Sustainability Report 2011/2012

Aim and goal of the report

The aim of this sustainability report is to describe the Addtech Group's goals, strategies and governance as well as its assumption of responsibilities and its risks and opportunities from a Corporate Social Responsibility (CSR) perspective. We also aim to present the Group's results from a financial, environmental and social perspective. The goal of our sustainability report is to give customers, employees and shareholders understanding and knowledge of Addtech's CSR work.

Key events in 2011/2012

- Addtech conducted an employee survey covering all of its employees. The aim of the survey was to identify areas in which the Group and subsidiaries currently perform well as an employer and areas in which we can improve. The results will form the foundation of long-term, strategic staff development work in the Group.

- We conducted our first supplier survey, which covered 18 of the Group's largest suppliers, who together account for more than 15% of the Group's purchasing volume. We aimed to ensure that our suppliers are meeting a good level of requirements in relation to their employees and the environment and to evaluate the working method and tool that we had produced for the survey. In coming years, our aim is that additional Group companies will conduct regular supplier surveys.

- Veckans Affärer, a weekly business magazine, and Prosales, a consultancy, awarded Addtech the title of Sweden's best sales organisation. This award goes to the company with the most successful sales organisation on the Nasdaq OMX Stockholm stock exchange and is presented in three categories (Large Cap, Mid Cap and Small Cap). Addtech received the award in the Mid Cap category.

About this sustainability report

This is the Addtech Group's second sustainability report. The report complies with the requirements for Application Level C of the Global Reporting Initiative (GRI) and covers the 2011/2012 financial year – with comparative data from the 2010/2011 financial year. Unless otherwise indicated, the report encompasses the operations of the Group as a whole. The auditors have not assessed this sustainability report. The Addtech Group´s first sustainability report was published in 2011 and covered the fiscal year of 2010/2011.

About Addtech

Addtech is a technology trading group that provides technological and economic value added in the link between manufacturers and customers. Addtech operates in selected niches in the market for advanced technology products and solutions. Its customers primarily operate in the manufacturing industry and public sector. Addtech has about 1,700 employees in more than 100 subsidiaries that operate under their own brands. The Group has annual sales of about SEK 5 billion. Addtech is listed on the NASDAQ OMX Stockholm.

Strategy and governance

Addtech's strategy for its Corporate Social Responsibility (CSR) work is based on the Group's Code of Conduct. The central concepts of CSR – the environment, ethics and morality – have long been part of the Group's operations. In 2010/2011, Addtech made the decision to aim higher in the Group's work on CSR issues, and as part of this we analysed our risk and opportunities. On the basis of the analysis, we set long-term and short-term targets to minimise risks and capitalise effectively on the opportunities available. Addtech have three overall CSR goals:

- **Employees:** The subsidiaries in the Addtech Group strive to be attractive employers and to provide their employees with sound personal development opportunities. In order to identify areas of improvement, we continuously conduct employee surveys that then form the basis of expertise and operational development in the Group.
- **Suppliers:** A major share of the sales generated by Addtech companies comes from selling on the products and solutions of global and market-leading suppliers. We continuously work with deepening these relationships and ensuring that our suppliers meet a good requirement level in relation to their employees and the environment.
- **The environment:** More than half of the electricity used in the Group comes from renewable sources today. Our goal is to constantly increase this proportion. Because the Group's companies are primarily involved in technology trading, the operations have a limited direct environmental impact. We continuously work with improvement measures in the areas where we can make a difference.

The Group's Code of Conduct is a key foundation stone for Addtech's CSR work and the code was updated in 2010/2011 to reflect the Group's aims more accurately. The Group's Code of Conduct includes all important issues regarding the environment, human rights, working terms and conditions, and corruption. The code is based on the UN's Global Compact, ILO's Core Conventions, and the OECD Guidelines for Multinational Enterprises, and it is aimed at our operations and those of our suppliers. Addtech's Code of Conduct has been adopted by the Board of Directors and applies to all companies in the Group. It is available on Addtech's website www.addtech.se/csr.

Group management, supported by the Board of Directors, establishes targets for the Group, together with the focus areas that are to be used to measure performance against these targets. Every year, the Group's companies report measured values and key indicators and ratios to Addtech's finance and accounting function, which compiles and analyses the results. The results are then reported on in the organisation.

Scope and limitations of the report

The sustainability report refers to the 2011/2012 financial year, with comparative data from the 2010/2011 financial year. Unless otherwise indicated, the report encompasses the operations of the Group as a whole.

The following sections provide an account of Addtech's Corporate Social Responsibility (CSR) work from different stakeholder perspectives, with results for the Group being presented in the form of relevant indicators and key ratios. Unless otherwise indicated, the figures are aggregated values for 2011/2012 from the Group's more than 100 companies. Addtech acquired six companies during the year, which affected the outcomes for the environmental and work environment indicator data reported, compared to the preceding year. Acquisitions represent a central element of Addtech's growth strategy and are therefore expected to continue to have an impact on several areas of the sustainability report in the years ahead. The measured values presented have not been adjusted to compensate for the increased number of companies; they instead report the actual figures for the Group.

Addtech's corporate structure and operations, with more than 100 companies, represent in themselves a challenge in work on CSR, since every company is responsible for collecting and reporting its own measurement data. The measurement data presented in this sustainability report are based as far as possible on actual measured values from the Group's companies, or from the Group's suppliers. In cases where the Group's companies or suppliers have been unable to obtain actual figures, reasonable estimates based on available calculation tools and models were used.

One of Addtech's goals for its CSR work is to continually improve the accuracy of the measurement data obtained from the Group's companies and from our suppliers.
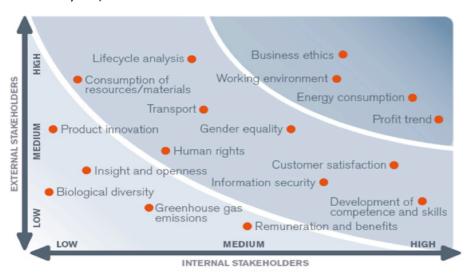
Our stakeholders

Addtech has identified five stakeholder groups of importance to the Group: customers, suppliers, employees, owners and society. Addtech strives to maintain an open dialogue with the Group's stakeholders on how our operations are conducted, and to explain priorities, decisions and the results achieved. In our view, this is a fundamental prerequisite for us as a Group to be able to focus on the right issues in our CSR work. To ensure that our CSR efforts are as successful as possible, Addtech welcomes contacts from stakeholders wishing to engage in dialogue about their views on the focus or results of this work.

Information on the major CSR issues is mainly communicated to stakeholders via the sustainability report. Dialogue with stakeholders is conducted at Group level, but also to a considerable extent at the Group's companies. After dialogue with the Group's stakeholders, Group management – in consultation with the Board of Directors – makes decisions on which CSR issues are of major importance to the Group and on Group-wide working methods and targets.

During 2010/2011, we conducted an internal and an external stakeholder analysis to ensure that we are working on and reporting on the areas that are most important to our operations and our stakeholders. The internal stakeholders represented all four of our business areas and the external stakeholders consisted of key customers and major shareholders. The dialogue with our stakeholders demonstrated not only that our stakeholders value Addtech's increased commitment to CSR issues, but also highlighted the Group's former lack of communication about our CSR work. During the year we therefore earmarked additional resources to improve communication about our CSR efforts, both internally and externally. As part of this, we drew up a communication and action plan for how we will cement our work even more firmly in the Group and we produced informative material about the content of our CSR measures. The latter is used both internally and externally.

The results of the stakeholder analysis showed that the areas of highest priority were business ethics, energy consumption, profit trends and working environment. During this financial year, we continued our work on the basis of these areas.

The table Economic value generated and distributed illustrates how the value generated by the Group's operations has arisen and has been distributed to various stakeholder groups. During the year, Addtech did not receive any major financial support from the public sector.

Economic value generated and distributed

SEKm	Stakeholder	2011/12	2010/11
Income	Customers	5.200	4.418
Economic value generated		**5.200**	**4.418**
Manufacturing costs	Suppliers	3.721	3.166
Salaries and other remuneration*	Employees	1.008	872
Payments to providers of capital	Lenders	30	20
Payments to providers of capital	Shareholders	156	111
Payments to governments	Public sector	126	101
Economic value distributed		**5.041**	**4.270**
Remaining in company		**159**	**148**

Total salaries and other remuneration consists of salaries and pensions to employees, including amounts paid to the public sector (payroll taxes, social security costs etc.) on behalf of the employees.

Owners

Addtech strives to generate an attractive return and growth in value for those who invest in Addtech shares. Dialogue with the company´s owners is conducted above all at the Annual General Meeting (AGM), but also via the Group´s Investor Relations function.

Read more about Addtech´s ownership structure in the Annual Report 2011/2012.
Read more about Addtech from an investor´s perspective at Addtech´s homepage.
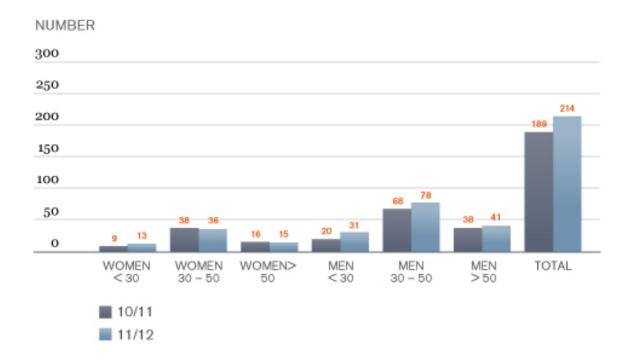
Employees

The average number of employees in the Addtech Group in 2011/2012 was 1,612, of whom 448 were women and 1,164 were men.

During the year, we conducted an employee survey covering all employees in the Group. This was the first of its kind within the Group, since each subsidiary before has been responsible for conducting employee surveys. The aim of the survey was to identify areas in which the Group and subsidiaries currently perform well as an employer and areas in which we can improve. From a Group perspective, the survey will give us the possibility to offer the subsidiaries support where there are common needs, and also to spread knowledge and ideas from successful subsidiaries further in the Group.

The survey shows that the Group´s employees enjoy working at their workplaces. The survey also shows that the employees have a similar view of the subsidiaries as employers, irrespective of in which country they are working in.

We encourage each MD within in each subsidiary to develop an action plan that is based on the subsidiary's individual result. The result of this year´s employee survey will also form the foundation of long-term, strategic staff development work in the Group. The Group´s ambition is to conduct an employee survey annually.

Employee turnover

NUMBER

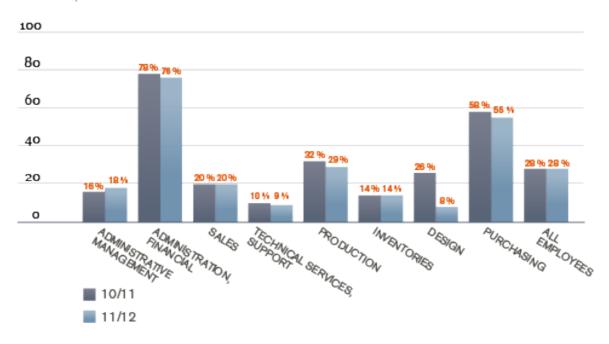| Category	10/11	11/12
WOMEN < 30	9	13
WOMEN 30 – 50	38	36
WOMEN > 50	16	15
MEN < 30	20	31
MEN 30 – 50	68	78
MEN > 50	38	41
TOTAL	189	214

During the year, employee turnover was 13 % (13 %). The table Employee Turnover provides a more detailed picture of the Group´s employee turnover, by gender and age. Addtech is at heart a Nordic enterprise; around 90 % of the Group´s employees work in one of the Nordic countries.
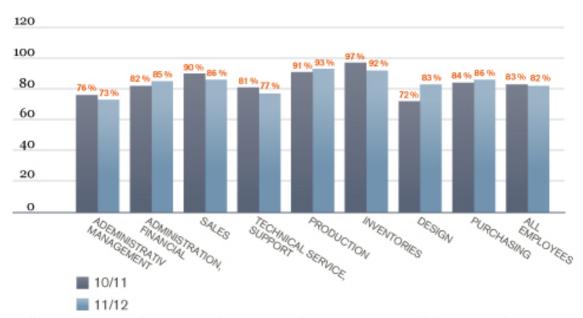
Gender distribution

WOMEN, %

Historically, the technology trading sector has been male dominated. This is also reflected by the percentage of male and female applications to institutes of technology in Sweden. Our ambition is, by being attractive employers, continuously to increase the percentage of women in the Group. The percentage of women and men, respectively, in the Group shall at least reflect the general gender distribution in our industry, as well as the percentage of graduates from institutes of technology. Key figures for the gender breakdown men and women at Addtech are shown in the table above.
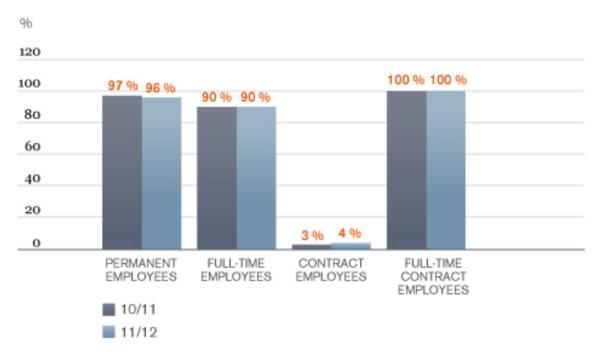
Pay differences

WOMEN'S PAY, AS % OF MEN'S

Differences in pay for men and women in the Group vary in different professions. Our mapping shows an imbalance between male and female wages, and a project with the

ambition to correct the imbalance has therefor been initiated. Addtech strives to offer all employees in the Group, regardless of gender, equal pay for equal work.

Employees

Permanent employees constitute a large majority of the Group´s workforce. Contract employees are mostly used to replace existing employees in the case of illness or other absence. The diagram above shows a breakdown of employees by permanent and contract employment.
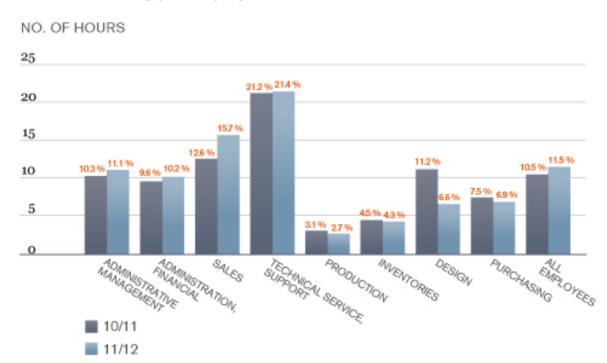
Direct dialogue with the Group´s employees takes place at local level at each company in the Group, for example in connection with annual development review. Addtech´s development and competitiveness are strongly linked to the enhancement of expertise and the wellbeing of its employees. The Group´s companies strive to be attractive employers that offer our employees viable opportunities for personal development.

One ambition within the Group is that all employees should take part in a personal development review with their immediate manager every year. An important part of the development review is to identify ways of improving the expertise and wellbeing of the employee. Another is to increase contentment and job satisfaction at the workplace. In 2011/2012, formal development reviews were held with 60 % (62 %) of Addtech´s employees. Unfortunately, this represents a decline from the preceding year and falls well short of our long-term ambition. Part of the explanation lies in the acquisition of a large number of new companies and employees by the Group during the year.

Over the coming year, Addtech will continue to review the routines and tools that are available to the Group´s companies, in order to increase the percentage of development reviews conducted.

Hours of training per employee

NO. OF HOURS

	10/11	11/12
ADMINISTRATIVE MANAGEMENT	10.3 %	11.1 %
ADMINISTRATION, FINANCIAL	9.6 %	10.2 %
SALES	12.6 %	15.7 %
TECHNICAL SERVICE, SUPPORT	21.2 %	21.4 %
PRODUCTION	3.1 %	2.7 %
INVENTORIES	4.5 %	4.3 %
DESIGN	11.2 %	6.6 %
PURCHASING	7.5 %	6.9 %
ALL EMPLOYEES	10.5 %	11.5 %

To develop the expertise of its employees is to develop the Addtech business. To this end, the Group runs its own Business School, among other activities. The table above shows the number of training days per employee and per employee category during the year.

Health and safety

NUMBER

	10/11	11/12
INJURIES REPORTED	20	17
WORK-RELATED ILLNESS	9	5
FATALITIES	0	0

Health and safety is another priority area at Addtech. The Group has a zero vision for work-related accidents, illnesses and incidents, and an ambition to focus constantly on

promoting better health and wellbeing among our employees. In Addtech´s various production-based units, potential risks of work-related illnesses and accidents exists, but risks of accidents also exists in the sales process, for example during travel to and from customers and during visits to customer´s factories or other facilities. The Health and safety table provides an overview of Addtech´s results in this area. No work-related fatalities occurred during the year. The trend of accidents and work-related illnesses was positive during the year: the number of accidents decreased to 17 (20), while the number of work-related illnesses decreased to 5 (9). In the view of the fact that the Group has around 1,700 employees, these figures are relatively low. During the period, the number of employees in the group increased rose by 188, largely as a result of 6 acquisitions.

As a technology trading group, we cannot ignore the fact that our employees could be involved in bribes – especially in connection with purchases in countries where corruption is generally widespread. The trend in corruption in various countries where Addtech operates is monitored constantly, for example via the Transparency International website (www.transparency.org). Business ethics has always been high on the Group´s agenda and constitute an issue that is continuously addressed in the Group´s own Business School. The Group has zero tolerance towards corruption, and the fact that no cases of corruption occurred during the year (0) is thus in line with our expectations.

Customers

Contact with our customers is handled via Addtech's subsidiaries. More rigorous CSR demands from our customers are emerging more and more clearly. This is a sign of our customers' growing focus on CSR issues. As a result of this increased focus, our customers have now also started auditing their suppliers, in other words the companies in the Addtech Group, on the basis of CSR. The Group's subsidiaries are active in a host of different markets and a variety of industries; this involves different types of customer requirements. However, it may be said in general terms that many of the requirements relate to safety in workplaces and the environment. At some of the Group's companies, enquiries relating to the EU's regulation on the Registration, Evaluation, Authorisation & Restriction of Chemicals (REACH) are also common. Furthermore, demands that Addtech and our own subcontractors comply with international conventions on human rights are also received.

Suppliers

A major share of the sales generated by Addtech companies comes from selling on products and solutions from global and market-leading suppliers. Addtech has a large number of suppliers worldwide and more than 70% of the Group's purchases are made from suppliers outside the Nordics in Europe, the US and Asia. Our relationships with suppliers are often longstanding and involve close collaboration on how the supplier's products can be used in a variety of customer applications. Many suppliers have worked with Addtech subsidiaries for decades. However, there is always a certain amount of supplier turnover, and Addtech is constantly on the hunt for new partners and agency companies that can complement or boost our existing business. This close relationship with our suppliers is highly valuable from both business and CSR perspectives.

As parts of a technology trading group with operations in a large number of countries, business ethics risks pose a potential threat to the Group's companies. Addtech's goal regarding the issue of responsibility linked to our suppliers is clear. In 2010/2011, the Group's Code of Conduct was updated and now includes a section expressly describing

the Group's expectations as to how suppliers should act, vis-à-vis both the environment and employees. The Code is available on the Addtech website at www.addtech.com/csr.

The good reputation of Addtech and our subsidiaries is one of our strongest competitive assets. Against that background, any infringements of Addtech's policy on human rights and of the terms and conditions for our employees would have a considerable detrimental impact on the trust of our stakeholders. No incidents concerning infringements of human rights were reported in 2011/2012 or 2010/2011.

Supplier survey
We continuously work on deepening our relationships with suppliers and on ensuring that they meet a good level of requirements in relation to their employees and the environment. As part of this work, we conducted our first supplier survey at the end of the financial year. It covered 18 of the Group's largest suppliers, who together account for more than 15% of the Group's purchasing volume. They work together with eight of our Group companies and represent a relevant cross section of all the Group's suppliers.

The aim of the supplier survey was to ensure that our suppliers are meeting a good level of requirements in relation to their employees and the environment and to evaluate the working method and tool that we produced for the survey. In coming years, our aim is that additional Group companies will conduct regular supplier surveys.

Society

Addtech's most important positive impact on society lies in our contribution to economic and social growth in the form of jobs and taxpayers, as well as the Group's own tax payments. Through our products we also help, for example, to achieve efficiency improvements and to cut energy consumption.

In line with the Addtech philosophy of decentralised responsibility, no Group-wide projects connected with social commitment are conducted. Instead, such projects take place in the individual subsidiaries. Examples of social commitment projects include:

- Partnerships with schools and institutions of higher education to offer degree projects.
- Donations to charitable organisations, children's villages etc.
- Sponsorship for sports clubs and local initiatives.
- Support to unemployed people to help them find jobs or training/education.

During the period, the Group was not ordered to pay any fines resulting from offences in the form of breaches of laws and regulations governing the provision or use of products and services.

The environment

Addtech conducts sales and distribution in more than 30 countries. The major share of the Group's purchases is made from suppliers outside the Nordics in Europe, the US and Asia, necessitating a large volume of transport movements. The Group's direct climate impact therefore largely comes from transporting goods from suppliers and to customers. Some of the Group's companies also conduct production involving the use of raw materials, chemicals and fossil fuels. However, production represents only a limited proportion of the Group's operations.

The aggregated environmental impact of the products that our companies provide also includes production operations at our suppliers and the way in which our customers use the products. As a result, we seek to take the entire lifecycle of our operation into account in the improvement work that is continually carried out in the Group.

Addtech's major environmental issues can be summarised as follows:

- Transport of goods and employee travel.
- Use/consumption of energy, raw materials and chemicals.
- Emissions and waste from production.

The Group's emission-related risks are associated in the main with emissions of carbon dioxide. Such emissions are caused primarily through combustion of fossil fuels within the Group's own operations, above all for transport of goods and employee travel, but also indirectly through procurement of electricity generated by combustion of fossil fuels.
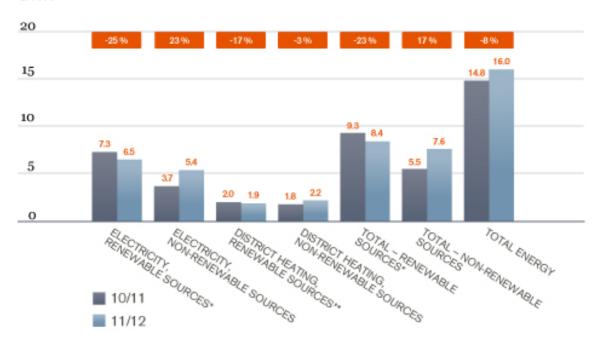
The Group was not ordered to pay any fines in connection with breaches of environmental legislation during the year or in the preceding year.

Energy consumption

During the year, the Group's total energy consumption increased to 16.0 GWh (14.8 GWh). Of total energy consumption, electricity accounts for 74% and district heating for 26%. Of all energy supplied, 53% (63%) was generated from renewable sources. The rise in energy from non-renewable sources is largely attributable to the year's acquisitions. Relative to sales, the Group's total energy consumption during the year fell by 8% compared to the preceding year, which is in line with our ambition. One of Addtech's overarching goals is to reduce energy consumption over time relative to the Group's sales and to focus on continuously increasing the proportion of renewable-source energy used in its operations. The table illustrates the trend for energy consumption at Addtech.

The figures in the orange fields above the bars in the charts state the change in relation to the Group's sales.

*Solar power, wind power and hydro power

** Biofuel, waste heat, refuse/waste (70% renewable)
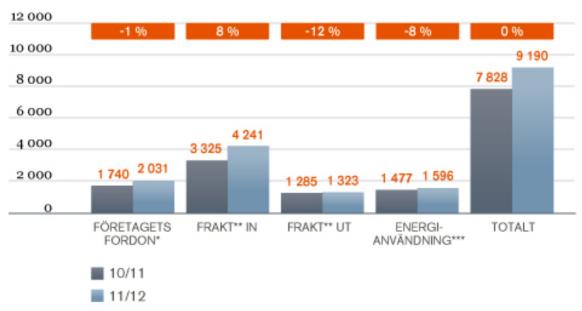
Climate impact

Addtech's impact on climate principally comprises emissions of carbon dioxide. Combustion of fossil fuels also produces emissions of other greenhouse gases, but Addtech has concluded that emissions of carbon dioxide represent the biggest threat from the Group's operations.

In the calculation of carbon dioxide emissions arising from electricity generation, a calculation has been based on Nordic electricity generation, where 1 kWh is estimated to generate 0.1kg CO_2.

In addition to emissions arising from the internal use of fossil fuels and electricity, emissions of carbon dioxide are also generated by various kinds of transport, including transport of materials and products, as well as employee travel. Addtech reports carbon dioxide emissions for employee travel and from transport of materials and products as shown in the following table, CO_2 emissions.

The figures in the orange fields above the bars in the charts state the change in relation to the Group's sales.

*Based on reported number of kilometres driven and the average emission of CO_2/km from the Group's vehicle fleet.

**Based on reports from transport providers, plus own calculations with the aid of ecotransit.org.

***Based on Nordic electricity generation, where 1 kWh is estimated to generate 0.1 kg CO_2.

GRI Index

Each year, the Addtech Group publishes a sustainability report that informs customers, employees, shareholders and other stakeholders about how our CSR work is unfolding. The report complies with the guidelines of the Global Reporting Initiative (GRI), application level C. This index shows which questions that have been answered and where you can find the answers.

	Standard Disclosures	**Source**	**Page**
1	**Strategy & Analysis**		
1.1	Statement from CEO about vision and strategy.	A R	7
2	**Organisational Profile**		
2.1	Name of the organisation.	A R	98
2.2	Primary brands, products, and/or services.	A R	5-6
2.3	Operational structure of the organisation.	A R	12-13
2.4	Location of organisation's headquarters.	A R	98
2.5	Countries where the organisation operates.	A R	11
2.6	Nature of ownership and legal form.	A R	30, 106-107
2.7	Markets served.	A R	11
2.8	Scale of the reporting organisation.	A R	3
2.9	Significant changes during the reporting period.	A R	14
2.10	Awards received in the reporting period.	A R	15
3	**Report Parameters**		
	Report Profile		
3.1	Reporting period.	A R	14
3.2	Date of most recent report.	S R	1
3.3	Reporting cycle.	A R	14-15
3.4	Contact point for questions regarding the report or its contents.	A R	98
	Report Content and Boundaries		
3.5	Process for defining report content.	A R	14-15
3.6	Boundaries of the report.	S R	3
3.7	Limitations on the scope or boundary of the report.	S R	3
3.8	Basis for reporting on subsidiaries and outsourced operations.	A R	14-15
3.10	Effect of any re-statements or information provided in earlier reports, and the reasons for such re-statement.	S R	3
	Table of Contents according to GRI		
3.12	Table identifying the location of the Standard Disclosures in the report.	A R	16-17
4	**Governance, Commitments, and Engagement**		
	Governance		
4.1	Governance structure of the organisation.	A R	30-38, 102-105
4.2	Indication on whether the Chair of the highest governance body (Board) is also an executive officer.	A R	102-105
4.3	Information on whether the CEO is part of the highest governance body.	A R	102-105
4.4	Mechanims for shareholdersand employees to provide recommendations or direction to the hightest governance body or Company management.	A R	115
4.8	Internally developed statements of mission our values, codes of conduct, and principles relevant to economic, environmental, and social performance.	A R	14
	Stakeholder Communication		
4.14	Stakeholder groups engaged by the organisation.	S R	4
4.15	Basis for identification and selection of stakeholders with whom to engage.	S R	4

| 4.16 | Approaches to stakeholder engagemnet. | S R | 4 |
| 4.17 | Key topics and concerns raised through stakeholder dialogs and the organization's response to them. | S R | 4, 6, 11 |

Labor practices and Decent Work Performance Indicators*		Source	Page

Employees - Employment

LA1	Total workforce.	A R	74
LA2	Rate of employee turnover	S R	6
LA7	Rates of injury and occupational diseases.	S R	9

Employees - Training and education

| LA10 | Average hours of training. | S R | 9 |
| LA12 | Percentage of employees receiving regular performance and career development reviews. | S R | 8 |

Diversity and equal opportunity

| LA13 | Composition of governance bodies based on indicators of diversity. | A R | 102-105 |
| LA14 | Ratio of basic salary of men to women. | S R | 7 |

Economic Performance Indicators*

Economic Performance

| EC1 | Economic value generated and distributed. | S R | 5 |
| EC4 | Financial assistance received from public sector. | S R | 5 |

Environmental Performance Indicators*

Energy

| EN4 | Indirect energy consumption by primary source. | S R | 13 |

Compliance

| EN28 | Compliance with environmental laws and regulations. | S R | 12 |

Emissions, Effluence and Waste

| EN29 | Environmental impacts of transporting products and other goods and transporting members of the workforce. | S R | 14 |

Social Performance Indicators*

Corruption

| SO4 | Actions taken in response to incidents of corruption | S R | 10 |

Product Responsibility Performance Indicators*

Compliance

| SO4 | Comliance with laws and regulations concerning the provision and use of products and services. | S R | 11 |

A R = Annual Report, S R = Sustainability Report

*The outcome of these perfomance indiciators is reported on www.addtech.com/csr.