



AJ Produkter AS – Report on the work towards responsible business operations and transparency in the supplier chain

The report covers the period January 1, 2024 - 31 December 2024

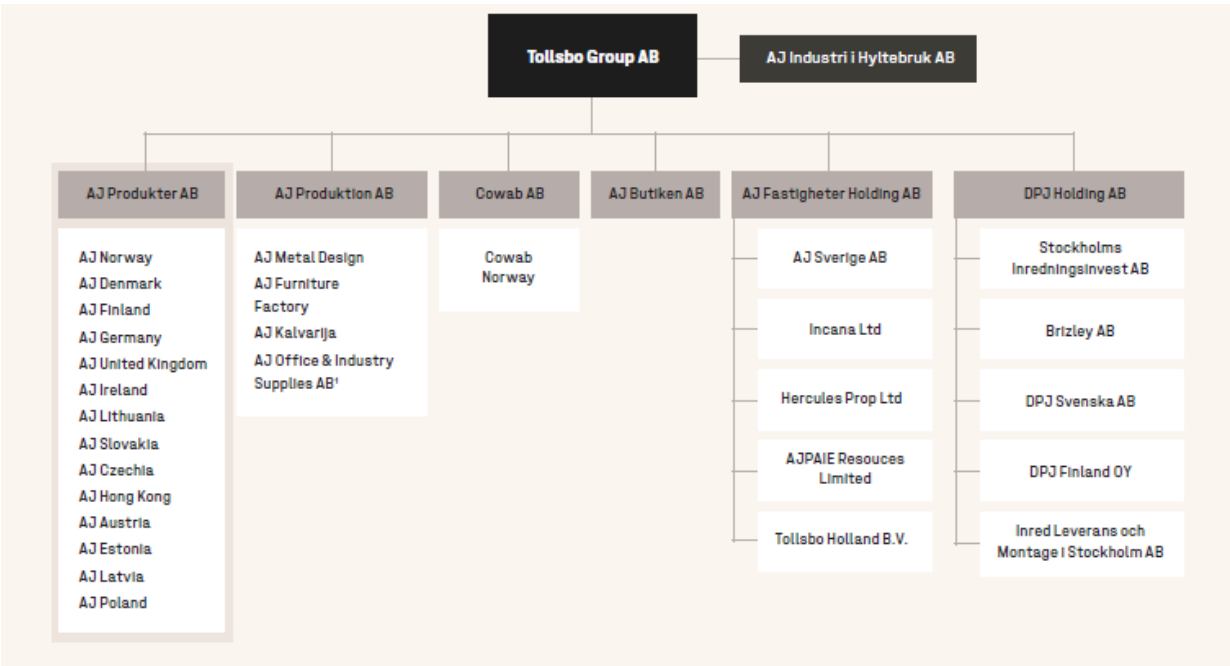
AJ Produkter AS and Tollsbo Group AB

AJ Produkter AS is a wholly owned subsidiary of the family company AJ Produkter AB, headquartered in Halmstad, Sweden. AJ Produkter has operations in 20 countries across Europe, subsidiaries in 14 markets and sells through agents in the remaining countries. The largest markets are in the Nordics, followed by the Baltics, Central Europe and the combined UK and Ireland markets. AJ Produkter AS has its office and warehouse in Klöfta, Norway.

AJ Produkter AB offers a range of approximately 14,200 articles for offices, schools, warehouses and industrial facilities along with complete solutions to help create pleasant and practical workplaces.

AJ Produkter AB is a part of Tollsbo Group AB. Tollsbo Group also includes a production company (AJ Produktion AB), an investment corporation (AJ Butiken AB), Cowab AB, a property company (AJ Fastigheter Holding AB) and DPJ Holding AB. The group had approximately 1,100 employees in total at the end of the year.

This document reports our due diligence work from the perspective of AJ Produkter AB's operations.



AJ Produkter's suppliers

In the end of 2024 AJ Produkter had 311 suppliers for our core standard assortment, where most of them are situated in Europe (87%) while 13% of our sourcing volumes come from Asia. Together with our new sourcing agent in China, we have implemented new routines and procedures. One major objective with the new sourcing set-up in Asia is to ensure that we are contracting suppliers with high standards with regard to sustainability.

Tollsbo Group has three of its own production facilities in Europe, focused on producing upholstered furniture, office furniture, storage cabinets and pallet racking. Our factories represent 38% of AJ Produkter's total purchases.



The majority of our first-tier suppliers are small-sized companies in the manufacturing sector with blue collar workers. To our understanding, the working conditions are usually good in the first and second tier. The main challenges with suppliers in Asia are working hours while among European suppliers there can be a lack of documentation, management systems and policies. We will continuously increase our knowledge about working conditions upstream in our value chain. It is our general intention to work in closer partnership to enhance both social and environmental performance as well as quality and financial outcomes among our suppliers.

In 2024, we continued to focus on improved product quality and delivery performance, and we have increased our monitoring and measurements. Another important task for 2024 was to review and implement the general agreement, initially with new, but also with current suppliers. In parallel, we also had a goal to increase the number of our suppliers in Asia that follow Amfori BSCI as a tool to ensure good working conditions.

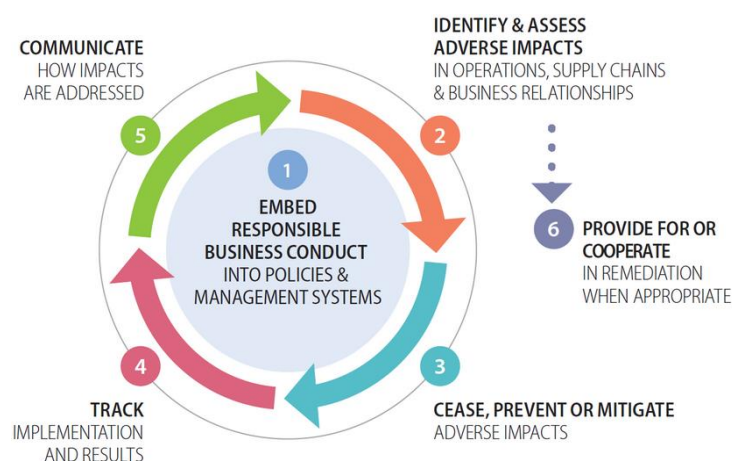
Going forward, we want to provide a more modular assortment based on components that can be combined in many configurations. Consequently, we want to have closer cooperation with fewer suppliers with the intention of further securing quality. In 2024, we decreased the number of suppliers to meet this ambition. On the other hand, we have fully included all 16 suppliers of Cowab in our sourcing procedures and onboarded a few new manufacturers, resulting in a total of 311 suppliers at the end of last year (316 in 2023).

AJ Produkter and Transparency Act

In Norway, the Transparency Act was introduced in 2022, which requires Norwegian companies to actively assess their risks and report their work on managing their impact on human rights throughout their value chain. Through stricter requirements for transparency and accountability, the Transparency Act will help prevent human rights violations and substandard working conditions within companies, their business relationships and in the supplier and value chain. Companies also need to be ready to answer questions from the public within three weeks.

Tollsbo Group's double materiality analysis that was conducted in 2024, and which applies to AJ Produkter, identified "Own workforce" and "Workers in the value chain" as material topics among others.

AJ Produkter uses OECD Guidelines for Multinational Enterprises as a model to develop and improve our way of working.



Stakeholder engagement

To be able to understand the context and as input to our double materiality analysis, we conducted several stakeholder dialogues with our key affected stakeholders in different formats. We made an employee survey, compiled information from customer surveys, and we interviewed our large customers, suppliers and our health and safety committee. We also got input from owners and the board. The main purpose of the engagement was



to consult with our affected stakeholders and incorporate their views into the materiality assessment, thereby identifying the most significant sustainability risks and opportunities.

	Business partners, entrepreneurs and transportation companies	Owners	Board	Customers	Employees & unions	Academia /research	Financial institutes	Politicians & authorities	Non Governmental Organizations
HOW DO WE INTERACT	Meetings, dialogues, portals.	Regular meetings, annual assembly.	Board meetings.	Meetings, surveys including NPS (Net Promotor Score), dialogues, customer service, homepage, social media.	Employees meetings, surveys, intranet, performance dialogues and safety committee.	Network, interns, sector organisations.	Meetings.	Consultations, sector organisations, networks, referrals.	Sector organisations.
WHAT IS IMPORTANT	Business development, sustainability performance.	Governance of the company.	Governance of the company.	Business development, sustainability performance.	Working conditions, safety, equality, competence development.	Business and product development.	Financial support and business development.	Planning, environment, knowledge sharing.	Improvements of environmental, human and societal challenges.

Integrating responsible business operations into guidelines and management systems

Tollsbo Group’s Internal Code of Conduct and Supplier Code of Conduct, have been adopted by the Group Board, and are the highest governing documents for all group companies work with responsible business operations.

AJ Produkter’s **Internal Code of Conduct** can be found here:
[Interne etiske retningslinjer](#)

AJ Produkter’s **Supplier Code of Conduct** can be found here:
[Adferdskodeks for leverandører og forretningspartnere](#)

AJ Produkter’s **Sustainability Report** can be found here:
[AJ Products sustainability report 2024.pdf](#)

Steering and governance

Our updated Supplier Code of Conduct was approved by the Board in May 2024, and the complementary Anti-slavery Statement at the end of the year 2024. The Supplier Code of Conduct is valid for all our business partners in Tollsbo Group and is based on global frameworks such as the UN Declaration on Human Rights, ILO conventions and OECD guidelines for Enterprises.

The Supplier Code of Conduct covers human rights, working conditions, environmental responsibility and business ethics including a demand for a whistleblowing function. The code requires that supplier’s cascade these demands throughout their supply chain and that due diligence should be conducted.

The Supplier Code has been communicated to our partners, and all newly onboarded suppliers and transportation providers have signed the reviewed code. The same exercise has been initiated with our existing suppliers, and this will accelerate when our Supplier Portal tool is in place. The objective is that all Asian suppliers sign the updated code in 2025, and all suppliers of the central assortment by 2026 at the latest. The Supplier Code of Conduct will be reviewed annually and approved by the Board and is available on our website.

Our internal Code of Conduct applies to all employees in Tollsbo Group and includes guidelines on how we should interact with each other and with external stakeholders, as well as how we should conduct our business.

During 2024 a new Sustainability policy was developed and approved, including Environmental and Quality policies. This new policy clarifies the importance of due diligence way of working in our own operation as well as in our value chain, meaning that we should continuously:



- a) identify and assess adverse impacts,
- b) prevent, cease or minimize actual and potential adverse impacts,
- c) monitor and assess the effectiveness of measures and
- d) communicate and provide remediation.

If negative impacts are revealed, we should take action to reduce negative consequences and risks to whatever extent possible.

With the objective of facilitating implementation and follow-up, we have initiated new ways of working and started to establish additional governance structures. To enhance this, the annual wheels for the company and supervisory bodies have been reviewed, which also includes sustainability.

The Board ensures and follows up that ESG considerations are integrated into the overall strategy and operations, identifies sustainability risks and oversees the accuracy and completeness of the reporting. CEO has the overall responsibility of the company operation, including sustainability, and each manager has the delegated responsibility to execute the decided actions within the area.

The Annual wheel



Our Due Diligence way of working

We are developing our way of working from a due diligence perspective. Therefore, we have integrated the principles of due diligence into our Internal Code of Conduct and Supplier Code of Conduct. We have risk-based approach towards our suppliers grounded on self-assessment and risk analysis for many years, and these procedures will be improved and developed even further when the Supplier Portal is fully implemented 2025. With the portal in place, we and our partners can follow up performance and identify risks in the supply chain more efficiently.

Going forward, we will align even better with the due diligence principles, including internal processes in case of identified risks in supply chain and how to remedy any such instances. We also want to gather information about workers in the whole supply chain to improve our understanding of the working conditions.

Suppliers of products

The process of onboarding a new product supplier is comprehensive and will become even more thorough going forward. Initially, we evaluate the supplier based on competitiveness, quality, finance, delivery capability, and environmental and social aspects. The supplier must sign our agreement and the Supplier Code of Conduct and then do a self-assessment of social, environmental and ethical issues. We do a risk assessment of our suppliers and perform audits, including social, environmental and ethical questions, based on the results of the risk level. If any deviations are found, the supplier must act upon them according to a Corrective Action Plan (CAP) that is established. We follow up to ensure that all deviations are remedied.

Our risk assessment is based on a combination of the country of origin of the supplier and sub suppliers, the complexity of the supply chain and the result of the self-assessment that the supplier must submit. The latter includes questions about whether the supplier has structured procedures such as management systems, internal and supplier code of conduct, among others.

In Asia we want our suppliers to align with Amfori BSCI as a tool to improve working conditions among workers. This is continuously followed up by our sourcing partner in China.

Up until now we have been working according to a five-year plan, focusing on the largest suppliers with the highest risk in 2020 and 2021. Our plan is to review our way of working when the supplier portal tool is implemented in 2025.



The results from 2024 show:

Sustainability performance of suppliers	2024 (2023)	Goal
Total number of suppliers	311 (316)	—
Number of suppliers with signed contracts	196 (187)	95% of the purchasing volume 2025
Suppliers that have signed the Supplier Code of Conduct	208 (180)	100% 2026
Number of risk-assessed suppliers	100 (70)	100% 2025
Number of suppliers with high level of risk	9 ¹ (14)	<4% of all suppliers 2025
Number of suppliers audited	2 ² (14)	All new suppliers and suppliers with high risk

1. Deviations mainly due to lack of documented management system and/or policies. All deviations have been followed up.

2. Audits made on two new suppliers. Due to changes in staff, we have not been able to conduct audits on all new suppliers during the year.

Suppliers for Internal use are not yet included.

Nine suppliers were rated with a high-risk score in 2024, for which the main reason was lack of documentation such as management systems and policies. Many of them are small companies operating in Europe without any subcontractors in risk countries. We have followed up with the suppliers rated as high risk and we were able to conclude that they had good procedures and working conditions in place, meaning that the high-risk score was reduced. Our purchasing partner in China is responsible for following up risk assessments and monitoring the social and environmental performance of suppliers to ensure that they continuously develop their sustainability credentials.

Suppliers and other stakeholders may contact us via email to info@ajprodukter.se (and other local emails) with any complaints. No whistleblower cases have been brought to our attention from our supply chain in 2024, and no supplier was terminated due to poor sustainability performance. We plan to extend our internal whistleblowing function towards external stakeholders when possible.

Suppliers of not-for-resale products and services

We have made an initial mapping of central procurement of products and services for our internal usage, and made a plan how to structure our way of working going forward. The plan entails that all relevant suppliers and service providers sign and comply with our Supplier code of conduct. The intention is also that these suppliers will be included in the supplier portal, and thereby follow the same risk assessment process as above. All transport providers that are centrally purchased have signed our Supplier code of conduct and are followed up on a yearly basis.

Based on the current list of central suppliers of not-for-resale products and services, we do not foresee any risks concerning human rights.

In Norway additional purchasing is done for transportation, cleaning services, paper, food & beverages, printers, give aways, flowers and consultant services. The transportation and cleaning service companies have been reviewed in this matter, and we are in the process of sending our Supplier Code of conduct to all other suppliers or service providers.

Employees

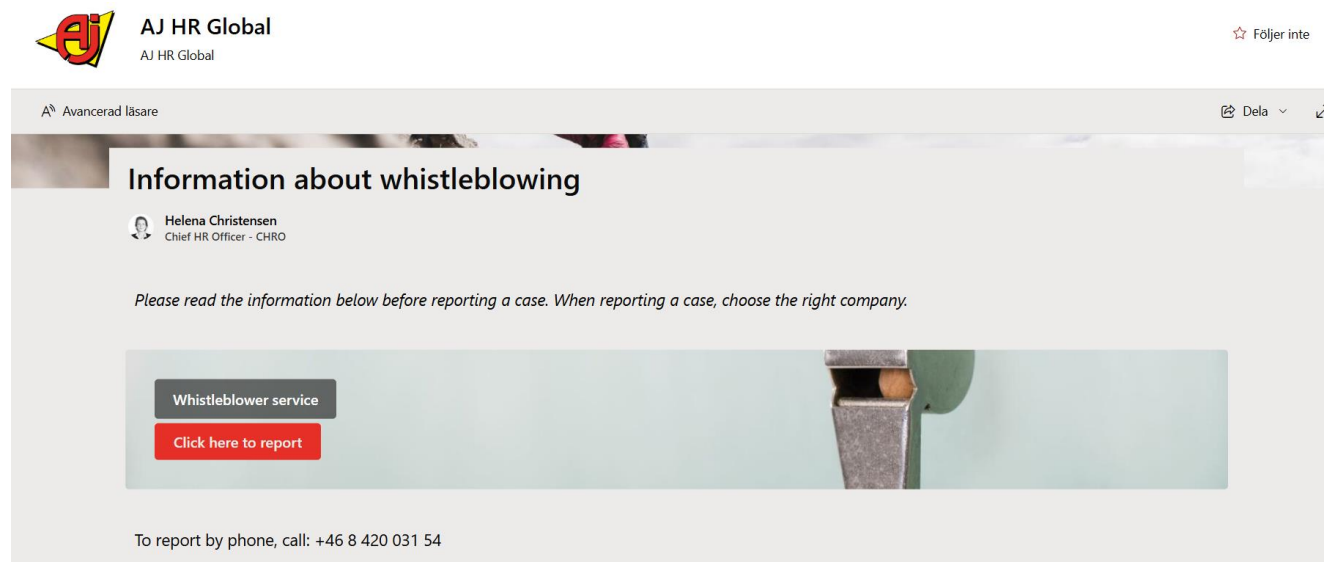
To ensure health, safety and good working conditions, we have several policies related to employees and employment, covering human rights, discrimination, recruitment, competence and wages, among others. Our overarching Health and Safety Policy was reviewed during 2024.

The companies in AJ Produkter are subject to legislation that safeguards safety, working environments and other rights for employees. There are different forums for dialogues with our employees in the companies, such as safety committee. If any incident occurs, we have procedures in place to secure safety in warehouse and offices throughout our workplaces.

Every year an employee survey is conducted for the entire group, which includes questions related to working conditions, harassment and unwanted behavior. In 2024, we had a response rate of 84% (86% 2023) in the annual employee survey. After each survey, the overall result is presented to everyone in the organization and then the results are worked through in every department.



In 2024 we implemented a new global whistleblower function for all employees in the Group. This third-party whistleblowing service ensures whistleblower anonymity. Employees are recommended initially to bring up any misconduct with a manager or HR, but a report can also be submitted through this new function. Any suspicion of misconduct, such as violations of the law, regulations, or internal policies and Code of Conduct can be reported.



It is our goal to have zero errands, and in 2024, no reports were submitted to the whistleblower process.

AJ Produkter Norway follows all national labor legislation, and provide additional support towards all employees, such as Health insurance, Health care service and physical training facilities at the workplace. Four times per year there are meetings in the Safety committee, with representatives from the management and co-workers. The meetings are documented and information is shared among all employees. AJ Produkter AS has also an AMU, workplace safety representative. In the yearly employee index, the co-workers has rated AJ Produkter higher than benchmark, and no discrimination or misconducts have been reported.

Communication

AJ Produkter AS website is the main communication channel for information about the Tollsbo Group AB & subsidiaries work with sustainability and transparency, done annually through the Sustainability Report, please find it here: [AJ Products sustainability report 2024.pdf](#)

AJ Produkter AS statement according to the Transparency Act's can be found at:

<https://www.ajprodukter.no/baerekraft>



This statement according to the Transparency Act was signed, 25th of June 2025.

Signed by:

Enock Johansson

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Mats Enock Alexander Johansson
Styrets leder

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Marcus Ragnarsson

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Axel Thorolf Huus
Daglig leder