



# SUSTAINABILITY REPORT

## **2021**



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## About This Report

On September 16, 2021, Nalka Invest AB completed the acquisition of CERTEGO from Assa Abloy. CERTEGO was therefore part of Assa Abloy's report for the fiscal year 2020, released on 5 Feb 2021.

CERTEGO Group's first sustainability report as an independent company is inspired by the GRI Standards and covers our four entities, CERTEGO Sweden, CERTEGO Finland, CERTEGO Norway and CERTEGO Denmark. It describes our sustainability performance for the fiscal year 2021.

*Published on April 21, 2022*

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# This is CERTEGO

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The story of CERTEGO started in the aftermaths of the great fire in Uppsala, Sweden, in 1702 and the growing need for forges that would help build the city. The locks to Uppsala Cathedral come from this forge. With an experience that has been built since then and with an ear constantly to the ground, we have now delivered security products and solutions in the Nordic region for more than 300 years.

Our promise to our customers is: security for everything you want to protect, and over the years, we've developed together with our customers in the shift from mechanical locks only to intelligent electronic and digital solutions. Today, many customers require integrated systems with access controls, camera and alarm as security awareness increases.

Our customers are found in almost every industry, from high-risk buildings and offshore oil platforms to hospitals, multi-residential buildings, and private homes.

Today, CERTEGO is one of the major players for security solutions in the industry of locks, access solutions, monitoring and detection in the Nordic region. We aim for nothing less than being the market leader in complete security solutions in our region. To get there, we support our customers throughout the life cycle of their security solutions, ensuring that they always have the best fit for their needs.



*Our name CERTEGO derives from the Latin words CERTUS, which means secure, and TEGO, which means to cover, protect, and defend.*



# Our Core Values

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Our four values are at the heart of our corporate culture and define who we are and how we act. We define our sustainability work according to these values.

## Safety

Customers should rest assured that we recognize our responsibility and limit our negative environmental impact as much as we possibly can.

## Proactivity

We use measurements and analysis to prevent negative environmental impact and actively work to limit emissions from our transportation.

## Pride

We are proud of our history and learn as we go. We are proud of the focus we have on sustainability.

## Competence

We shall reduce our negative impact on the environment through conscious actions based on knowledge, while analyses of the environmental aspects of the business determines the priority.

*As part of our upcoming strategy work during 2022, CERTEGO will review our core values to ensure that they reflect the company's journey from here.*







## Words from Our CEO

The security solutions market has never been more interesting to be in. There is a general increase in demand for security solutions, while at the same time we see a large market transformation happening, from mechanical products to digital solutions and services. As a supplier, we aim to deliver security solutions for the full lifecycle to our customers, while we keep our high integrity to deliver secure high-quality solutions. To continue being one of the largest providers of security solutions we need to continue to develop our company, customer solutions and competencies. Our new owner, Nalka Invest, is fully committed to this journey, and to ensure that we are at the forefront of this market transformation.

Sustainability and social responsibility have always been key to us at CERTEGO. I personally believe that everyone can do their part, but larger institutions and companies should lead the way. Our sustainability work continues, and we aim to intensify our efforts even more. I want to lead a company that takes the lead on sustainability within the security business.

Covid -19 has of course impacted us as we are a distributed organization with many co-workers. We have learned to cope with the situation but do of course look forward to normal. However, some of the learnings from this period of time have also given us insights of new ways of working, and I am confident this experience has actually pushed all of us to take further steps in sustainability and social responsibility.

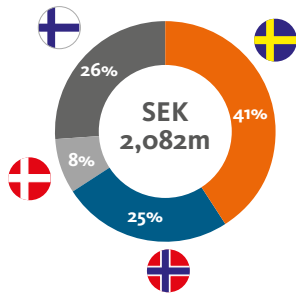
Our employees are our most important asset, and we continue to work intensively with multiple activities to be a good employer as well as good leaders. I am especially proud of our efforts with trainee programs in all four countries that deliver further skills into CERTEGO as well as to the security market. One evidence that we are doing the right thing is of course the Karriärföretag 2022-award in Sweden, which verifies that we are on the right way when it comes to being an attractive employer to current and future employees.



Lars Nilsson  
CEO CERTEGO Group

# The Year in Brief

## Revenue split by country



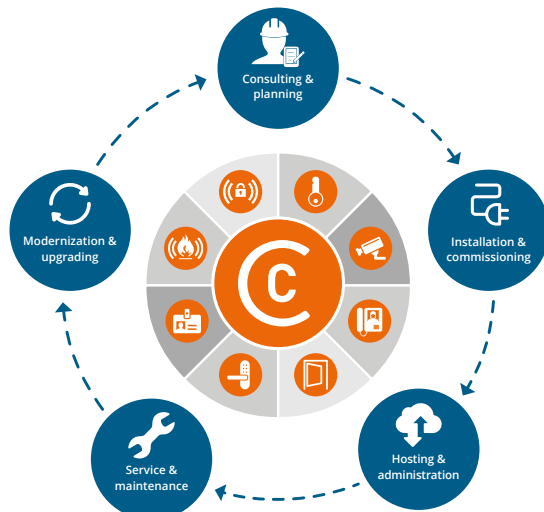
September 16, 2021  
Nalka Invest acquired CERTEGO



## CERTEGO's core values

**Safety** is our responsibility  
**Proactivity** through dedication  
**Pride** in our long tradition of security  
**Expertise** creates secure solutions

**Security for everything  
you want to protect**



## Market and Growth Drivers

**# 2** Market position  
8% market share in the Nordics

1. Increased security awareness
2. Transition from mechanical to electro-mechanical and electronic security systems
3. TAM expansion due to digitalisation trend and new technology

\*TAM = total available market





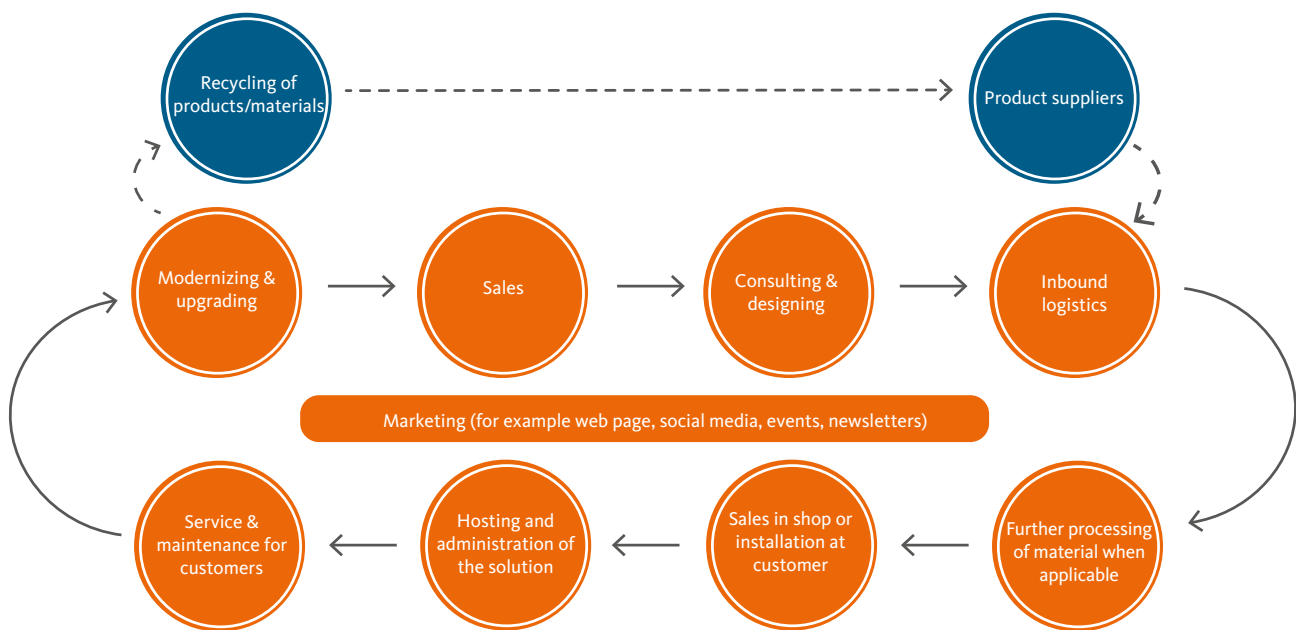
# Stakeholder Engagement

CERTEGO has an ongoing and proactive dialogue with our stakeholders to ensure that we understand their expectations. This is a description of our most important stakeholders, how we interact with them and their key topics of interest. They are chosen based on the level of interest and potential influence over us as a company.

STAKEHOLDER	DEFINITION	DIALOGUE FORM	KEY TOPICS OF INTEREST
Customers	Direct customers, distributors	Daily basis	Competence, flexibility, cost efficiency, emissions to air, water and land
Employees	Current and potential	Daily basis, yearly employee survey	Health, safety and wellbeing, diversity and inclusion, competence development
Board	Board of CERTEGO Group	Board meetings, monthly and ongoing	Control and supervise the Sustainability work of the Executive Management. Assure maintenance of governing policies and procedures to control the conduct of the business
Owners	Nalka Group	Shareholders Meetings, Members of BoD	Develop long-term, stable, profitable and sustainable business
Suppliers	Direct suppliers	Daily basis	Clear expectations from CERTEGO on sustainability requirements
Planet	Environmental perspective	Science, research	Emissions to air, land and water, circularity, waste handling, energy efficiency
Local Society	Where we operate	Depending on location	That we offer jobs, competence development and follow laws and regulations, contribute to local organizations (sponsoring)

# Our Value Chain

We aim at a holistic approach to our security solutions, all the way from manufacturing of our products to end of life treatment. This life cycle approach encompasses material choice, human rights, safety, design, product length, transport, and recyclability, as well as innovation and a clear understanding of customer needs. We work intensively with the parts that we can influence today.



*The model shows CERTEGO's operations and how we interact with our customers throughout the lifecycle, including our role as providers of products and material.*

Every year, CERTEGO purchases material, components, and products from approximately 500 direct suppliers, mainly in Nordics and Europe. All main suppliers sign our code of conduct to ensure that they comply with our ethical and sustainability requirements.

In our operations, we design, sell, install, and manage complete security solutions throughout the lifecycle. We aim at reducing our impact through efficient resource use and a circular mindset, considering the whole lifecycle of our products and solutions. From a greenhouse gas emission point of view, our own vehicles are the major emitter in our own operations.

The health and safety of our employees is our foremost priority. We also aim at creating a diverse team throughout the company and ensure that we comply with high ethical standards. All employees have received training in our internal code of conduct.

For the 2021 sustainability report, we will focus on our own operations when evaluating our impact throughout the value chain. A thorough value chain analysis will be conducted during 2022.





# Material Topics

## - and how we address them

We see an increasing concern for violence, burglary, and other crimes in society today. According to the Swedish Security Industry Association, Säkerhetsföretagen<sup>1</sup>, the increased crime rate in Sweden is driving the demand for security solutions, and we see similar developments in other Nordic countries. Hence, the demand for our products and solutions increases, and we are committed to handling the confidence of our customers carefully.

As part of this commitment, we will continue our focus on our employees, as well as a genuine respect for the planetary boundaries. During 2022, CERTEGO will conduct a materiality analysis to identify the most significant areas to focus on, set targets and action plans, improve and follow up. Based on regular dialogues with our stakeholders, and on our strategic direction, we have listed our top strategic topics below.

### KEY TOPICS OF INTEREST

### HOW WE WORK

#### Greenhouse gas emissions

Reduce own transports through optimized planning, assessing our fleet of vehicles to find renewable fuel solutions, increased amounts of digital meetings to reduce emissions from travelling, 100% renewable electricity in all countries and continuous focus on energy efficiency.

#### Waste handling

Life cycle approach and a well-developed way of working with recycling of waste, residual products and replaced security solutions during new installations.

#### Safety, health, and wellbeing

Ambition for zero harm to people and the environment by actively foster a culture of safety and transparency within our company.

#### Diversity and equal opportunities

Zero tolerance for all forms of direct and indirect discrimination, aiming at recruiting and retaining a diverse workforce with potential for all employees to reach their full potential.

#### Ethics

Code of conduct for employees and for suppliers and other partners.

<sup>1</sup>. (Report in Swedish) Ökat trygghetsskapande för samhällsviktiga säkerhetsföretag –trots pandemin; Årsrapport Säkerhetsföretagen 2016 – 2020; Publication date: september 2021; <https://www.almega.se/app/uploads/sites/11/2021/09/arsrapport-2021-slutlig-version.pdf>

# Greenhouse Gas Emissions

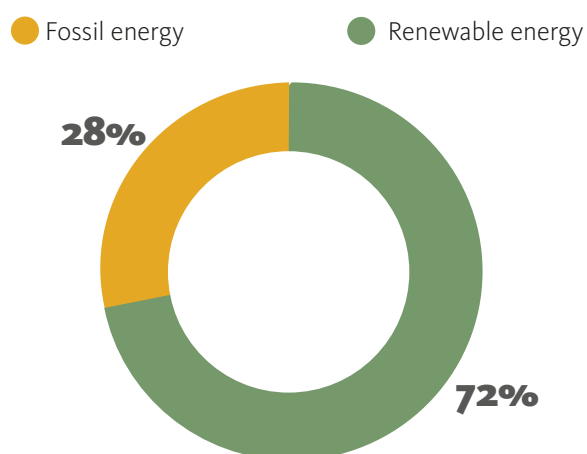
Being a solutions provider, our main greenhouse gas footprint is found in scope 3, which means that they occur upstream and downstream in our value chain. In our own operations, scope 1 and 2, CERTEGO's main source of greenhouse gas emissions comes from our own transport. Providing our customers with timely security solutions requires large amounts of transport, especially in installation and service. To reduce these emissions, we have three main initiatives:

1. Reduce own transport through optimized logistics planning
2. Assessing our fleet of vehicles to identify the best renewable fuel solutions
3. Reduce travelling by utilizing remote troubleshooting through increased use of our Security Operation Center (SOC)

In addition, we implemented digital meetings several years ago to reduce unnecessary travelling. During 2022, we will start measuring and reporting our greenhouse gas emissions according to the GHG Protocol.

## Energy

	2020	2021
Energy consumption within the organization (MWh)	3 328	3 296



Number of company vehicles

**810**

Percentage of electric, hybrid or biofuel vehicles in our fleet

**16.3%**

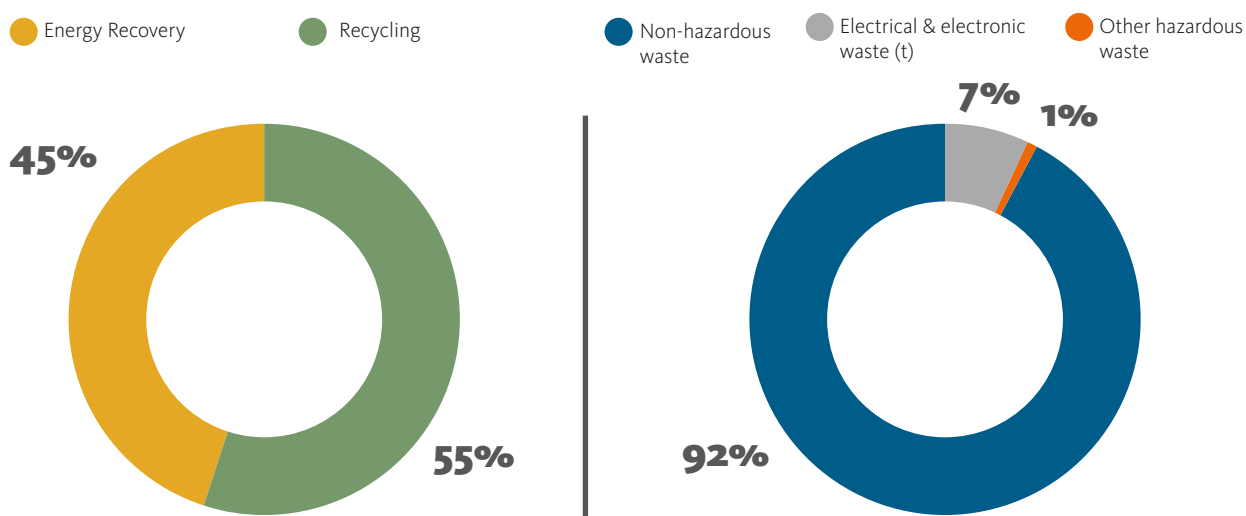




# Waste Management

Responsible waste management is an integral part of a circular approach, and we have a well-developed way of working with recycling waste, residual products and replacing security solutions during new installations.

Waste	2020	2021
Waste generated (tons)	222.2	254.8



# Safety, Health and Wellbeing

Our promise to our customers is: **security for everything you want to protect.** Security, however, encompasses more than security for our customers; it most definitely also includes safety, health, and wellbeing for our employees.

The incident rate (LTIFR) decreased slightly during 2021, but we aim at zero harm. Hence, all injuries and improvement suggestions are carefully analyzed. When relevant, routines are established or updated and all incidents, improvements and mitigations are communicated internally.

To further reduce the number of incidents, we actively work to foster a culture of safety and transparency within our company. Providing our teams with appropriate

tools and safety equipment is obvious, and we also provide comprehensive safety training starting in our onboarding process. Managers and safety representatives are continuously trained in tools, routines and skills in improving health and safety work locally. Our annual safety week is a well-appreciated event when all employees on all levels engage in different health and safety aspects.

Occupational health and safety	2019	2020	2021
Number of injuries with 1 full day of absence or more	13	12	11
Number of working days lost due to injuries (1 day of absence or more)	67	68	54
Number of days lost per injury	5.2	5.7	4.9
Injury lost day rate (lost days due to injuries per million worked hours)	30	32	25
Injury rate (per million worked hours)	5.9	5.7	5.2
Absentee rate (%)	5.1%	5.7%	5.7%



## 5.2

Lost Time Injury Frequency Rate  
(LTIs/million working hours)





## Employee Wellbeing

We conduct an annual employee survey to ensure that our teams are satisfied, engaged, and that they feel that they can reach their full potential with CERTEGO.

Finland was included in the 2021 survey for the first time, with the result of a smaller decrease in both the engagement- and leadership indexes for 2021 compared to 2020. To continue our focus on our employees and people engagement is therefore crucial in coming years.

Our ambition is to exceed benchmark for both engagement- and leadership indexes for 2022, which in the service sector is to aim at index 80 and beyond. To get there, we are working actively with several initiatives, such as:

- Implement new Values and the CERTEGO Way
- Set up a CERTEGO Academy structure in all four countries
- Implement CERTEGO Academy in Finland and Denmark
- Common Onboarding process will be implemented in 2022
- Improve and update all job descriptions
- New HR system implementation
- Implementation of a pulse tool in all countries
- "CERTEGO day" in all countries

### Employee survey

	2019	2020	2021
Response rate	83%	87%	84%
Engagement index	77	77	76
Leadership index	74	75	74



## Diversity and Equal Opportunities

Our company has historically been dominated by men. It is important for the company to attract more female employees in positions within all functions and at all levels to create an even more attractive and equal workplace. But as the whole industry have difficulties attracting females, there must also be a joint effort from the industry organization together with the companies in our industry in branding and focus on vocational education for both young adults and adults.

Diversity encompasses more than gender however, and we strive to provide an excellent working environment

with equal rights and opportunities for all employees, hired staff and subcontractors regardless of:

- Sex
- Gender identity or expression
- Ethnicity
- Religion or other belief
- Disability
- Sexual orientation
- Age

	2019	2020	2021
Total number of permanent employees	1 248	1 253	1 215



*We aim at recruiting and retaining a diverse workforce with potential for all employees to reach their full potential and have zero tolerance for all forms of direct and indirect discrimination, regardless of the reason.*

Female employees

**18.5%**

Women in top positions  
(national and Group Management)

**25.5%**





## Ethics

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CERTEGO is committed to high ethical standards throughout our value chain. We expect the same commitment from our Business Partners. The CERTEGO Code of Conduct for Business Partners is the foundation. Furthermore, CERTEGO has a responsibility for all employees serving the company and to support them

in complying to the high standards of integrity and fair trade. Our core values: Safety, Proactivity, Pride and Competence, along with the internal Code of Conduct guide us in our actions and daily business decisions. Training and compliance in this Code is mandatory for all employees.



# Risk Management

CERTEGO Sweden, Finland and Norway units are ISO 14001-certified and conduct risk assessments on a country level. Denmark also conducts risk assessment and ISO 14001 certification is work in progress.

At the highest level, the board evaluates future strategic opportunities and risks as part of the strategy review. CERTEGO's CEO and executive management team is responsible for operational risk assessment and safety planning along with managing risks in a balanced and

focused way to pursue the strategy and achieve our targets. Examples of risks identified are high competition for talent and non-certified products on the market, distorting competition.

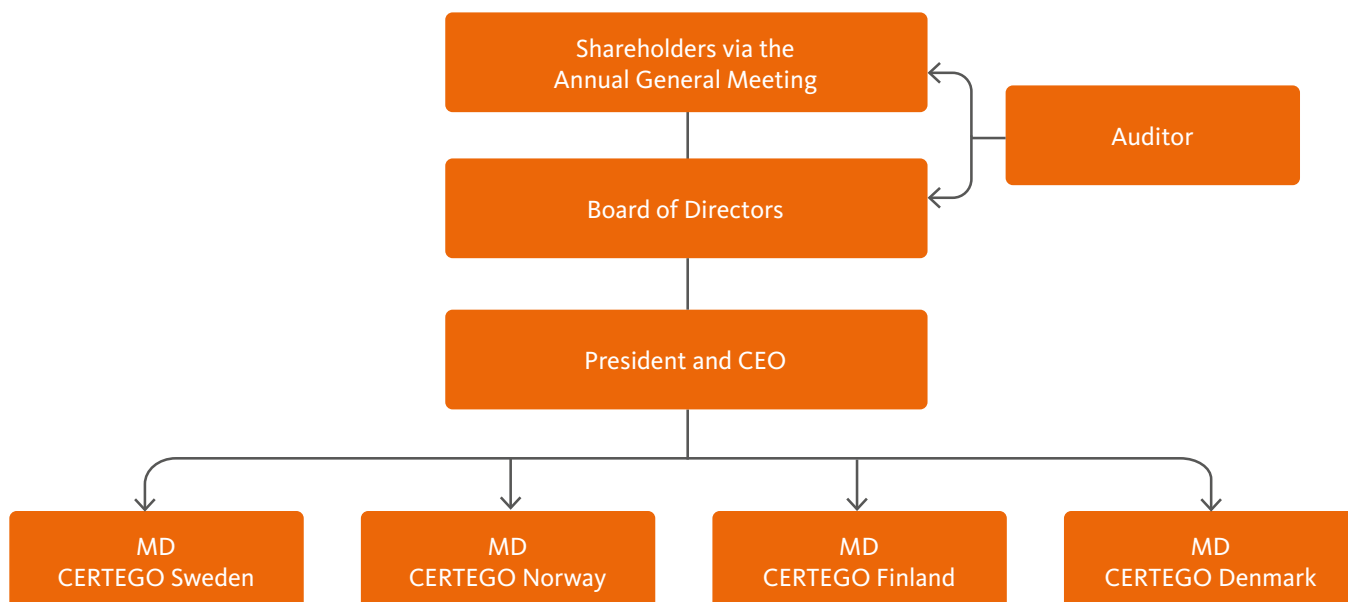


# Governance Structure

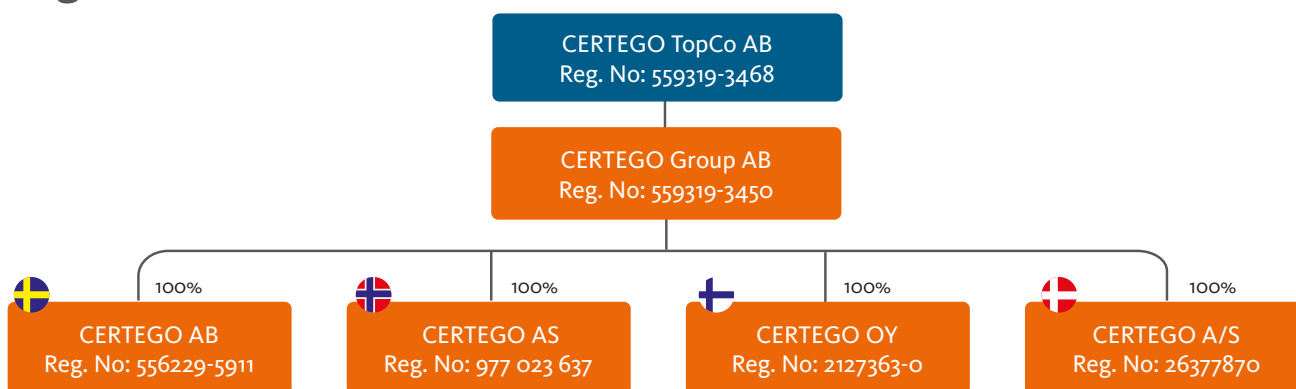
CERTEGO's highest governance body is the Annual General Meeting, which is the instance where the company's Board of Directors is elected. Our board consists of six members, of which one woman. The Board has the ultimate responsibility of CERTEGO's strategy and defines the sustainability work together with the CEO of CERTEGO, who is responsible for the Group's sustainability work.

The Chairman of the Board has a continuous dialogue with the CEO, leads and ensures efficient work of the Board of Directors and evaluates the CEO's work. The Chairman is independent in relation to the company's major shareholder. The CEO of CERTEGO handles the day-to-day management of the strategy together with

the Executive Management Team. The operations at CERTEGO are decentralized, which means that CERTEGO Sweden, Norway, Finland and Denmark respectively have delegated responsibility to operate their businesses through set goals and strategies, followed up in monthly business reviews.



## Legal Structure





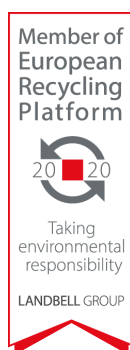
# Our Certificates

A complete security solution is largely based on the right competence being added in each step, from designing and installing, to managing the solutions. Our security installers have documented competence and expertise to meet our customers' security needs in the best possible way throughout the lifecycle.

All CERTEGO sites are certified according to ISO 9001, Sweden, Finland and Norway are certified ISO 14001. Finland is also certified ISO 45001. In addition, there are several country specific certifications and licenses. These

can be seen on our respective websites. These certificates guarantee that the CERTEGO team follows established quality and environmental management systems.

Below are some examples of our certificates. Contact us for a complete overview.





ALLEN  
UDIO

STILE  
USCITA

1603



CERTEGO is a leading Nordic provider of complete security solutions. Our skilled and dedicated employees create secure, innovative systems tailored to customer needs. CERTEGO has a presence in 71 locations in the Nordic region, with over 1,200 employees and sales of over SEK 2,082 million.

