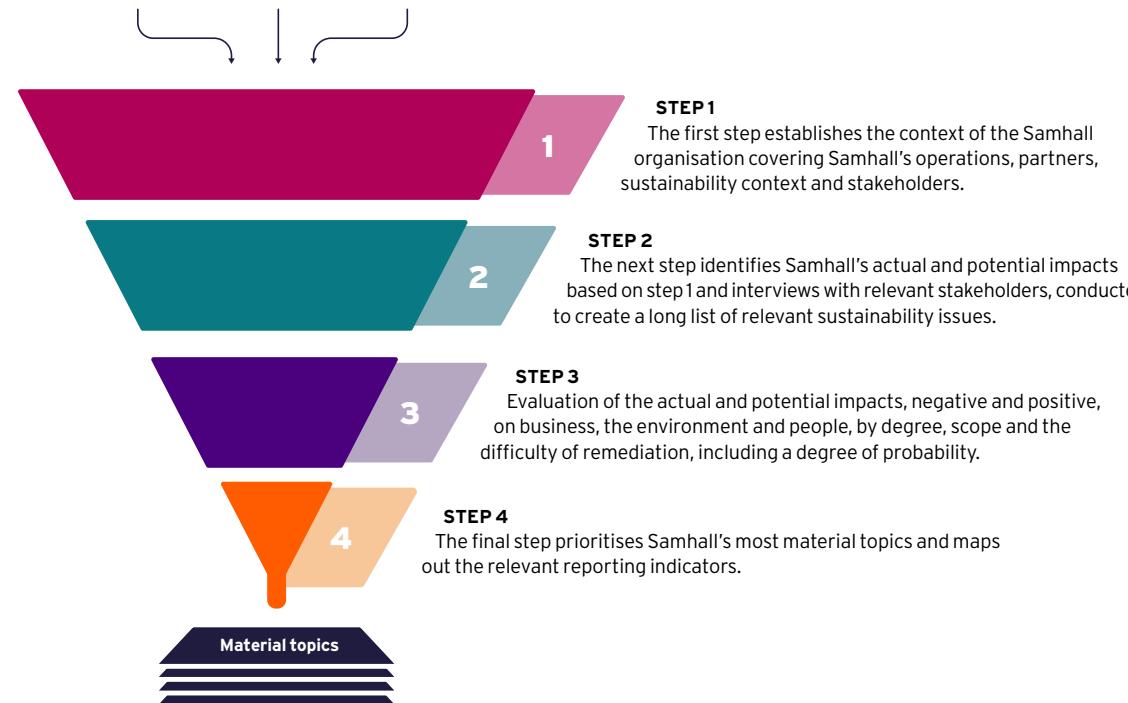
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Materiality analysis

In 2022, Samhall updated its materiality analysis, assisted by an external, independent party. The process of identifying actual and potential, negative and positive, impacts based on the organisation's context, is built on four steps that conclude Samhall's most material topics based upon their possible impact on business, the environment and people. Several sources are used to create an exhaustive list of issues that are then prioritised through the four steps to give the most material topics that can impact Samhall. The evaluation has been made by degree, scope and the difficulty of remediating any such impact. These have been categorised as actual or potential impacts; and for potential impacts a degree of probability has been assigned.

The materiality analysis shows that previously reported issues are still relevant, but have been extended to include responsible supply chains. In the near future, the materiality analysis will be complemented with financial impacts to comply with impending legal requirements.



Topic	Samhall's focus	Samhall's impact	Relevant indicator
People	Diversity and equal opportunity	Create jobs and development opportunities for people with functional impairment.	Positive impact with people going from unemployment to a real job and strengthening their working capacity. 401-1, 404-1, 404-3, 405-1
People	Health and safety	A safe and secure workplace environment.	Negative impact from shortcomings in the workplace environment leading to accidents and illnesses. 403-9
People	Workers in the value chain	Responsible supply chains.	Potential risk for negative impact on health, safety and human rights due to poor work conditions in the supply chain. 414-1 (New)
Environment	Climate change	Reduce CO ₂ emissions throughout the entire value chain.	Negative climate impact through CO ₂ emissions. 305-1, 305-2, 305-3
Environment	Energy consumption	Consumption and mix of energy within company.	Negative impact on the climate through emissions related to energy consumption. 302-1
Business/Governance	Business ethics	Establish good business ethics.	Potential risk for negative impact on society, if irregularities should occur. 205-3
Business/Governance	Competitive neutrality	Prevention of anti-competitive behaviour.	Potential risk for negative impact on the market, if compensation for additional costs used in an unauthorised way. 201-4, 206-1

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Sustainability governance

The board decides Samhall's strategy, targets for sustainable value creation and associated policies. The board is responsible for setting the targets and strategies of the company's operations. It is the board's responsibility to integrate sustainable enterprise into the company's business strategies and business development, as well as setting strategic targets for a sustainable enterprise in line with the owner's policy. The work with sustainable enterprise covers decisions about policy at board level and processes to identify, manage and follow up relevant areas. Based on the sector and markets the company is in, the board identifies and handles risks and business opportunities within the area of sustainable enterprise. The board is also responsible for the company following international guidelines regarding the environment, human rights, work conditions, anti-corruption and business ethics.

The board delegates to the CEO the running of the company in a way that promotes sustainable development, in financial, social and environmental terms and reports back to the board and owner. In senior management, the Director for Strategy & Development is responsible for the overall strategic sustainability programme. The Sustainability Manager is responsible for maintaining and developing further the company's sustainability work. Samhall's sustainability policy, approved by the board, is the overall governing document on how Samhall is to work with sustainability. Samhall respects internationally recognised human rights and supports the 10 principles of the UN's Global Compact, the UN's guiding principles for businesses and human rights, the OECD's guidelines for multinational companies, ILO's core conventions and Agenda 2030. Samhall's policies apply to all employees, business activities and business relationships.

Evaluating Samhall's impact on people and the environment is part of Samhall's risk process and managed by Samhall's risk committee. The most material risks are referred to the board. The audit committee has a specific responsibility to monitor the effectiveness of the company's internal control procedures, internal audits and risk management. Points of view coming from stakeholders are part of the evaluation of Samhall's impact and the formulation of measures. The CEO is responsible for handling the company's stakeholders and reporting regularly to the board about current issues and dialogues. In certain issues, the board, through the chairman, directly participates in the stakeholder dialogue, such as the dialogue with the owner.

Regarding the most critical sustainability areas, assessments show why that area is essential, what the main drivers are, what follow-up and reporting occurs and which part of the company has responsibility.

Knowledge & competence

Insights on Samhall's influence on sustainable development and various sustainability aspects affecting Samhall have been an important part of the current analysis for the strategy established by the board and senior management. Both have persons with experience of various sustainability areas. Sustainability is a regular topic at Samhall's management conferences and is part of company introduction, as well as occupational training. Specialised competencies have also been introduced in certain functions, for example procurement. To further increase knowledge about accessibility, a special skills centre was established this year.



In 2022, Samhall took part in the project "Single-Use Free" during Politicians' Week in Almedalen. We tested a deposit system for multi-use lunchboxes. Samhall did the washing up and ran the logistics.

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Significant areas

Samhall's strongest contribution to sustainable development is to help people with functional impairment enter the workforce. This is our assignment and the foundation of our business concept.

Training, diversity and equal opportunities

Strategic focus	Control	Responsibility	Follow-up & reporting
<p>Samhall's assignment is to create meaningful work that develops the skills of people with functional impairment.</p> <p>Employee development and training are essential areas in the target area called Jobs & development for all.</p>	<ul style="list-style-type: none"> Employee policy Equality and diversity plan 	The HR organisation has the overall responsibility for control and follow-up of Samhall's employee process and training operations. Within the HR organisation is the Samhall school which provides the training programmes.	<p>Follow-up occurs through the employee survey and the internal audits of the employee process.</p> <p>The results of the employee surveys are addressed by senior management and the board.</p>

Objectives and activities

Samhall's most essential contribution to sustainable development is connected to the execution of the societal assignment and the opportunity of creating pathways to employment for people with functional impairment and, in such a way, diminish social exclusion in society. Samhall's assignment and targets are described on pages 7-12.

Those factors that influence employee development such as occupational skills and individual follow-up are essential to the successful execution of our assignment. For positions with wage subsidy for employees under development at least 25% of working

time must be allocated to various development activities. A crucial part of Samhall's employee process is the target and development dialogue between employee and manager, which sets concrete goals for the position and plans activities and follow-up. The following table shows the large proportion of employees who have had the target and development dialogue during the year.

Target and development dialogue	2022
Women	98%
Men	98%
Total	98%

Training

	2022
Number of teacher-led courses provided	4 565
Number of students in teacher-led courses	25 993
Number of e-courses provided	4 916
Training time, employees in sheltered work (hours/employee)	27.1
Training time, WED (hours/employee)	355.4

Transitions and traineeships

	Women	Men
Transition traineeship, sheltered work (hours/employee)	7.1	13.1
Transition traineeship, WED (hours/employee)	91.9	90.5
Transitions, sheltered work	295	618
Transitions, WED	177	393

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Training, diversity and equal opportunities cont...

Employees and diversity per 31 Dec 2022	Total number	Women	Men	Age under 30	Age 30-50	Age over 50
MANAGEMENT						
Board	9	67%	33%	0%	22%	78%
Senior management	8	25%	75%	0%	50%	50%
EMPLOYEES						
Sheltered work	20 421	44%	56%	5%	37%	58%
WED (limited-time position)	1 741	35%	65%	66%	34%	0%
75% sickness benefit	294	72%	28%	2%	28%	70%
Professional employees	1 418	52%	48%	3%	52%	45%
Total number of employees	23 874	44%	56%	9%	37%	53%
Trainees in Labour Market Services	1 222	50%	50%			
Total number of workers	25 096	44%	56%			

The absolute majority of Samhall's workers have a functional impairment and reduced working capacity. Among employees in the labour market policy assignment, there are more men than women. This is because the Public Employment Service refers more men than women to Samhall, especially for development positions. This is also reflected in transitions to new jobs. Among directly employed professionals, the gender breakdown is even. More than half of all employees are over 50. However, for development positions the majority are under 30.

Scope, measurement and calculation

The report uses the term employees, which includes all those employed, as well as trainees participating in work training or positions with Labour Market Services as of 31 December 2022. The term "professional employees" applies to all employees not part of the labour market policy assignments. Not included are employees covered by specific collective agreements for

professional employees in Samhall's labour market policy assignment. This information comes from Samhall's HR system.

Training for professional employees is not reported, as it is considered less relevant and many of these initiatives take place in forms that are not reported as separate training.

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Health and safety: workplace environment

Strategic focus	Governance	Responsibility	Follow-up & reporting
<p>We work systematically towards realising a vision where no one is injured at work and providing safe and secure workplaces for all employees.</p> <p>Included in the target area called Jobs & development for all, in our new strategy.</p>	<ul style="list-style-type: none"> Employee policy Workplace environment process Division of tasks in the workplace environment Workplace environment laws and other applicable legislation and rules 	<p>The HR organisation has the overall responsibility for control and follow-up of the workplace environment. A support function works with the systematic workplace environment programme and local workplace environment specialists are out in the districts. Workplace environment tasks are divided among all managers responsible for personnel. There are workplace environment committees at both central and local levels.</p>	<p>The systematic workplace environment programme is followed up by the local workplace environment committees. Areas for improvement are included in the workplace environment action plans for 2023. Follow-up also occurs through the employee survey, on workplace environment rounds and when evaluating risk and internal audits, as well as improvement days.</p> <p>Senior management and the board routinely follow a number of key indicators on workplace environment and health.</p>

Objectives and activities

Samhall aims to halve the number of serious work accidents in 2023, compared to 2018, and that the workplace environment index exceeds a score of 80 in the annual employee survey. This year a major focus was on simplifying operational processes through clearer guidelines, routines and support documents for the workplace environment programme. A large assessment of the workplace environment programme was conducted which confirmed a continuing need to focus on areas such as knowledge, training and information about the workplace environment. Samhall's investment in more internal workplace environment resources is very timely. The total number of accidents has risen this year, but serious accidents decreased. Tragically, a fatality occurred when one of our employees was hit by a vehicle at work. For more information about workplace environment and health, see page 25.

Workplace environment

	2022	2021	2020
Target: Workplace environment index > 80	77	-	-
Total number of accidents at work	1352	1271	1233
causing absence	430	471	405
serious incidents (target: under 67 by 2023)	110	120	73
fatal accidents	1	1	0
Frequency of accidents per 1 million hours	32.3	29.6	28.9

Absences due to illness

	2022	2021	2020
Total	16.1	15.9	16.3
Women	18.1	17.6	18.1
Men	14.6	14.6	14.9

Scope, measurement and calculation

Reporting of occupational accidents is based on the number of wage hours in the core assignment and WED, and for professional employees on hours worked. For trainees, a flat rate per day has been used. Reporting does not include occupational diseases or accidents while travelling to and from work. Regarding serious workplace accidents, the GRI indicator is not used; instead the Swedish Work Environment Authority's definition of serious incidents is applied, which is significantly broader in scope. Reporting includes all employees, i.e. even trainees at Labour Market Services.

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Responsible supply chains

Strategic focus	Governance	Responsibility	Follow-up & reporting
<p>We wish to make a positive impact on the entire value chain and work risk-based with requirements and follow-up. We collaborate together with our suppliers to develop better products for people and the environment.</p> <p>Included in the facilitator called Sustainability in everything we do, in our new strategy.</p>	<ul style="list-style-type: none"> Sustainability policy Procurement guidelines Samhall's code of conduct for suppliers 	<p>Accounting & Finance, which includes the procurement facility, has overall responsibility for governance, control and follow-up of the supply chain.</p>	<p>Follow-up occurs through a system of risk analyses, self-evaluation surveys and dialogue with suppliers.</p> <p>The work with responsible supply chains is reported to the board on a quarterly basis.</p>

Objectives and activities

Samhall aims to regularly review the sustainability of all centrally contracted suppliers. In 2022, a programme to develop monitoring, risk analysis and follow-up was established. The procurement facility has been trained about coming legal requirements connected to sustainable supply chains, and a sustainability analysis for Samhall's centrally contracted suppliers has been developed further.

Samhall has some 70 suppliers defined as central, representing roughly SEK 500 million in contracted volumes. All suppliers have

been asked to take a sustainability survey; the reply frequency has varied and in total 88% of central suppliers in the past four years have completed the survey, compared to the equivalent figure of 74% for the past three years. Furthermore, a number of industrial suppliers have been evaluated.

No supplier was judged to have operative faults so grave that it would cause contract termination. On the other hand, there are risks further along the supply chain. Electronics and textiles are associated with the risk of violations in human rights and substandard working conditions. For more information, see page 33.

Scope, measurement and calculation

Reporting covers those suppliers defined as central and where Samhall has an established contractual relationship. Not included, for example are local, one-time purchases and so on.

	2022	2021	2020
Number of suppliers screened with social criteria	15	6	19
Number of central suppliers reviewed for sustainability in the past three years	74%	78%	77%

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Impact on climate and the environment

Strategic focus	Governance	Responsibility	Follow-up & reporting
To take responsibility for our environmental impact and manage operations in line with the Paris Agreement is an important part of the target area called A responsible company creating value for society. Offering environmentally friendly services also gives competitive advantage in meeting client requirements.	<ul style="list-style-type: none"> Sustainability policy Guidelines for business travel and meetings Swedish ecolabel criteria for cleaning services Samhall's environmental management system: ISO 14001 	The Strategy & Development department, which includes the Sustainability function, has the overall responsibility for the governance and follow-up of Samhall's environmental programme. The same department is also responsible for developing Samhall's services. Operative responsibility is with the line management.	Climate impact is followed up on a monthly basis and reported quarterly to the board. Following up compliance to Nordic ecolabel criteria is made quarterly. Internal and external auditing of the environmental management system is conducted annually.

Objectives and activities

The environmental programme is ISO 14001 certified and revolves around three areas: reduce our own environmental impact, reduce environmental impact in the value chain and environmentally sustainable services.

Our overall environmental target is to halve CO₂ emissions by 2025 compared to 2018 and to have a fossil-free fleet of vehicles by 2030. These targets are in line with the Paris Agreement, as well as the Carbon Law that says

emissions must decrease by a half every decade. Samhall is well on the way to reach the target; since 2018 emissions have decreased by 37%, due to a dramatic increase in the use of biofuel and the transition to electric vehicles.

Energy consumption mainly derives from transportation. The number of own properties has steadily decreased in recent years. Almost all operations are conducted in rented premises or at the client's workplace. To reduce CO₂ emissions from own properties and premises,

where Samhall is responsible for choosing the provider, Samhall primarily purchases certified environmental electricity and works with energy-efficiency measures based on frequent energy monitoring. Samhall applies the precautionary principle. For more information, see page 29.

Scope, measurement and calculation

Scope 1 covers the company's own energy production, own fleet of production vehicles and emissions from leased company vehicles, as well as refrigeration leakage and losses. Scope 2 covers emissions from purchased electricity and district heating that Samhall has a direct contract for, calculated on a market-based approach on data from the respective suppliers. For 2022, a number of new local electricity suppliers were identified and added to the reporting. With location-based reporting, emissions would be 50 tonnes CO₂ from electricity production. Scope 3 covers business travel by air, rental cars, private vehicles in service, freight transports with central

contracts, and, since 2021, upstream emissions from electricity and mobile fuel consumption. Reporting does not include employees' travel to and from work. In 2023, a more detailed analysis of scope 3 emissions will be conducted and targets set.

For stationary consumption an emission factor of 268.01 kg CO₂-eq/MWh has been used. Calculations for petrol and diesel have been based on fossil references: Diesel MK1: 2.54 CO₂-eq/L, Petrol: 2.36 CO₂-eq/L, Natural Gas 2.23 kg CO₂-eq/m³, as well as the proportion of fossil-free content. For company vehicles an average emission factor of 0.17 kg CO₂-eq/km for petrol and 0.115 kg CO₂-eq/km for diesel have been used. The emission factor for air travel over 500 km was 0.32 kg CO₂-eq/person km and 0.19 kg CO₂-eq/person km for flights under 500 km. Emission factors for refrigeration come from Base Carbone. Emission data for electricity, heating, rental vehicles and freight transport come from Samhall's suppliers. Information for calculating energy and emissions from travel and transportation come from internal data systems and suppliers' statistics.

Emission of carbon dioxide equivalents (CO ₂ -eq)	2022	2021	2020	Base year 2018
Direct greenhouse-gas emissions (Scope 1)	1 495	2 121	3 118	3 260
Energy indirect greenhouse-gas emissions (Scope 2)	72	57	52	100
Other indirect greenhouse-gas emissions (Scope 3)	2 231	2 165	2 565	2 627
Total	3 798	4 342	5 735	5 988
Reduction in % compared with 2018	-37%	-27%	-4%	
Proportion fossil-free fleet of vehicles	34%	31%	27%	

Total energy consumption (MWh)	2022	2021	2020
Non-renewable fuels	6 266	9 634	14 895
Renewable fuels	10 429	8 110	3 028
Electricity & heating	11 835	11 077	10 617
Total	28 548	28 821	28 540

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Business ethics and competitive neutrality

Strategic focus	Governance	Responsibility	Follow-up & reporting
<p>Being a state-owned and financed company entails particularly high expectations that Samhall, at all times, follows laws and rules, and conducts business in an ethically correct manner. We must show the owner and tax payers that their money is used for the right purposes and assure other businesses that there is no unfair competition. It is a critical part of the facilitator called Sustainability in everything we do, in our new strategy.</p>	<ul style="list-style-type: none"> Sustainability policy Financial policy Guidelines for business ethics based on the Business Code by the Swedish Anti-Corruption Institute Guidelines for competitively neutral pricing Guidelines for handling whistle-blowing complaints Order of delegation 	<p>Accounting & Finance, which includes the legal facility, has the overall responsibility for governance, control and follow-up of business ethics. Samhall also has a whistle-blower system where irregularities can be reported anonymously.</p> <p>Sales has overall responsibility for the governance and follow-up of the guidelines regarding competitively neutral pricing.</p>	<p>Follow-up is made through internal control procedures including contracts and investigating tip-offs coming through the whistle-blower channel.</p> <p>Samhall's internal auditor reports incoming tip-offs through the whistle-blower channel to the board's audit committee.</p> <p>Senior management and the board receive regular reports concerning ongoing cases brought before the Swedish Competition Authority.</p>

Objectives and activities

Samhall has an absolute zero tolerance of bribes and corruption. Samhall's sustainability policy states that operations must be characterised by a high degree of ethical business behaviour. The policy is complemented by specific anti-corruption guidelines based on the Business Code by the Swedish Anti-Corruption Institute. Because Samhall receives financing from the state, stakeholders greatly expect us to be a dependable business partner. Transparency about compensation for additional costs and competitively neutral pricing are particularly important. In 2022, two cases were under investigation by the Swedish Competition Authority. For more information, see page 33.

Samhall has not committed any significant rule violations leading to fines or other sanctions from the authorities.

Samhall has an external whistle-blower system, where employees, as well as external parties, for example suppliers, can anonymously report serious irregularities. This channel also receives other types of minor complaints. According to current routines, all incoming notifications are categorised and those not applicable to the whistle-blower system are referred to ordinary reporting channels and managed, above all, within the HR organisation.

Complaints and whistle-blowing	2022
Number incoming complaints	105
of which categorised as major irregularities	0

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About Samhall's Sustainability Reporting

The Sustainability Report is compiled in accordance with GRI Standards. The GRI index lists page references for the relevant information in the annual report. The compilation of the report is in accordance with GRI principles, meaning it shall give a complete picture of the company, with content determined by the issues most significant to Samhall. The materiality analysis, described on page 40, provides the basis for selecting GRI indicators, where every material topic has been matched to at least one GRI indicator and this is presented in the GRI index on page 49. We continue to report non-financial indicators that reflect key monitoring of operations and only apply GRI indicators that add value. Exceptions or deviations from GRI Standards are described in the GRI index or the reporting of the respective GRI indicator. All historical values have been recalculated using the same methods to allow for comparison over time. No alterations in the calculation model have been made for 2022.

The board is also responsible for the company providing transparent sustainability reporting that focuses on the essential elements of the state's ownership policy. The board ratifies the annual report, including the reports on governance and sustainability.

Data collection

Data appearing in the report are collected through various internal systems depending on the type of task. Financial data are based on Samhall's financial reporting. Personnel-related data come from Samhall's HR system and business system. The compilation and quality assurance of the sustainability report's company-specific key performance indicators and GRI indicators are made by Samhall's controllers and Samhall's Sustainability Manager. Target numbers and comparable figures are reported where applicable. When figures from previous years' reports have been changed for comparison, a note is made on the actual indicator.

Independent review and attestation

Samhall has commissioned Deloitte to conduct a summary review and attestation of the sustainability report. The independent examination focuses on the most material sustainability aspects, but also includes assurance that the report complies with the reporting criteria of GRI Standards: see page 52.

Statutory sustainability report

Samhall complies with statutory sustainability reporting in accordance with the requirements of the Annual Accounts Act. The statutory sustainability report is an integral part of Samhall's Annual and Sustainability Report and covers reporting requirements on the environment, social responsibility, employees, human rights and anti-corruption.

- Targets and results, pages 10-12
- Employees, pages 22-26
- Business model and value creation, pages 7-9, 13-14, 34
- Risk management, pages 60-61
- Internal governance, pages 41, 58-59
- Anti-corruption, pages 33, 47
- Responsible procurement, pages 33, 45
- The environment, pages 29, 46

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GRI index

Samhall Aktiebolag has reported in accordance with GRI Standards for the period 1 January 2022 - 31 December 2022.

GRI 1: Foundation 2021

GRI Sector Standard(s): no sector standard applicable

GRI standard	Disclosure	Page	Omission		
			Requirements omitted	Reason	Explanation
GENERAL DISCLOSURES					
GRI2: General disclosures 2021	2-1 Organisational details	53-54, 57			
	2-2 Entities included in the organisation's sustainability reporting	104			
	2-3 Reporting period, frequency and contact points	104			
	2-4 Restatements of information	49			
	2-5 External assurance	52			
	2-6 Activities, value chain and other business relationships	7-9, 27-28, 33-34			
	2-7 Employees	7, 43	2-7-b-iii	Not applicable	No hourly employees
	2-8 Workers who are not employees	8, 43	Consultants	Missing information	Information not compiled
	2-9 Governance structure and composition	53-57			
	2-10 Nomination and selection of the highest governance body	53			
	2-11 Chair of the highest governance body	64			
	2-12 Role of the highest governance body in overseeing the management of sustainability impacts	41, 55-56			
	2-13 Delegation of responsibility for managing sustainability impacts	41			
	2-14 Role of the highest governance body in sustainability reporting	41			
	2-15 Conflicts of interest	55			
	2-16 Communication of critical concerns	33, 47			
	2-17 Collective knowledge of the highest governance body	41			
	2-18 Evaluation of the performance of the highest governance body	56			
	2-19 Remuneration policies	84-85			
	2-20 Process to determine remuneration	84-85			
	2-21 Annual total compensation ratio	86			
	2-22 Statement on sustainable development strategy	4-5			

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Omission			
GRI standard	Disclosure	Page	Requirements omitted
GRI2: General disclosures 2021	2-23 Policy commitments	41	
	2-24 Embedding policy commitments	33, 45	
	2-25 Processes to remediate negative impacts	33	
	2-26 Mechanisms for seeking advice and raising concerns	33, 45	
	2-27 Compliance with laws and regulations	45	
	2-28 Membership in associations	39	
	2-29 Approach to stakeholder engagement	38-39	
	2-30 Collective bargaining agreements	25	
MATERIAL TOPICS			
GRI 3: Material topics 2021	3-1 Guidance to determine material topics	41	
	3-2 List of material topics	41	
Economic impacts			
GRI 3: Material topics 2021	3-3 Management of material topics	8	
GRI 201: Economic performance 2016	201-4 Financial assistance received from government	83	
Anti-corruption			
GRI 3: Material topics 2021	3-3 Management of material topics	41, 47	
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	47	
Anti-competitive behaviour			
GRI 3: Material topics 2021	3-3 Management of material topics	9, 41, 47	
GRI 206: Anti-competitive behaviour 2016	206-1 Legal actions for anti-competitive behaviour	47	
Energy			
GRI 3: Material topics 2021	3-3 Management of material topics	41, 46	
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	46	
Emissions			
GRI 3: Material topics 2021	3-3 Management of material topics	41, 46	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	46	
	305-2 Energy indirect (Scope 2) GHG emissions	46	
	305-3 Other indirect (Scope 3) GHG emissions	46	

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			Omission		
GRI standard	Disclosure	Page	Requirements omitted	Reason	Explanation
Employment					
GRI 3: Material topics 2021	3-3 Management of material topics	7-8, 41			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	7, 43			
Occupational health and safety					
GRI 3: Material topics 2021	3-3 Management of material topics	25, 41, 44			
GRI 403: Occupational health and safety 2018	403-9 Work-related injuries	44			
Training					
GRI 3: Material topics 2021	3-3 Management of material topics	41-43			
GRI 404: Training 2016	404-1 Average hours of training per year per employee	42			
	404-3 Percentage of employees receiving regular performance and career development reviews	42			
Diversity and equal opportunity					
GRI 3: Material topics 2021	3-3 Management of material topics	26, 41-43			
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity	43			
Supplier social assessment					
GRI 3: Material topics 2021	3-3 Management of material topics	33, 41, 45			
GRI 414: Supplier social assessment 2016	414-2 Negative social impacts in the supply chain	45			

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Auditor's report

Auditor's report on the summary review of Samhall AB's sustainability reporting and statement on the statutory sustainability report.

To Samhall AB (publ), corporate identification number 556448-1397.

Introduction

We have been commissioned by Samhall AB to conduct a summary review of Samhall's sustainability report 2022. Samhall has defined the scope of the sustainability reporting and the statutory sustainability report under the table of contents of Samhall's Annual and Sustainability Report 2022.

The board and corporate management's responsibility

It is the responsibility of the board and corporate management to oversee the sustainability reporting, including the statutory sustainability report, in accordance with the appropriate criteria regarding the Annual Accounts Act, presented on page 48 and consisting of those parts of the Sustainability Reporting Guidelines (issued by the Global Reporting Initiative (GRI)) as applied to sustainability reporting, and the company's own principles of reporting and calculation. This responsibility also includes the internal checks deemed necessary to produce a sustainability report free from material misstatement, whether due to irregularities or error.

Auditor's responsibility

Our responsibility is to express a conclusion about the sustainability reporting based on our summary review and issue a statement regarding the statutory sustainability report. Our assignment is limited to the historical information reported and does not cover future-orientated information.

Our summary review has been conducted in accordance with ISAE 3000 (revised): Assurance engagements other than audits or reviews of historical financial information. A summary review consists of making enquiries, firstly to those responsible for the preparation of the sustainability report, as well as applying analytical and other review procedures. We have conducted our review of the statutory sustainability report in accordance with FAR's (the institute for the accountancy profession in Sweden) recommendation RevR 12 Auditor's statement on the statutory sustainability report. A summary review and a review according to RevR 12 has a different focus and a significantly smaller scope than the purpose and scope of an audit according to International Standards on Auditing and general auditing best practice.

The auditing company applies International Standard on Quality Management 1, and thus has a comprehensive system for quality control comprising of documented guidelines and procedures regarding compliance to professional-ethical requirements, standards of professional practice and appropriate laws and other measures. We are independent of Samhall AB, in accordance with accepted auditing standards in Sweden and have otherwise fulfilled our professional-ethical responsibilities according to these requirements.

The procedures performed in a summary review and a review according to RevR 12 do not enable us to obtain an assurance that would make us aware of all significant matters that might be identified in an audit. The stated conclusion is based on a summary review and a review according to RevR 12 and therefore does not have the same level of assurance as a stated conclusion based on an audit.

Our review of the sustainability report is based on the criteria chosen by the board and corporate management, as defined above. We consider these criteria appropriate for the preparation of the sustainability report.

We consider the evidence gathered during our review to be sufficient and appropriate in providing the basis for our conclusion below.

Statement

Based on our summary review, there have been no findings that give us cause to believe that the sustainability report has not, in all material aspects, been prepared in accordance with the above criteria chosen by the board and corporate management.

A statutory sustainability report has been prepared.

Stockholm, 16 March 2023
Deloitte AB

Anneli Pihl
Authorised public accountant

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Corporate governance

Samhall Aktiebolag (556448-1397) is a Swedish public limited liability company registered in Stockholm. The framework of governance consists of the Swedish Companies Act, Annual Accounts Act, Swedish Corporate Governance Code (the Code), the state's ownership policy and laws and regulations applicable to the company. No significant changes regarding corporate governance occurred in the previous year.

Important external and internal regulatory framework for Samhall

External

- Swedish Companies Act
- Annual Accounts Act
- RFR 2
- Ordinance (2018:1528) on state compensation to Samhall Aktiebolag for a service of general economic interest
- The state's ownership policy
- Swedish Corporate Governance Code
- Global Reporting Initiative (GRI) Standards

Internal

- Articles of association
- The state's ownership directives
- The board's and committees' rules of procedure
- Our Way of Working: Samhall's management system including policies, guidelines and other internal governance documents
- The state's ownership policy requires companies with state ownership to integrate sustainable enterprise into corporate governance and show exemplary action in this area

Deviations from the code

Where appropriate the Code is to be applied, in accordance with the state's ownership policy. This means:

The code's rules in point 1.1 on information about the owner's right of initiative are not applied because it is not relevant to companies wholly owned by the state. The Code's regulations in chapters 2 and 4 on the initiation of the election of board members and auditors are not applied but replaced by rules in sections 4.3 and 4.4 in the state's ownership policy.

Code rules 4.4-4.5 Members' independence in relation to the company and its management, as well as major shareholders. This rule aims to protect minority shareholders. As Samhall is wholly owned by the Swedish state, this requirement is not necessary.



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Division of responsibility

Responsibility for Samhall's management and control procedures is divided between the owner, the board and the CEO.

1. Ownership

Samhall AB is wholly owned by the Swedish state. Ownership is administered by the Ministry of Enterprise and Innovation. The owner's directives, set at the annual general meeting, contain among other things, labour market policy objectives and its scope, assignment targets and financial targets, as well as specific reporting requirements that complement the general reporting regulations. The state's financing of the additional costs is decided in the state budget.

In addition to specific instructions from the owner to Samhall AB, the state's ownership policies and guidelines apply regarding exemplary action in the areas of sustainable enterprise.

2. Annual General Meeting

The Annual General Meeting (AGM) is the company's highest decision-making body. Members of Parliament have the right to attend and ask questions at the AGM, which is also open to the public. The AGM was held on 28 April in Stockholm, including a live webcast via Samhall's website.

In conjunction with the AGM, a seminar is normally held with external delegates on a topic relevant to Samhall's operations. Due to time constraints, the 2022 seminar was held instead in May, on the topic of Samhall's role in labour market policy.

Remuneration principles

The AGM establishes remuneration to the members of the board and committee members. No fee is paid to members employed by the Swedish Government Offices or to employee representatives. Principles for remuneration to senior management are determined annually at the AGM. Samhall follows the government's current guidelines regarding conditions of employment for senior management, see note 9. The external auditors' report presented at the AGM showed that the guidelines established at the 2021 AGM had been applied.

Remuneration to board members chosen at the AGM and senior management is reported in note 10.

3. Nomination procedure

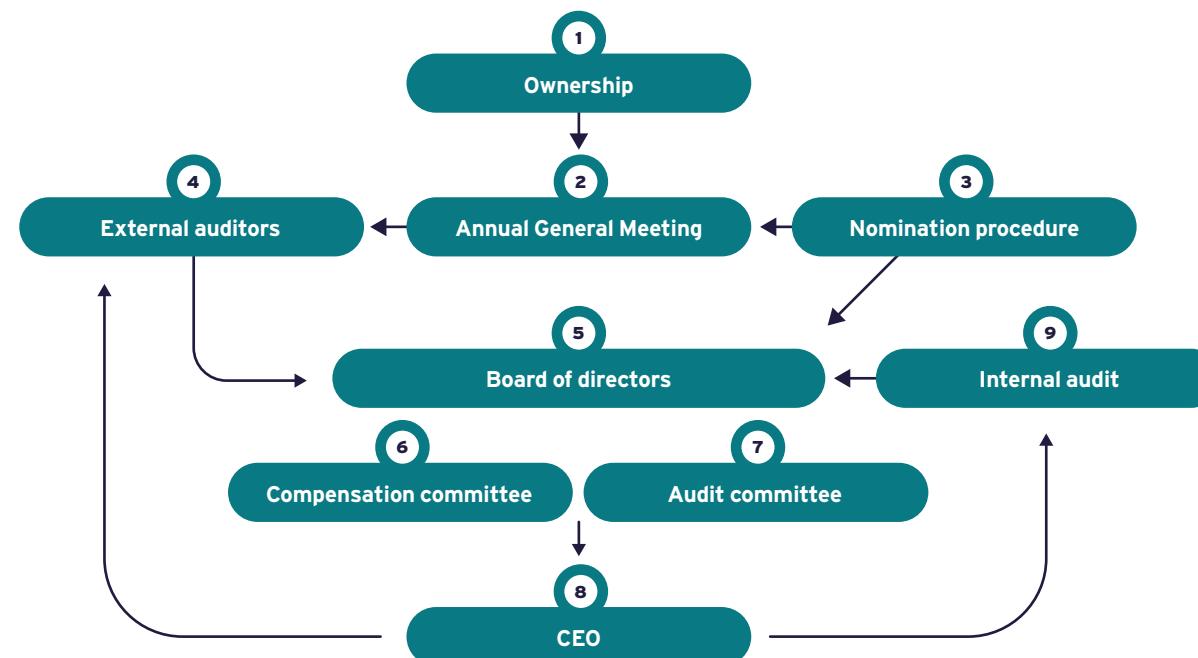
As a state-owned company, Samhall has no initiation process for the election of board members. Preparation for nominations takes place through a nomination process in accordance with the state's ownership policy. The work is co-ordinated by the Ministry of Enterprise and Innovation. State ownership policy clarifies that nominations to the board are made public according to the Code's guidelines, with the exception of reporting on the independence of major shareholders.

In accordance with the Code and state ownership policy, the composition of the board must reflect the company's business, phase of development and general conditions, and reflect versatility and breadth regarding the members' competencies,

experience and backgrounds. So too, aspects of diversity should be considered, such as ethnic and cultural backgrounds, and efforts made to secure an even gender distribution. Ownership policy states that of the members chosen at the AGM, there must be at least four people of each gender.

4. External auditors

Auditors independently review the governance of the board and CEO, as well as the company's reporting and bookkeeping. Auditors also make a summary review of the third-quarter interim report. The external auditor is present at all the audit committee's meetings and reports to the board directly on one meeting, at least. The auditor also meets the board once a year with no representative from senior management present.



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According to the state's ownership policy, the responsibility for nominating external auditors is always with the owner and is decided at the AGM. As from 2017 AGM, the board proposes an auditor and the fee.

The 2022 AGM re-elected the authorised auditor Deloitte AB until the next AGM with authorised public accountant Anneli Pihl as chief auditor. Remuneration to auditors is detailed in note 7.

5. Board of directors

The board of directors is responsible for the organisation of the company and administers the company's affairs on behalf of the owner.

In accordance with the articles of association, the board of directors has at least seven and at most nine members. Furthermore, according to laws about boardroom representation, three members and three deputies may be included as employee representatives.

At the AGM, 28 April 2022, six women and three men were elected to Samhall's board. The board also includes three members and three deputies chosen by employee organisations. Of these employee representatives, three are women and three are men.

The composition of the board and members' attendance at board and committee meetings is shown on pages 60-61.

The chairman's responsibilities include organising and leading the board's work, ensuring the board fulfils its tasks and monitors the progress of the company through contact with the CEO and checks that the board's decisions are implemented in an effective manner. The chairman presents the opinions of the board to the owner in matters of significance to the company.

The board annually updates and establishes operational regulations and divisions of responsibility through rules of procedure, directives to the CEO, instructions regarding reporting to the board, instructions to the board's committees and instructions for the internal audit. A member is not permitted to engage in an issue where there is a conflict of interest. The board maintains a register of members' assignments outside the company.

The board has established a compensation committee and an audit committee. Committee members are appointed at the constitutive board meeting. Minutes are taken of the meetings and presented to the board.

There is an internal audit function mandated by the board that regularly reports to the audit committee.

The CEO and Vice CEO are not members of the board, but participate in the board's meetings.

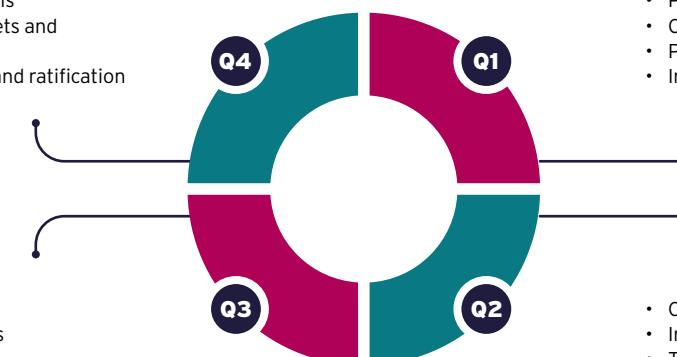
The board's work

During the year, the board had eight meetings, of which one was a constitutive meeting. In addition, the board made two decisions per capsulam. The board receives a detailed financial report every quarter on the company's results and position, shorter reports for those months in-between and, when necessary, a letter from the CEO about significant events.

The board's work follows an annual cycle with appointed themes. To ensure that the board has sufficient knowledge of Samhall's operations, there is an introductory programme for new board members. The board makes annual workplace visits and meets clients and Samhall's local management and employees.

The annual planning for the board and its committees contains recurring points of interest connected to sustainable enterprise. Furthermore, these areas are an integrated part in how the board handles issues, such as growth strategies or the company's risk management. The board annually sets strategic targets for sustainable value creation, which are presented on page 12.

The board's work 2022



- Interim report
- Auditors' summary review and meeting with the board (without management)
- Strategic risks
- Operational plan
- Sustainability focus and analysis
- Budget and sustainability targets and operational plan
- Policy documents, evaluation and ratification
- Client satisfaction survey

- Interim report
- Visits to workplaces and clients
- Growth strategy
- IT strategy

- Annual accounts
- Annual and sustainability report
- Auditing
- Evaluation of the board's work
- Budget preparation
- Preparation for the AGM
- Communication
- Pricing
- Internal audit

- Constitutive board meeting
- Interim report
- Transition report
- Employee development

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Targets are followed up quarterly and reported to the board. Each year, the board establishes the overall Sustainability Policy. It includes Samhall's support and respect of international principles and guidelines as described by the 10 principles of the UN's Global Compact, the UN's guiding principles for businesses and human rights, and the organisation of our operations to contribute to Agenda 2030 and the UN's global sustainable development goals.

During the year particular attention was given to:

- Discussions regarding the company's financial model, within the framework of preparing Samhall's budget and dialogue with the owner, as well as developing new ways of working. Samhall has also proposed investments reinforcing support for employees with special needs and Swedish language learning for the workplace.
- Processing the owner's suggested new assignment targets for Samhall, which were later adopted at the AGM. These new targets cover the company's degree of utilisation, the workplace environment and employee engagement.
- Samhall's digitalisation strategy and ongoing IT transformation was followed up once again. The aim is to increase efficiency and resource use, but also to secure more jobs and a high degree of utilisation in Samhall.
- The board regularly followed up Samhall's work to measure and highlight the socioeconomic value created by the company's operations.
- A study visit and detailed discussions concerning the company's industrial operations. The board also decided to invest in increasing production capacity for cable products.
- Discussion and adoption of a new company-wide strategy and growth strategy for Samhall, valid for 2024-2026.

According to the Code, the state's ownership policy and the rules of procedure for the board, an annual evaluation of the board's work takes place by the board through a systematic and structured process.

This year's board evaluation was conducted by a contracted agency with a questionnaire and in-depth interviews. Topics covered included the spirit of collaboration, competence, board work and the role of the chairman. Results were presented to the board and discussed at a board meeting. The evaluation found that the board functions well and has a high degree of common understanding. In 2022, the board also conducted an external evaluation of the CEO's work.

6. Compensation committee

The members of the compensation committee were Cecilia Schelin Seidegård (chairman), Josefine Ekros Roth and Hillevi Engström. The compensation committee supports the board with recommendations concerning remuneration to senior management, including matters of application of its guidelines and other issues regarding benefits and incentive programmes. The committee had six meetings during the year, with minutes recorded. The CEO and Director of HR and Communications also attend the meetings.

7. Audit committee

The members of the audit committee were Bertil Carlsén (chairman), Ylva Berg, Lars Engström, Josefine Ekros Roth and Cecilia Schelin Seidegård. The audit committee supports the board in matters regarding the company's financial reporting, the effectiveness of the company's internal governance and control procedures and risk management. The committee also reviews and monitors the auditors' impartiality and independence, evaluates internal and external auditing initiatives and participates in the procurement of external auditing services.



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The head of internal auditing reports regularly to the committee. The CEO, CFO, head of accounting, head of internal auditing and the relevant auditor participate in the meetings.

During the year, the audit committee held six meetings, with minutes recorded.

8. CEO

The CEO is responsible for the ongoing management of the company in accordance with the board's instructions. The CEO's areas of responsibility and mandate are regulated by annual instructions from the board and instructions to the CEO regarding reporting to the board. The CEO keeps the chairman regularly informed of key events and helps prepare the board for its meetings. The CEO leads the company's operations. Internal governance occurs jointly through governing documentation and through the company's management system. The main processes combine personnel and client-delivery processes. Delegation is regulated from the CEO by an order of delegation and complementary guidelines regarding responsibilities and authorities.

9. Internal audit

The internal audit is an independent and objective facility that evaluates, recommends

and follows up improvements regarding the effectiveness of Samhall's risk management, internal governance and control, as well as the management processes in the entire company.

The facility is directly subordinate to the board and audit committee and conducts its work according to an approved internal audit plan prepared by the audit committee and approved by the board. The internal auditor reports administratively to the Vice CEO.

10. Samhall's organisation and governance

Samhall operates in Sweden only. Operations are spread throughout the entire country. The CEO organises the management and operations of the company in a way that ensures appropriate governance and control of operations. Samhall strives for decentralisation and cost-effectiveness. Samhall has a process-oriented management system, which is accessible via Samhall's intranet. The management system is certified according to the quality standard ISO 9001 and the environmental standard ISO 14001. Both sustainability work and risk management are integrated into the company's processes and are part of operative planning. Each process owner has a responsibility to ensure that relevant sustainability issues are handled in each respective organisation and

that the process helps the company fulfil its strategic sustainability targets and is in keeping with the company's policies and guidelines. Samhall's requirements and expectations concerning employees, suppliers and subcontractors are outlined in a specific code of conduct and guidelines. Samhall's sustainability facility is responsible for the co-ordination and development of the strategic sustainability programmes, as well as co-ordinating and leading the work on Samhall's quality and environmental management systems. Line managers have the operational responsibility of implementing Samhall's governing documentation. In each market area, there is a quality and environmental project leader, as well as workplace environment specialists, who support the line managers with operational matters regarding the environment, workplace environment and quality issues.

Each year, Samhall conducts improvement days, where the company's compliance to environmental rules is followed up and improvement possibilities identified. External review is made through the Annual and Sustainability Report being examined by the company's auditors. Furthermore, external auditing is conducted in accordance with ISO 9001 and ISO 14001.

The diagram below shows Samhall's organisational structure. In 2022, the number of districts, meaning the level at which operations are conducted, has been 27 geographical districts and one industrial district. From 1 January 2023, Jämtland and Västernorrland districts were merged together. The company has an integrated management group that includes the managers of the company-wide support functions, and sales organisation and operations.

Sustainability issues are discussed regularly by senior management, as a matter for the entire company, as well as specific concerns, and throughout the various parts of the organisation. The strategy and development director has overall responsibility for sustainability issues and co-ordinating senior management. Senior management is presented on pages 62-63.

Operations are guided through targets that are followed up by monthly management reports which are broken down for the various parts of the organisation and the line managers' areas of responsibility. Sustainability targets, as well as other relevant targets and indicators, are followed up on a quarterly basis.



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Internal governance and control procedures

According to the Swedish Companies Act and the Swedish Corporate Governance Code, the board is responsible for the company having good governance and internal controls, as well as routines and processes to secure compliance to established principles for financial reporting and internal controls. Responsibility also extends to the company's financial reporting being in compliance with laws, appropriate reporting standards and other external requirements.

Samhall's external financial reporting covers quarterly interim reports, the statement of annual accounts and the Annual and Sustainability Report. The audit committee prepares the work that ensures the quality of the company's financial reporting and regularly monitors and formulates the internal governance and control procedures. Samhall's internal and external auditors participate in the meetings of the audit committee and provide status updates and report their findings. The CEO handles the ongoing information from the executive meetings and reports to the board and audit committee in accordance with the CEO's instructions regarding reporting. Samhall's framework for risk management is the COSO model (Committee of Sponsoring Organisations of the Treadway Commission) to promote the development of internal governance and control systems. In order to clarify roles and responsibilities for risk management and internal governance and control procedures, Samhall has chosen to work according to a model with three lines of defence: the first line that owns the risk and compliance, the second line that monitors and controls and the third line in the form of the internal audit.

Control environment

The foundation of internal governance and control is the control environment which has an organisational structure, instructions, processes, responsibilities and authorities, documented and communicated by governing documents, as well as the values that the board and senior management communicate and work to promote.

Samhall has a process-oriented management system, Our Way of Working, which is accessible via Samhall's intranet. Principles and forms of reporting, internal governance, control and follow-up is compiled in internal policies, guidelines and routines.

Examples of governing documentation include the rules of procedure for the board and its committees, instructions for the CEO, as well as the order of delegation that establishes the economic authority of employees in the company. Examples of important factors in the control environment are the authorisation rules and regulations that help prevent intentional or accidental errors, as well as a jurisdictional framework covering access to systems and information.



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Control activities

Control activities aim to systematically uncover, correct and prevent errors in financial reporting. Within the accounting facility, regular key controls are conducted to secure the financial reporting. Examples of areas with control procedures are taxes, VAT, representation and entertainment expenses, as well as authorisations and the order of delegation.

On a monthly basis, the CFO follows up and analyses the financial results and reports to the CEO and senior management. Samhall's public reports are prepared by the CFO and CEO and processed by the audit committee before approval by the board and published thereafter. In addition to the Annual and Sustainability Report, at least one of the interim reports is examined by the company's auditors, whose findings are reported to the audit committee.

Operations are conducted in accordance to governing processes. For each process, there are control activities ensuring the process is followed. Examples of areas with control activities include the key performance indicators of Human Resources, as well as risk assessment from the perspective of workplace

environment at our client assignments. Samhall has a company-wide quality and environmental system that is certified by ISO 9001 and ISO 14001. Operations consult and follow up the auditors' reports from both external and internal improvement days and auditors, and participate in rectifying any shortcomings. Samhall's data protection officer checks the company's handling of personal information.

Information and follow-up

Samhall's communications policy ensures that information is conveyed in a structured manner throughout the entire organisation. Information about policies, governance documents, processes and routines is available on Samhall's intranet.

As Samhall cannot reach all of its employees via digital means, essential communication is conveyed through regular workplace meetings with a fixed agenda. At all management levels within Samhall, one-to-one monthly dialogues with managers take place. These meetings create a common picture of the current status of the organisation and allow follow-up regarding targets and the operational plan. Dialogues go all the way to senior management level, who regularly convey information to the

board. On a quarterly basis, senior management also examines financial results, key performance indicators and target fulfilment for each respective market area. In such a way, a good picture is obtained of the status of the business and operational governance.

Samhall's board receives quarterly reports on the financial results and status of the business, along with analysis and comments by the company's CEO and shorter monthly reports. The internal audit facility regularly reports on its work based on the established audit plan to the audit committee.

Samhall also has a whistle-blower function for employees to anonymously report suspected irregularities. To guarantee anonymity, the reports are made to an external, independent company. The internal auditors are responsible for ensuring that an investigation is made, along with the head of sustainability and head of negotiations, and thereafter a report is made to the audit committee. In 2023, responsibility will shift to the head of employer issues.

Samhall's public financial reports are published on the company's website.

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Risks and risk management

Risk management

Samhall's risk management methods aim to secure the identification and management of risks. Through risk management, the company's values are protected, governance and control procedures are improved and transparency increased. The objective is to contribute to the attainment of the company's goals, while at the same time avoiding unwanted operational and financial effects.

Samhall's risk committee, consisting of senior management, has the overall responsibility for the company's common strategic risks, which cover financial risks, as well as sustainability risks, regulatory compliance, brand risks and risks connected to operations and the external world. The process of identifying strategic risks involves all business and market areas, which gives traction and awareness within the organisation. Risks are judged and prioritised by the risk committee who present the risk analysis to the board. The operative risk management is integrated into the company's processes and operative plan.

Risks in the financial processes are managed by Samhall's central accounting facility which also handles the company's bookkeeping. It is essential that this facility, through its understanding of processes and routines, can identify, analyse and decide how to handle any

eventual errors in these financial processes. Judging the risk of error in financial reporting is evaluated regularly in the daily work, through such control activities.

On an annual basis, Samhall's internal auditors conduct an independent risk analysis that provides the basis for their audit plan as approved by the board. Based on this, independent and objective examinations are made, which result in improvement measures and programmes.

Strategic risks, for example, increased competition, a change in market conditions and other current affairs that can affect Samhall's objectives and assignments, are handled as a natural part of the routine work of the board and management.

Samhall has company-wide insurance covering property, disruption, product liability, transportation, civil liability insurance for board members and senior management, and other items.

There are crisis management plans in place at Samhall and an appointed crisis management group. The plans aim to secure a good level of preparedness in the event of a crisis and to ensure that the right measures are taken by select key functions at the right time.

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Risks

Operative and strategic risks

Type of risk	Impact	Action	Type of risk	Impact	Action
Key performance indicators	Providing and delivering services that are in demand is crucial for Samhall's ability to develop its employees. The geographical spread of operations also requires Samhall to create work even in areas where the client bases are weak. An inability to meet client expectations or failure to develop and offer services in demand, could lead to lost clients and market share, which implies a risk that Samhall cannot fulfil its societal assignment.	Samhall works to continually develop the client experience and secure quality delivery by monitoring current events and awareness of the market and needs of clients, as well as working with a broad mix of businesses.	Information security and digitalisation	Digitalisation brings great opportunities, but also involves major risk and vulnerability that business-critical data are made inaccessible or fall into the wrong hands. Therefore, information security is important. The work is guided by our information security policy and associated guidelines, as well as a reinforced organisation.	To diminish this risk, Samhall has appointed a data protection officer. Other measures include training and information to Samhall's employees and constant work on routines and processes.
Current events	The pandemic and war in Ukraine demonstrate the vulnerabilities of society and our ability to adapt to circumstances. Inflation and the risk of recession will impact the company, through both higher costs and uncertain market conditions. Contractual wage increases mean that assignment-related additional costs will increase. If cost increases are not recouped through an increase in compensation for additional costs, then the need grows for new business to secure balanced finances.	Samhall's broad mix of business is vital for the company to quickly absorb swings in the market, especially since Samhall cannot retrench employees due to a shortage of work.		The huge amount of personal data, above all about employees, implies a risk that such data is compromised or handled incorrectly.	Data protection and information security are recurring topics for both management and the board.
Employees	Samhall is dependent on the Public Employment Service to refer people to us at the rate that we need them. When the flow of new employees is not sufficient, Samhall cannot attain the owner's target for hours worked and daily operations suffer.	Developing collaboration and continual dialogue with the Public Employment Service are high priorities at all levels of the company.	Financial risks	Samhall is exposed to financial risks in the form of credit risks, liquidity risks, interest and currency risks, as well as other price risks. In order to minimise Samhall's financial risks, the board annually determines the company's financial policy and delegates responsibility to the CFO. The policy provides a mandate for ongoing management, as well as regulates risks concerning capital management, granting credit and handling currency. Follow-up reporting to the board occurs on a quarterly basis.	For more information about these financial risks, see note 24.
Regulatory compliance	Our employees are our most important resource. Deficiencies in the workplace environment can lead to accidents and physical or mental disorders among employees, which is detrimental to the execution of our societal mission and has a negative influence on Samhall's image as an employer. It is crucial that Samhall provides a good and safe workplace environment where employees can develop their skills.	Samhall has an established systematic workplace environment programme, and risk analysis is conducted ahead of new or changed client assignments. Furthermore in 2022, Samhall reinforced the organisation with more workplace environment specialists.	Sustainability risks	From a sustainability perspective, those sectors that Samhall is active in offer a relatively low risk profile. However, it is important for us to meet the expectations of employees, clients and the owner that Samhall be a sustainable company. The largest risks in our own operations are the workplace environment and competitive neutrality: see above. Samhall only has two facilities that need some form of permit or reporting and the negative impact on the environment comes mainly from CO2 emissions. Other risks are primarily associated with Samhall's supply chain and the risk of substandard work conditions, violations of human rights and negative environmental impact where production occurs.	Samhall is ISO 14001 certified and works systematically to reduce impact on the environment. Samhall has a code of conduct for suppliers aiming to counteract the risks of negative impact to people and the environment in the supply chain. Suppliers' work is followed up and checked within the framework of Samhall's procurement process. Including restrictions on Russia, Samhall has conducted thorough examinations of its supply chains.
	For Samhall, it is of great importance to comply with laws and internal regulatory frameworks, as well as conducting business according to sound practice. Samhall performs certain assignments and operations that must observe specific rules. Due to the state compensation for additional costs, it is especially important to follow the rules and procedures regarding pricing. Crime or negligence in these areas could harm the company's reputation and result in sanctions as well as fines.	Aiming to reduce such risk, Samhall has established a number of policies, a well-functioning internal control process and core values that establish a culture that counteracts irregularities. Samhall constantly works to check its internal processes concerning pricing, as well as educating the organisation in matters regarding good business ethics.		The risk that Samhall's operations could be directly affected by climate-related events is judged to be relatively low in the short term. On the other hand, Samhall's suppliers and supply of materials could be impacted by extreme weather for example. Such a risk is expected to increase in coming years, as a result of climate change. Furthermore, the increased awareness of climate change means clients may make new demands on the services provided, as well as expectations by stakeholders about the company's sustainability credentials rising even further.	Securing safe supply chains is the responsibility of the central procurement facility. This year, new purchasing guidelines and steps towards more category-driven procurement were initiated. For Samhall, the environmental shift can also imply a demand for new services, which in turn may create more jobs for Samhall's employees.

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