



Ekman Sustainability Report 2023

“The goal of sustainable development is to meet the needs of the present without compromising the ability of future generations to meet their needs.”

This sustainability report provides information about the development, position, and result of Ekman as well as the consequences of doing business regarding our personnel, anti-bribery and corruption, human rights, social responsibility, and environment conservation.

The structure of this year’s sustainability report/statement has been more aligned with coming reporting requirements, though far from complete. No targets, metrics nor any KPI’s have been included as work is still in progress and are currently being developed.

Reporting on sustainability matters Ekman will report per EU CSRD (‘Corporate Sustainability Reporting Directive’) in 2026, for the year ending 2025.

The UN Global Compact’s “Communication on Progress” (CoP) for 2023 is due in June 2024 and will be published on UNGC’s website.

Ekman is not currently required to report according to the EU Taxonomy, NFRD, nor TCFD.

There are other coming directives and regulations, for example CSDDD (‘Corporate Sustainability Due Diligence Directive’), which are being considered and planned for. Other international and national legislations are monitored, for potential reporting requirements.

This report was issued by the Board of Directors of Ekman Invest Holding AB on March 19, 2024, and covers Ekman Invest Holding AB and all its subsidiaries.

“Ekman” shall in this document mean Ekman Invest Holding AB and its affiliates and subsidiaries; sometimes referred to as the “Ekman Group”.

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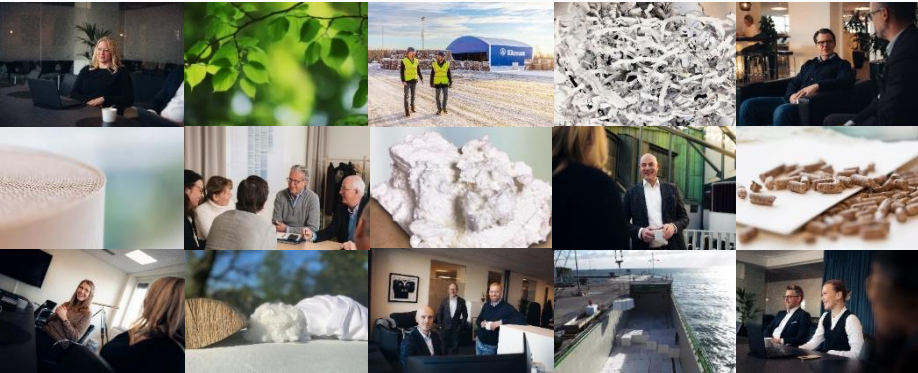
This consolidated statement applies to Ekman and all its subsidiaries worldwide, identical to the scope used for the consolidated financial statements.

Significant activities and events, headcount per gender and country, and distributions of net sales by geographic market and by product segment is found in the “Ekman Annual Report and Consolidated Financial Statement 2023”.

General

Sustainability/ESG (Environmental, Social, Governance) is a dominant focus in business. Organizations around the world and across industries are challenged to define, implement, and report on ESG metrics. Multinational companies must navigate increasingly complex human rights obligations and face increased scrutiny on environmental, social and governance indicators from their key stakeholders.

The continuing shift from voluntary to mandatory requirements coinciding with the expanded enforcement of existing legal frameworks, makes this a top priority.



ESG is already very much a part of the work at Ekman, however sometimes described with other words. For example, the areas 'Personnel', 'Human Rights', 'Anti-Bribery and Corruption', 'Compliance', 'Trade Compliance', 'Social Responsibility', 'Governance' and 'Environment', all fall under either 'E', 'S' or 'G'.

The Sustainability/ESG work has re-focused in the last couple of years to include setting sustainable strategy, targets and goals, metrics and KPI's, conducting risk-, opportunities-, and impact assessments, mapping, determining double materiality, talking to different stakeholders, and establishing working groups, forming partnerships and collaborations, etc., to be prepared to meet expectations.

Ekman, as a trading company, is a commercial business and doesn't produce anything (only very limited production in the form of re-processing of some material).

Ekman doesn't have any large facilities nor warehouses (only a very limited portion of traded goods is passing an inventory controlled by the company), doesn't have a large workforce (currently 330 employees worldwide), nor large offices.

However, there are many customers, suppliers, third parties, and logistics companies in the company's supply chain. It is in the supply chain most material potential negative and positive impact may occur, both when it comes to the environment, human rights, and corruption, and hence where the focus in the current sustainability work is.

Commitment to sustainability matters

Ekman joined the UN Global Compact in 2021 to show the commitment to conduct business responsibly by aligning strategies and operations to the "Ten Principles of the UN Global Compact".

The commitment was renewed in 2022 and 2023 and the Ekman ESG Team has since participated in the "UN Global Compact's Accelerator Programs", both for Human Rights and for Climate Ambition.

The purpose of the commitment to protect the people and the planet has become even clearer, with emphasis on the importance of being able to work both reactively (with things beyond the company's control, such as new and changing sanctions and export controls) and at the same time working proactively to be prepared for challenging circumstances and to meet expectations.

The Board and Management of Ekman are committed to support the Ten Principles of the UN Global Compact on human rights, labor, environment, and anti-corruption. In the 'Letter of Commitment' published on UN Global Compact's website, the intent to implement those principles are expressed.

<https://unglobalcompact.org/what-is-gc/participants/149107-Ekman-Co-AB>

WE SUPPORT



Governance of sustainability matters

The Ekman ESG Team handles the day-to-day tasks to learn, research, identify, prepare, and implement new processes and procedures. This is mainly done in various smaller working groups, to integrate the knowledge, processes, and procedures directly into operations.

The Ekman ESG Team will report to the Ekman ESG Committee quarterly, to ensure communication with all functions and levels within the company. The Ekman ESG Committee consists of managers from all divisions and from different countries, and will assist in supervision of progress, as well as for consultation of matters within their respective field of expertise.

For specific business transactions involving high-risk trade compliance matters, the Ekman Ethics Committee may also be consulted.

The Ekman ESG Manager will report to the Ekman ESG Steering Group regularly, to provide updates and progress reports. The Ekman ESG Steering Group consists of the Group's CEO, CIO, CAO, Group Legal Counsel, and Group Compliance Officer, and is responsible for proposing the goals, targets, timelines, and allocating resources to the Board of Directors .

The Ekman Board of Directors has the ultimate responsibility for sustainability matters at Ekman and has the final decision-making power. Two board members are especially dedicated to ESG, which will enhance the Board's involvement in sustainable business going forward. To make sure the knowledge and expertise required is sufficient, external advisors in addition to the ESG Team are consulted.



Double materiality assessments

Double materiality means matters that the company impact (inside-out) and sustainability matters that impact the company (outside-in).

The double materiality assessment is the basis for what the company should focus on both in its sustainability work and sustainability reporting, which in turn determines which subjects should be reported on.

The double materiality assessments ensure the company's sustainability reporting is relevant, credible, and aligned with standards and regulations. The double materiality is two-dimensional, both impact material and financially material.

Financial materiality

This is an outside-in perspective and looks at external aspects' impact on the company and its financial result, for example costs related to climate change transition.

A sustainability matter is financially material if it causes, or could cause, material financial impact on the company's development short-term, medium-term, or long-term.

The financial materiality matters to users of the company's sustainability report, such as investors, banks and financial institutions, and others who use financial reports to assess the company's cash flow, development, performance, position, cost of capital, or financing.

Assessments

During 2023, and continuing into 2024, double materiality assessments according to ESRS (the European Sustainability Reporting Standard) were initiated.

By looking at the real or potential impact scale, scope and remediability, and adding the likelihood aspect, preliminary (inside-out) material areas to report on were determined and included in this year's report.

To determine how these areas were material from the financial materiality (outside-in) perspective, risks were identified and scored according to scale and likelihood.

The double materiality assessments will continue to be developed and fine-tuned during 2024.

The main areas identified as material at this point are climate change (E1), biodiversity and ecosystems (E4), circular economy and resource use (E5), personnel/labor (S1), human rights in the value chain (S2), affected communities (S3) and corporate culture and anti-bribery and corruption (G1).



Stakeholders

The Ekman stakeholders are mainly the owners, board, employees, third-parties, banks, insurance companies, suppliers and customers, authorities, society, and other business partners.

In order to determine materiality, discussions with various stakeholders take place regularly and are included in the reporting to the board.



Ekman at a glance



Incorporated in
1802

**World
leading**

sales and marketing
organization



~ 4.0
million tons/year



Present in
> 100
countries



Local representatives in
~ 40
locations



About
330
employees

Finding opportunities where others see turmoil

The measure of any trading company is how well it reacts to changes in the market and in the world at large.

As one of the world's oldest trading houses, Ekman is a prime example of the truth in this statement. For centuries, not only have we reacted to the changing conditions of our often-volatile markets, but we have also excelled at finding opportunities and advantages in what others have seen as turmoil.

The global market for forest products represents exactly this kind of situation. Ekman is continuously adapting our organization and resources to match the global situation and the shifting balance of the markets in which we operate.

We take these measures from a position of financial and strategic strength, reacting to certain trends and anticipating others. The result of this continuous process is an efficient, flexible and dedicated organization. However, the more things change, the more some things stay the same. Ekman will always aim to be an indispensable trade partner, empowering global trade flows.

Jan Svensson, CEO



By your side in every step of the business

Having your best interest in mind, we will be happy to assist you in every aspect of the business by providing a complete range of services for the forest products industry.

One stop for working capital

200 years of experience in developing financing and risk management structures gives us an advantage in understanding your needs and facilitating business that might otherwise be lost.

Tailor-made supply chains

The Ekman Logistics Team provides an effective and reliable supply chain based on local knowledge, worldwide coverage and deep competence in all logistical areas.

Time saving IT services

Our IT Team ensures effective and transparent administrative flows between all parties in an operation with integrated IT solutions, adapted to your needs.

Safe and smooth business flows

The Sales Coordination Team monitors and coordinates all trade flows and is fully updated on regulations in all markets. Expect the team to anticipate and solve any problem that may arise.

Your eye in the market

Insight in markets and customers across all continents, down to detail, is the basis for good business. We share market intelligence, often daily, helping you go after opportunities and manage risks.

“We provide the perfect match between buyer and seller.”



“We are here to make trading easy and profitable.”



Committed to grow businesses

The success of our business partners is a key driver for Ekman. We add value to your business by offering competitive sourcing, strong financial solutions and efficient logistics.

Customized financial solutions

Whether you represent a multinational company or an entrepreneur just moving into a new venture we have the solutions for you. Our experienced personnel as well as our young talents know what solutions to offer and what hurdles to avoid.

We have the ability to assist from a planning stage of a start-up or to join you in a later stage of a project. Our support is tailor made to suit your requirements, thereby reducing your need for working capital, helping you avoid credit risks, speeding up cash flow as well as reducing investigating costs when entering a new market.

The Ekman Finance Team is looking forward to serving you!

A tailor-made supply chain

Ekman offers local knowledge, worldwide coverage and deep competence in all logistical areas. Through dialogue with our business partners, we are able to create a cost effective and strong supply chain, tailor-made for every specific operation.

Your dedicated support team monitors all components of the transportation chain, always ready to accommodate your requests together with our trusted partners.

The Ekman Logistics Team is ready to provide you with an effective and reliable supply chain solution!

Bringing the world to your business

Partners in more than 100 countries have chosen Ekman to make their business easy and more profitable.

Ekman's sales offices in about 40 locations worldwide and an international network of partners and representatives, ensure a strong presence in all producing and consuming areas for the forest industry.

The flexibility of our organization combined with our global presence makes us well positioned to evolve with the changes in our industry and gives our partners considerable leverage in a competitive market-place.



We strive to be an indispensable trading partner

Our job is to keep you close to the market, going after new opportunities and making the perfect match between buyer and seller.

Pulp

World's largest independent pulp trader

The Ekman Pulp Division is present in all major geographic areas, providing expertise and an international perspective throughout the supply chain. We supply a complete line of pulp grades to paper mills and identify buyers for their paper products.

We work closely with a targeted number of pulp producers and add value to their organization. We reinvest in core markets on a daily basis and use our extensive global network to add value for our partners while continuously working to establish long-term partnerships with new business partners.

Paper and Packaging

Meeting an increasing demand on packaging materials

The Ekman Paper and Packaging Division is active globally in a wide spectrum of paper and packaging grades.

Increased demand for both industrial and consumer grade packaging materials has prompted our effort to further develop our packaging grade business. The global change in the printing and writing sector has reduced demand for the related paper grades, while global demand for both industrial and consumer grade packaging materials is growing. Our focus is on growth in sales of packaging grades while maintaining a presence in the printing and writing segment.



Recovered Materials

Flexibility in a dynamic global business

The Ekman Recovered Materials Division has the knowledge, reputation and market leverage to ship over one million tons per year globally. Our presence on different continents gives trading flexibility in a dynamic global business.

Recovered materials is a major area of growth and a key segment of Ekman's business expansion. A key element of our business strategy is our commitment to capital investment. By assisting our supply partners with equipment upgrades, we add incremental tons to our system and ensure a consistent flow of materials to our customers. Discounted paper and rolls provide a balance between secondary qualities and recovered material grades which enables Ekman to provide a full range of services to our business partners.

Innovare

A product facilitator

Ekman Innovare is a product facilitator aiming to identify new products, collaborations, and networks to add value to our partners.

At Innovare, we work to identify, expand and commercialize products, innovations and collaborations that we believe have the possibilities to grow.

Ekman has an extensive forestry and market expertise, and a network that includes stakeholders in all parts of the value chain. Together, we believe that we can push for a more sustainable and profitable business based on renewable resources.

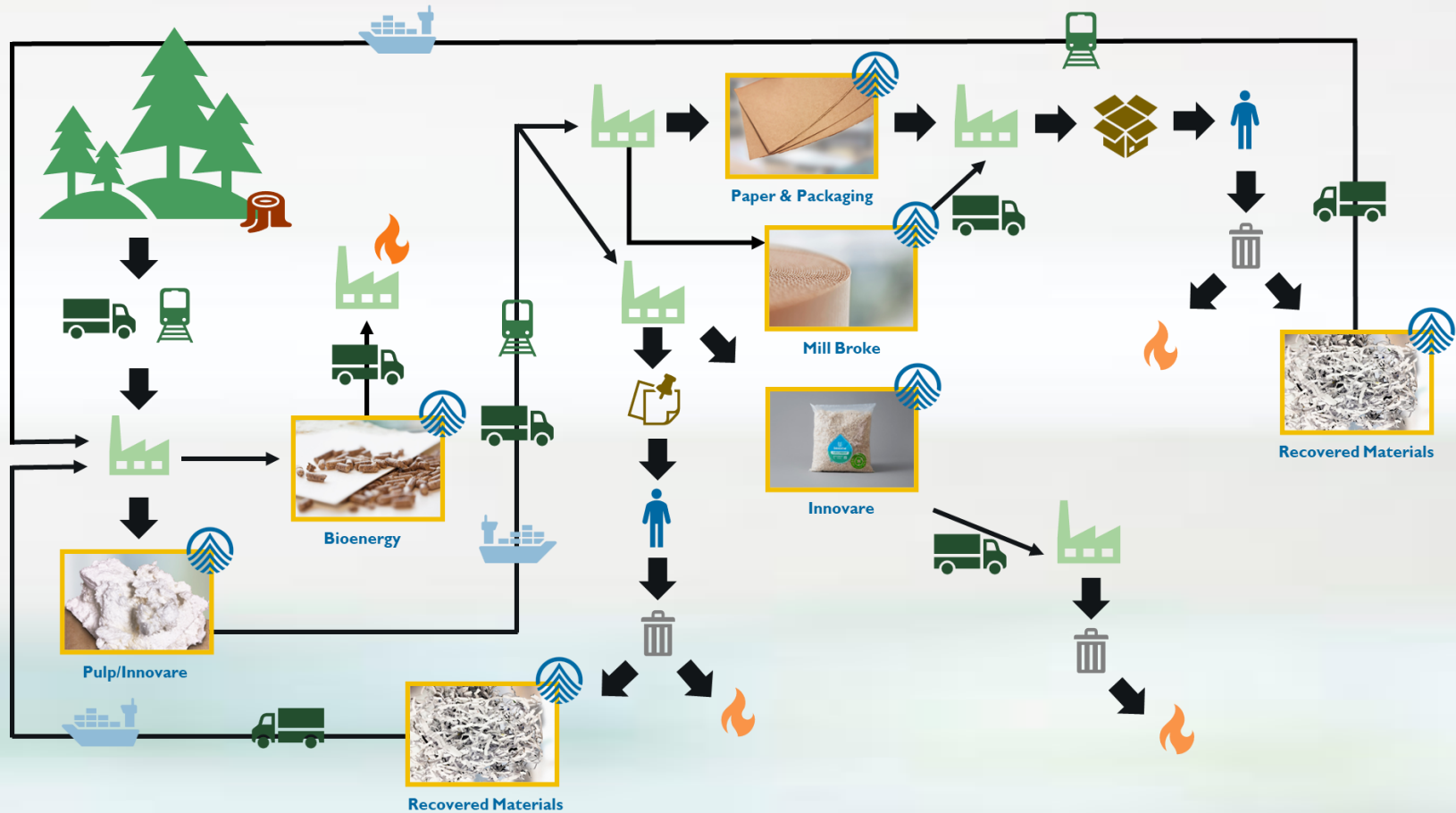
Bioenergy

Extensive market expertise

The Ekman Bioenergy Division has extensive forestry and market expertise with an in-depth knowledge of both the heating and power markets. Through our widespread network and excellent service organization, we are constantly striving to ease our business partners' entry into the biomass business.



Value chains



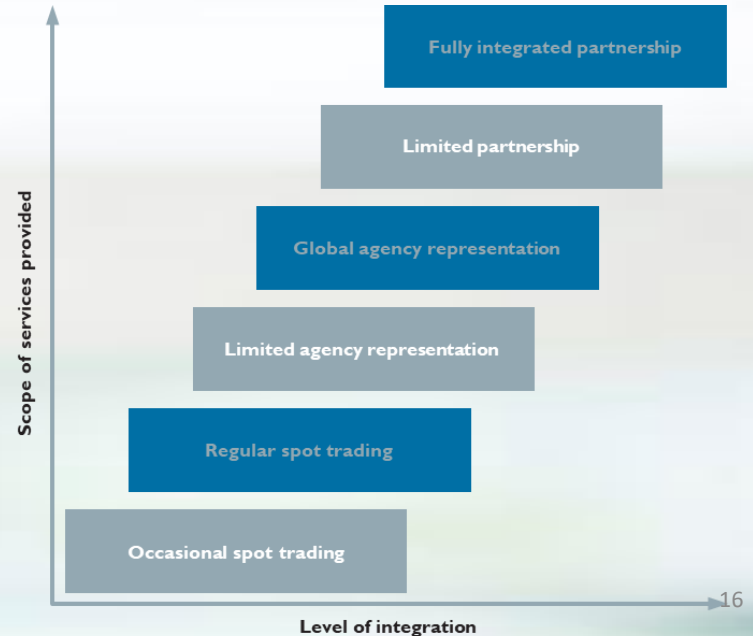
“We offer tailor-made business solutions.”



A partnership adapted to your needs

Our business is built around a partnership strategy where long-term relationships and mutual trust are fundamental. We create mutually beneficial business relationships with suppliers and customers around the globe.

With deep expertise, strong financial solutions, competitive sourcing and highly committed people we provide tailor-made solutions, always adapted to your needs.



Environment

During 2023, Ekman took part in the UN Global Compact Climate Ambition Accelerator Program. This was a six-month accelerator program for companies participating in the United Nations Global Compact who are looking to make progress towards setting science-based emissions targets and create a clear path to address their organization's transition to net-zero.



Climate change

Business transaction mapping shows the highest risks for impacts on climate change (emission) is in the supply chain, with only a small portion in own production/re-processing (energy use).

- **Scope 1** (in progress)
This relates to any direct emissions at own (limited) production/re-processing sites and offices. Collection of data, measuring, and target setting is planned for 2024, with potential improvements from 2025.

- **Scope 2** (in progress)
This relates to the indirect emission from the generation of purchased energy. Due to small offices and a small work force (around 330 employees), this is an area where Ekman does not appear to have a material impact. Collection of data, measuring, and target setting is planned for 2024, with potential improvements from 2025.
- **Scope 3** (in progress - reporting requirements postponed until 2027)
This relates to emissions in the supply chain and risk-, opportunity- and impact assessments show that this is the area with most potential positive and negative impact.

Ekman is not required to report on this until 2027, so the initial focus is on collaborating with business partners who are required to report before then.

As Ekman has very limited own production, and act mostly as a middleman, the largest controllable impact will likely be in the transportation of goods from the suppliers to the customers.

There are several different laws and regulations that will impact emissions, such as "EU Emission Trading System" (ETS) which enters into force in 2024 and will regulate the maritime sector and affect shipping. These changes will likely take place within the next 5 years and will be part of the strategy, goals, and target setting.

Biodiversity and ecosystems

To promote the sustainable forest industry, certified products are marketed/traded, and customer awareness of such products is increasing. The Ekman Group has the following certifications related to environmental sustainability:

- **FSC®** (Forest Stewardship Council), FSC® license codes FSC-C013203, FSC-C103598, FSC106172, FSC-C016305; an internationally recognized certification scheme in place to ensure the responsible management of the world's forest.
- **PEFC** (Program for the Endorsement of Forest Certification); an international non-profit, nongovernmental organization dedicated to promoting sustainable forest management.
- **SBP** (Sustainable Biomass Program); an economically, environmentally, and socially sustainable program for the woody biomass supply chain.
- **RCS** (Recycled Claim Standard), license code CU1071172; an international, voluntary standard that sets requirements for third-party certification of Recycled input and chain of custody. The goal of the certification system is to increase the use of Recycled materials.

Many of the Ekman entities spread around the world are certified and the company can handle certified products in the above-mentioned programs in all major global markets. Although trading in certified products only represents a part of the company's business today, more certificates and more sites continue to be added. Some Ekman offices are also ISO 9001 certified.

Assessments show the highest risk for negative impact is in the upstream supply chain, with the initial focus on suppliers in countries/areas with high risks of deforestation and illegal harvesting.

Collaborating with suppliers, purchasing certified goods, and being compliant with EU Timber Regulation (EUTR, current) and EU Deforestation Regulation (EUDR, 2024) have the most potential for a positive impact.

The new EUDR will increase the due diligence required for all imports to and all exports from the EU, so the risk management of biodiversity should increase/improve much by end of 2024.





Resource use and circular economy

The very nature of Ekman's business is trading in sustainable, recyclable, and renewable resources. In addition to pulp and paper, the company also trades in recycled products and bioenergy - both divisions promoting an enhanced circular economy.

Ekman's recycling division plays a role marketing recycled material, and the overall industry helps avoid filling landfills or burn facilities.

Risk assessments show the highest risk for negative impact is in the downstream supply chain, where products might be sold, used, and not recycled.

Changing market expectations have prompted our efforts to further develop our business portfolio. The result is Innovare, a new business area, responding to the increased demand for sustainable products and innovations in the forest industry.

Innovare

Innovare, our newest division, continues its work to further develop our business portfolio. Innovare is a response to the increased demand for sustainable products and innovations within the forest industry. Innovare's aim is to identify, expand, and commercialize products, innovations, and collaborations that we believe have the possibilities to grow.

Ekman has an extensive forestry and market expertise, and a network that includes stakeholders in all parts of the value chain. Together, we believe we can advocate for a more sustainable and profitable business model centered on renewable resources.

One example of Innovare's focus is our symposium and initiative 'Challenge the Fabric' (CTF).

'Challenge the Fabric' is a cross-industry initiative and unique platform that enables the entire supply chain of man-made cellulosic fibers (MMCF) to meet, collaborate and create change. By gathering the whole supply chain of MMCF's every year, we can enhance and drive the discussions between stakeholders that are needed to push the fashion industry toward the use of more renewable and circular raw materials.

Collaboration is at the core of Innovare's focus, and we are engaged in several networks dedicated to expanding startup companies. Through our global value chain, we are well-positioned to assist startup ventures in their efforts to scale and commercialize their innovations.

Through Ekman's small venture fund, we invest in companies with innovative solutions that we perceive as pivotal for addressing the challenges of sustainability in the future. One such example is our investment in Bright Day Graphene, a toxic-free green graphene produced from wood based residual products from the paper industry.



Social

Personnel/labor/own workforce

Ekman values a safe and healthy workplace with equal opportunity for employment, development, and advancement for all employees, and considers the employees its most important resource for past, current and future success, and continued growth. Ekman strongly believes in the concept of “decent work”. This includes physical protection, well-being of people at work, contributions toward a broad social goal of diversity and equal treatment, work security, as well as providing employees with support to enhance personal skills and potential.

Assessments show the highest risk for negative impact on its own workforce is on the wellbeing and physical and mental health of the employees.

By treating the personnel fairly, making them feel secure, creating a sense of belonging, and following ILO’s (International Labour Organization) guidelines, as well as the UN Guiding Principles on Business and Human Rights, OECD Multinational Guidelines, and other guidelines, this will continue to have a positive impact.

To confirm compliance with labor laws, the company is kept up to date through continued education, and support from external professional expertise. A more skilled workforce enhances the organization’s human capital and contributes to employee satisfaction, which correlates strongly with improved performance.

The main risk to the company regarding personnel and labor is loss of key personnel, including not being able to attract, recruit and keep qualified employees. Other risks involve not keeping employees safe and healthy which could result in high employee absenteeism and low morale. This combined with lack of opportunities for development and advancement could lead to a non-motivated and non-skilled workforce. Compliance with labor laws is crucial to prevent an unfair work environment and the risk of monetary loss in forms of fines and penalties. Lack of diversity is also a risk in that this would put Ekman at a disadvantage in the international marketplace.

In order to attract and keep personnel satisfied, a healthy, safe, diverse and equal work environment is defined in the “Ekman Code of Conduct” and “Ekman Human Rights Policy”.





Health and Safety

The safety aspects in an Occupational Health and Safety Management Systems (OHSMS) focuses mostly on the safety in hazardous work environments, not in offices, hence Ekman doesn't have a formal system in place. Employee health is promoted in the individual offices, and labor law compliance is according to local laws.

Diversity and inclusion

Ekman believes that employees from many different cultural, linguistic, and national backgrounds provide the group with valuable knowledge for understanding complex international markets which adds value for the customers. Employees are recruited in the local markets and countries in which Ekman operates.

Diversity at Ekman encompasses differences in employees' ethnicity, nationality, gender, sexual orientation, language, age, religion, socio-economic status, thinking styles, experience, and education. Ekman has chosen not to calculate metrics on diversity at this point, for personal privacy reasons.



Worker management

Ekman employees are encouraged to strive for personal and professional development and both internal and external training is available and encouraged. No formal training program is in place, but there are plans to develop one in the near future.

To encourage improvements and further development, personal annual reviews and follow-up meetings between managers and employees are conducted, to create a safe and encouraging work environment where employees are heard and listened to.

An employee representative is present at all Group Board meetings, to ensure the employees' interests are provided for.

A third-party administered web-based whistleblowing service is in place for anonymous and confidential reporting of corruption and other fraudulent and unethical behavior. The service is available both internally and externally, has been in place since 2017. The anonymous service is available in 6 languages.

No cases of discrimination have been reported to the Ekman Whistleblowing service.



Human rights/workers in the value chain

The existence of crimes against human rights is a global reality and needs to be considered by anyone doing business on a global basis and especially when dealing with so called “high risk countries”.

Ekman’s business is global and exposed to various risks via business transactions in different countries, cultures, and markets. Ekman is committed to live by the highest ethical standards and expects the same from its partners.

Everybody doing business with Ekman are expected to comply with international anti-corruption and human rights laws and regulation and are asked to sign off on the “Ekman Code of Conduct for Business Partners” (published in English, Chinese, Russian, Arabic, Italian, Spanish, French and Finnish, and is found on ekmangroup.com). Ekman will also sign business partners’ Code of Conducts upon request.

The required compliance with human rights is changing, as new legislation is being implemented in several countries, in addition to the “Modern Slavery Act” in the UK, which has been in place since 2015.

Business transaction mapping shows the highest risks for impacts on salient human rights are in the supply chain. Child labor and forced labor (modern slavery) are determined to be the most salient human rights in the company’s supply chains, and the operating sectors (forest and garment) are considered high-risk.

Other salient human rights that are potentially high-risk are working conditions (health and safety, diversity and equality, non-discrimination and harassment) and the right to freedom of association and collective bargaining.

The work with human rights in the supply chains includes policies, risk assessments, due diligence, internal audits, and whistleblowing service.



The Ekman Trade Compliance Team ensures all business partners are verified and screened against sanctions, corruption, crimes against human rights and crimes against the environment.

‘Business partners’ encompass not only direct customers and suppliers, but also agents/intermediaries, end-users, other trading companies, other business partners, etc.

In cases where there are high-risk of any of the above, an escalation structure is in place. The Trade Compliance Team consults the Group Compliance Officer and/or the Group Legal Counsel. For further consultation, external legal advisors and/or the Ekman Ethics Committee may be consulted. If the risk cannot be mitigated at that point, the Board of Directors may be consulted, for a final decision.

During the spring and summer of 2023, the Ekman ESG Team participated in “UN Global Compact’s Accelerator Program: Business and Human Rights”. During this time a ‘Human Rights Due Diligence’ (HRDD) project was completed, and additional ones initiated and in progress.

Ekman does not participate in any form of forced labor (bonded labor, debt bondage, forced prison labor, modern slavery, servitude, or any form of human trafficking).

Corruption is also a human rights issue. Whichever form it takes, large or small, corruption results in countries not fulfilling their human rights obligations and in people not enjoying their rights.

No cases of crimes against human rights have been reported to the Ekman Whistleblowing service.





Affected communities/social investment

Due to size, Ekman does not have a big impact on the local communities in which the company operates, apart from providing job opportunities. One way to contribute is by making donations to local causes regularly.

Coming regulation (EU Deforestation Regulation, 2024) puts additional focus on human rights, especially Indigenous Peoples, which may have positive effects on the respect for the rights of indigenous peoples and human rights overall in local communities.

Imports/exports of goods in the EU need to take into consideration and document the presence of, and consultation and cooperation with, indigenous peoples, in the country or region of harvested forest products.

Risk assessments and research in this field is in progress.

Governance

Corporate culture and Compliance

Ethics, corporate culture, and values may be considered material for all aspects of sustainability work and reporting.

Business misconduct, including bribery and corruption, is the foundation for other sustainability matters, such as crimes against the environment and crimes against human rights and may be considered in correlation with all other SDG's (Sustainable Development Goals). Ethical culture and leadership lead to sustainable and ethical business and a healthy working environment.

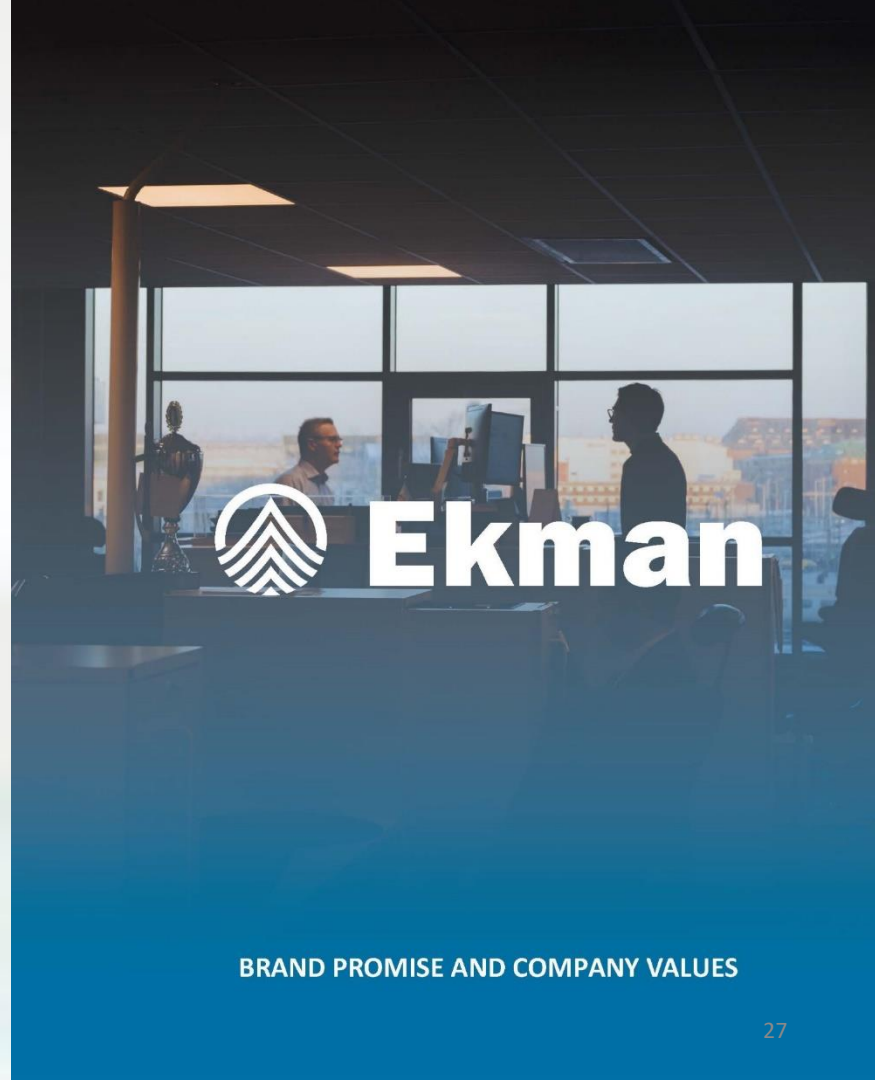
Ekman's business is global and exposed to various risks via business transactions in different countries, cultures, and markets. Ekman is committed to live by the highest ethical standards and expects the same from its partners. The goal is to continue to be a company of integrity to ensure that the values, ethics, statements, commitments, relationships, and transactions are a reality in everyday work.

To deter bribery and corruption and to increase employee awareness of fraud in general as well as promoting ethical behavior, Ekman has a global compliance program in place. The "Ekman Compliance Program" is an internal framework with policies, risk assessments, due diligence, instructions, training, internal audits, investigations, and whistleblowing service.

To give all employees globally an overview of the 'Compliance Program' at Ekman, an Annual Review is distributed, including some specific training, reading of the "Ekman Code of Conduct" and signing off on reading, understanding, and following.

All Ekman internal policies are readily available on the intranet.

With Ekman's brand promise of "Empowering Global Trade", business focus is on offering reliable partnerships and being expert business match makers. For Ekman to deliver on this promise, it is vital to manage responsible, compliant, and ethical business transactions with an eye towards sustainability regarding the environment, people, and society. It means following laws and regulations and treating employees and all people with fairness and respect.



BRAND PROMISE AND COMPANY VALUES

Governance of business conduct

The Compliance Program is headed by the Ekman Group Compliance Officer, who reports to the CEO, is assisted by the Group Legal Counsel, and has direct access to the Group Board.

Compliance updates, including potential incidents, are provided to the Board quarterly.

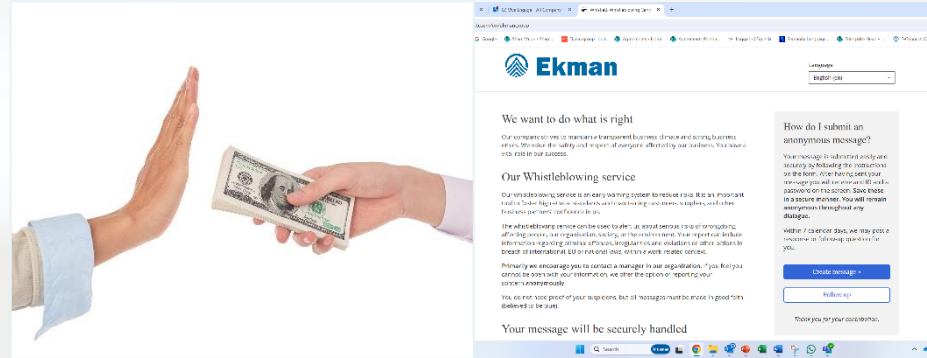
The governance structure at Ekman also includes the “Ekman Ethics Committee”, consisting of the CEO, COO, Division leaders, VP Finance, the Compliance Team, and Group Legal Counsel.

Whistleblowing service

A third-party administered web-based whistleblowing service is in place for anonymous and confidential reporting of corruption and other fraudulent and unethical behavior. The service is available both internally and externally, has been in place since 2017. The anonymous service is available in 6 languages.

Whistleblower protection

The EU Whistleblower Protection Directive provides and promotes a safe and secure way for employees to speak up about misconduct in their work environment.



Trade Compliance

Management of business partners

Ekman's history and reputation for transparency and fairness provide the platform for strong partnerships around the world. Ekman believes openness and trust are key factors, as well as integrity and ethical behavior.

Everybody doing business with Ekman are expected to comply with international anti-corruption and human rights laws and regulation and are asked to sign off on the "Ekman Code of Conduct for Business Partners" (published in English, Chinese, Russian, Arabic, Italian, Spanish, French and Finnish, and is found on ekmangroup.com). Ekman will also sign business partners' Code of Conducts upon request.



The Ekman Trade Compliance Team ensures all business partners are verified and screened against sanctions, corruption, crimes against human rights and crimes against the environment.

"Business partners" encompass not only direct customers and suppliers, but also agents/intermediaries, end-users, other trading companies, other business partners, etc.

Antitrust and competition

To ensure competition in the marketplace, there are Antitrust and Competition laws in place. The laws aim to avoid "coordination of market behavior" and certain activities are therefore forbidden by law. These activities include disclosing to, discussing with, or entering into agreement with competitors. These activities could affect how customers act and could hinder competition.

The antitrust and competition laws prohibit efforts and actions to restrain or limit competition between companies that otherwise would be competing for business in the marketplace.

Prohibited efforts and actions under applicable antitrust and competition laws generally include, but are not limited to, price fixing, bid rigging, market division and any other unlawful information sharing arrangements that unreasonably restrain trade.

It is Ekman's policy to comply with applicable antitrust and competition laws of each country in which Ekman does business, and under no circumstances should anyone at Ekman enter into any agreement (written or oral, expressed, or implied) that could be seen as having the potential to restrict competition.

Sanctions

Management of sanctions continues to be one of the more important tasks for the Trade Compliance Team.

Sanctions are imposed by the UN, US, UK, and other countries for crimes against human rights, mainly Russia and surrounding countries, such as Uzbekistan and Georgia, as well as Syria, Myanmar, China, Iran, and Ethiopia, among others.

Anti-Fraud, Bribery and Corruption

The existence of corruption is a global reality, and the risk of corruption is therefore something that needs to be considered by anyone doing business on a global basis and especially when dealing with so called "high corruption risk countries". Ekman conducts business in more than 100 countries around the world, many where bribery and corruption risks are present. Negative impacts are difficult to project, especially in understanding the potential severity, as bribery and corruption take place in the unknown. The focus is on prevention of bribery and corruption to take place in the first place, and on detection if it does.

Bribery and corruption in the supply chain could have widespread negative impact on individuals, companies, communities, and countries. Fraud, bribery, and corruption are major global issues, causing damage to societies and individuals worldwide. It undermines democracy and the rule of law, leads to violations of human rights, distorts markets, erodes quality of life, and allows organized crime, terrorism, and other threats to human security.

Bribery and corruption in the supply chain could seriously damage the reputation of Ekman, prevent fair competition, and create an unethical work environment. Breaching international anti-bribery and corruption laws could also result in imprisonment, large fines, not being able to trade in USD, etc.

Risks of bribery and corruption include against Ekman, by Ekman, and in line of doing business on behalf of Ekman.

Risk assessments are based on mapping of countries/markets, business partners, and setups. (Ekman's products are not considered high-risk products per se).



Governance of Compliance department and escalation

The Compliance Officer is responsible for keeping compliance policies up to date (including “Code of Conduct”, “Anti-fraud, Bribery and Corruption Policy”, “Trade Compliance Policy” and “Whistleblowing Policy”), offering training for employees, management, agents, and board members, performing investigations if needed and monitoring of the program.

Employee training in anti-bribery and other trade compliance issues is on-going and global. To ensure employee training participation and understanding of training subjects, some tests are mandatory and documented.

In cases where there are high-risk of any of the above, an escalation structure is in place. The Trade Compliance Team consults the Group Compliance Officer and/or the Group Legal Counsel. For further consultation, external legal advisors and/or the Ekman Ethics Committee may be consulted. If the risk cannot be mitigated at that point, the Board of Directors may be consulted, for a final decision.

No confirmed incidents of bribery and corruption was reported.



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Information security

Risks to the Group's data, systems, and networks entail operational disruptions, technical failures, loss of data, confidentiality, availability, and integrity of data, and can be caused by many things, including natural disasters, terrorism, and cyber-attacks (phishing, spoofing, malware, intrusion, etc.)

Cyber security is a prioritized area, with cooperation between the CIO, the CEO, the IT department, and external consultants, as well as cooperation with the Ekman Compliance Team and the Data Protection Group for GDPR. Employees are given guidelines and regular training on how to use IS/IT, in order to protect the data, infrastructure, integrity of the company and the employees themselves.

The data, systems, and networks are protected to prevent incidents from happening, and to minimize potential impacts to the company's value and reputation, trade secrets, employees' personal data, etc. should an incident take place.

The Group's CIO manages information security risks through internal policies, management and board strategy and review, adequate processes, contingency plans, and internal and external reviews of the IT infrastructure.

Information security is an ongoing concern, in an area that evolves continuously and swiftly.

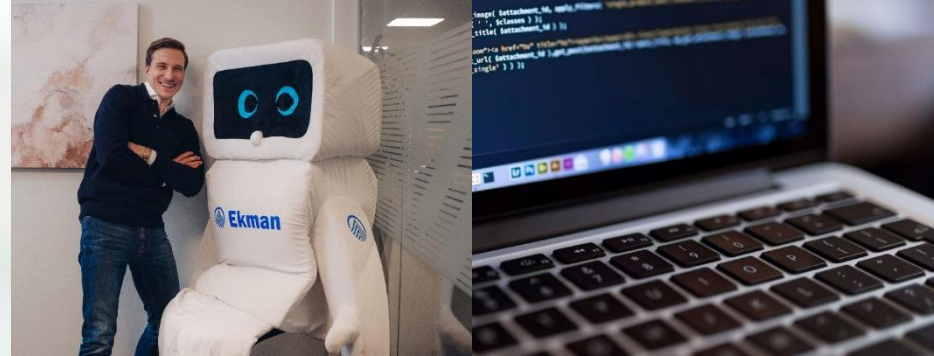
Crisis management

With the current state of the world - wars and terrors, political tension, human suffering, environmental disasters, cyber security threats - Ekman has implemented improved crisis management plans, both on a global level and with local plans for the Ekman offices. The plans outline how to react if a crisis occur, who will take action, and what those roles will be. The goal is to minimize damage, restore business operations as quickly as possible, while always keeping the personnel safe. Taking care of and leading the personnel, even in changing and challenging conditions, is of high priority.

Artificial Intelligence

In the ever-evolving landscape of technology, Artificial Intelligence, AI, has emerged as a powerful tool capable of transforming day-to-day tasks, enhancing productivity, and streamlining workflows. Ekman consider these tools to be used to empower human potential, not to replace people. By adopting a user-friendly approach, it will be possible to use the full potential of AI to enhance the efficiency of our company, simplify tasks, and improve the quality of the daily work.

Even if game changing AI is not what will be reached within Ekman there is a strategic plan to utilize the potential of AI and to create a team to actively find cases where AI can be used to support efficiency.



Sustainability matters addressed during the year

The sustainability matters addressed during 2023 have been many and varied, such as:

- Structure for governance of sustainability matters
- Mapping value chains
- Double materiality assessments
- Impacts, risks, and opportunities
- Forming internal working groups
- Various projects initiated
- Research and learning
- Preparing for reporting according to CSRD
- Preparing for other sustainability legislation (ETS, EUDR, modern slavery, due diligence, etc.)
- Awareness building within Ekman



Environment

Climate change
Biodiversity and ecosystems
Circular economy and resource use

Social

Personnel
Labor law compliance
Human rights
Communities/society

Governance

Strategic
Operational
Economic/financial
Anti-bribery and corruption
Steering/leadership



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Ekman

BRINGING THE WORLD TO YOUR BUSINESS

Auditor's report on the statutory sustainability report

To the general meeting of the shareholders in Ekman Invest Holding AB, corporate identity number 556712-1602

Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the financial year 2023 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

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

Opinion

A statutory sustainability report has been prepared.

Gothenburg March 19th 2024
Deloitte AB

Signature on Swedish original

Harald Jagner
Authorized Public Accountant