

APCOA PARKING SWEDEN

ESG Report

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BO LILIEQUIST Managing Director APCOA Sweden January 2022

SUSTAINABLE

"The way we travel, and the way we park, is changing."

Here at APCOA, we believe it is our responsibility to grow and develop as a company in innovative, responsible, and sustainable ways. This report is just one of the ways that we are reinforcing our commitment to our colleagues, our customers, our clients and suppliers, our communities and the environment we work in across Sweden.

Our parking activities are at the centre of mobility as either a starting or an end point of a journey with a car, bus, motorbike, bicycle or any other form of individually owned or shared transportation. At APCOA we feel we can and must contribute to making this ecosystem as sustainable as possible.

We have therefore introduced a group wide ESG initiative centred around the three main pillars

Environmental
Social
Governance

To help us drive this initiative fast forward APCOA have partnered with First Climate and have made a commitment across the Group to measure the Scope 1 2 and 3 emissions early in 2022, calculated in accordance with the Greenhouse Gas Protocol. We will going forward annually report our progress against our carbon reduction targets and the associated initiatives we have taken in our journey to achieve net zero.

The past decade has seen our sector begin to change and embrace innovation at a faster rate than ever before. The connecting lines between parking and mobility are intensifying. Electric cars & EV charging, use of solar PV, implementation of ANPR systems and cashless payment options, micro-mobility and smart city digital solutions, parking as urban logistic centres are just some of the innovations across the sector. With autonomous cars, artificial intelligence (AI), role of big data and viable sustainable energy sources on the horizon the industry is likely to change even more.

We strive every day to ensure we are the trusted sustainable partner of choice for all our clients to improve their contribution to a better environment. We know that the best way to achieve these goals is through a responsible approach to business, and we are proud to be innovating towards a brighter future.

This report details the innovations we as a company are bringing to the table which support our sustainable objectives.

I hope that reading this report will give you a sense of the measures APCOA is taking to be a market leader in sustainable parking and mobility.

APCOA PARKING SVERIGE AB

Company name:



Head office: Årstaängsvägen 21B, Stockholm

APCOA Parking Sverige AB

Other regional offices: Stockholm: Årstaängsvägen 9, Fyrverkarbacken 51, Finlandsgatan 20, Instrumentvägen 10, Skalholtsgatan 9, Uppsala, Örebro, Karlstad, Göteborg, Malmö and Norrköping.

MD: Bo Liliequist

OUR BUSINESS

APCOA SE is a leading car parking operator in Sweden. The main activity is focused on the establishment and operation of parking facilities. We are approximately 570 employees, and we have 1,400 parking and monitoring assignments with a geographical spread throughout Sweden.

Our main areas are:

- Parking Management
- Parking Monitoring
- Urban Hubs
- Parking and Traffic Management Systems (TMCS, Traffic Management Control System)

APCOA URBAN HUBS Join the ecosystem

APCOA, PARKING AND URBAN LIFE

Urbanization, growing cities, is a clear trend that creates new opportunities for economic growth. This densification creates new and challenging demands on infrastructure and service functions within the city. An increasing number of residents means an increased need for different types of service functions for all residents, for example, within parking or in last mile logistics solutions.

For this reason, we have updated our product portfolio with a new concept called Urban Hubs. During the past year (2021) we managed to establish collaborations with a great number of partners with whom we will make urban life smoother and make several service functions more available. Some examples are agreements with "eways" and "Chargenode" for e-charging solutions for cars, bikes and scooters. In some cities agreement with "Beeteam" that provides eco-friendly car wash. More examples further ahead in this report.

As we are constantly working on continuous improvements and continue to develop APCOA FLOW, we have until today managed to digitize 90% of our P&Ds. This has meant that all our parking customers get an effortless payment method via credit cards and digital receipts. We no longer need to empty our P&Ds of coins, which before could pose a risk to our employees. Overall, this is in line with our work to reduce our impact on the environment and an improvement of our employees' working environment.

ENVIRONMENT

Active Urban Hubs Collaborations so far....and more to come





EV CHARGING - COLLABORATION WITH EWAYS

Collaboration with "eways" automatic and smooth charging with APCOA Flow



EV MICROCHARGING - COLLABORATION WITH BOLT

Microcharging of charging batteries for electric scooters





LAST MILE LOGISTICS - COLLABORATION WITH INSTABOX

Lockers in Göteborg, Lund och Karlstad

Uncomplicated shipping



SOME MORE OF OUR GREEN INITIATIVES FROM 2021

Collaboration with Jernhusen

Jernhusen owns all real estate related to the Swedish railroad system and railway infrastructure.

APCOA provides TMS and taxi hosts to Sweden's largest railway stations. Jernhusen have in collaboration with APCOA started a "Green Car Incentive".

This incentive rewards drivers who replaces their petrol-powered taxi cars with an environmentally friendly cars. The taxi companies that join this initiative are assigned the most favourable and more slots in the TMS system. In the last 12 months the amount of environmentally friendly taxi cars have increased by 50%.



Collaboration with P-Hus Avenyn in Göteborg

P-Hus Avenyn is the largest parking garage facility in the inner city of Göteborg.

We have installed large monitors throughout the parking garage, with information of the current climate impact all cars in the garage constitute.



Bee PARKING

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Collaboration with BeeTeam at P-Hus Avenyn in Göteborg

BeeTeam performs environmentally friendly car care and car wash with only green products and equipment. Steam hand washing, reconditioning and disinfection to keep your car in fresh condition. Through our stations and mobile services, we offer you maximum flexibility and the best service.

ESG AT APCOA

We have for several years worked consciously to achieve a sustainable development at APCOA Sweden. In our country it's been mandatory, for every Swedish company, by law since 2017 to report, describe and explain the company's sustainability accomplishments and goals. At this moment we have three ISO certifications:

- 9001 standards for Quality management systems from year 2015
- 14001 standards for Environmental management systems from year 2015
- 27001 standards for Information security from year 2018



Our goal is to conduct our business with high quality, structured, with as little negative environmental impact as possible, to have satisfied customers and employees.

From an internal sustainable perspective, we offer our employees secure and healthy employment, we have collective agreements and an excellent collaboration with the trade unions Transportarbetareförbundet, Unionen and Ledarna. As it is mandatory by Swedish law we have established a explicit delegation procedure for all matters regarding our working environment.

For us at APCOA, it is also important to be able to maintain good business ethics and therefore since 2018 we have a mandatory training for all employees in Anti-Corruption and Ethical Guidelines. In addition, since 2017, we have introduced an external whistleblower service where all employees can report anonymously experienced irregularities.

Environment & Quality

Since 2015 ISO 14001 Environment and 9001 Quality

ENVIRONMENTAL GOALS 2022

1. Regularly update our vehicle fleet to more energy-efficient vehicles and thereby reduce CO2 emissions

- Measure CO2 emissions from our vehicle fleet and demonstrate reduced environmental impact
- Annual evaluation
- The target for the end of 2022 is 60 grams of CO2 /km
- Continuously replace vehicles in our vehicle fleet



2. All subcontractors must have a clear point of view regarding ESG

- Make sure that our new subcontractors can demonstrate their own work with sustainability
- Conduct evaluation on existing and new suppliers
- Review and follow-up

4. Reduce company travel

By using virtual online meetings

3. Environmental consideration in all tendering initiatives

- Conduct evaluation for all new tendering initiatives
- Review and follow-up

Amount of business trips	Flight		Train	
2016-2021	NO. OF TRIPS	DISTANCE KM	NO. OF TRIPS	DISTANCE KM
2016	136	91,120	-	
2017	206	325,384	128	N/A
2018	168	171,592	106	N/A
2019	203	147,916	224	68,000
2020	46	33,666	N/A	100,000
2021	17	12,441	N/A	N/A

5. Streamline Parking guards driving routes and reduce driving time by 1%

- Identify improvements in routes
- Implement new routes
- Evaluation and follow-up

6. EV Charging: Install more charging stations for electric cars / charging hybrids in 2022

- Install at least 100 charging stations for electric cars / charging hybrids in 2022
- 1. Natural and preferred partner in parking management, parking monitoring, and traffic management system (TMS)
 - Increase customer satisfaction follow upp SLA and service levels
 - Case management system must be fully implemented
 - Follow up SLA and service levels
 - Monthly reports for continuous monitoring

GOALS QUALITY 2022

2. Engaged employees with the correct skills and drive, in order to meet our customers expectations

- Follow process for continuous monitoring of sick rate – weekly/ monthly
- Follow process for evaluation of employee's performance
- Set up goals every department
- Evaluation and follow-up

- 3. Meet and exceed our company's financial objectives
 - Follow financial and budget process - monthly
 - Evaluation and follow up monthly

4. APCOA FLOW - NPS + O December 2022

- Conduct 2 customer surveys during the year 2022
- Evaluation and follow up

GOALS INFORMATION SECURITY 2022

APCOA's overall information security goal is to increase and promote all employee's awareness in order for them to be able to contribute to an increased focus regarding confidentiality, accuracy and accessibility.

1. Management of Information security system/ process

 Monthly information, reporting of deviations, result from audits to local management team about security information and GDPR

2. Implement safety measures to reduce the 10 biggest risks to a lower level

- Identify / document the 10 biggest risks constantly ongoing
- b. Proposed measures for risks constantly ongoing
- c. Review with the person responsible / documentation of proposals for action
- d. Implementation of action

- e. Documentation of residual risk
- f. Continuous update / evaluation
- 3. Ensure information security training
 - a. Send a refresh in 2021-22 to all employees
 - b. Expand internal audit of key functions to half-yearly intervals

SOCIAL

Social sustainability represents for APCOA a great responsibility as an employer, but also as a responsible and involved company in the local community where we operate.

OVERALL OBJECTIVES AND STRATEGY

APCOA's long-term goal in social responsibility is to contribute to a better society by acting as a responsible and respectful employer and to contribute to a positive social development in the geographical areas in which we operate.

This is achieved by us at APCOA by respecting all employees' equality and rights, and by offering an excellent, safe, fair non-discriminatory working environment.

Our focus is the following:

- To work systematically with our working environment in order to have healthy, engaged and productive employees
- To safeguard diversity, gender equality and the development of the company's employees
- To contribute to the development of society through local community improvement initiatives

APCOA'S RECRUITMENT PROCESS

We are committed to be engaged in our society and we take responsibility for ensuring that our recruitment process is characterized by mutual respect, diversity and equal treatment.

Our employees are the core of our business and in particular all our parking guards plays a crucial part in how we perform and deliver to our customers and clients.

APCOA's recruitment process is for that reason precise and methodic in order for us to find the best individuals for the role. Since we conduct the training for all new employees and no prior knowledge about parking is required, this opens up great opportunities for individuals who may have more difficulty finding employment else where and gives individuals opportunity to self-sufficiency.







OUR EMPLOYEES HAVE PROFESSIONAL BACKGROUND FROM VARIOUS INDUSTRIES

Over the past twenty years, we have seen examples of the major changes in industries such as the manufacturing industry, the printing industry, telecom / IT. Many individuals from these industries have been laid off due to the change in demand of skills and changes in the society in all.

APCOA has seen the potential in these individuals with extensive work experience and has given many of them a new chance to restart their careers.

RECRUITMENT OF LONG-TERM UNEMPLOYED / PEOPLE ON SICK LEAVE, NEWLY ARRIVED IMMIGRANTS



For the past four years, we have been actively recruiting individuals who have been on longterm sick leave, unemployed for a long time or have recently arrived in our country. Because we provide training and resources, this enables us to adapt or expand in cases where the training is needed to the individuals who may need it. This creates motivated employees who see it with pride to be able to support themselves and their families. Which ultimately creates good role models for their families and their surroundings; to contribute to our common society through work. 35% of all our newly hired parking guards are from this category.

Our focus: Some of our activities until today.....

GOALS	INTERNAL	EXTERNAL
Actively work for healthy and safe working environment	Recruitment process: Training of employees gives us great opportunities to adjust the pace of training	
Preserve diversity, equal treatment and development	Recruitment process blue collar: at least 30% of all new employees must be new in our country or have had a history of long- term sick leave	
Secure and healthy working environment	Clear delegation procedure and routines for working with the work environment. Ensures that irregularities are detected in time	
To contribute to the development of our society through local community improvement initiatives		Sponsorship: Nattvandrarna Riksförbundet Narkotikafritt Samhälle Barncancerfonden Missing People

APCOA SOME OF OUR EXTERNAL SPONSORSHIPS

APCOA and Nattvandrarna

For the past 5 years, we have been sponsoring the organization "Nattvandrarna". They support young people in areas where we operate and in areas where a lot of our employees lives. Their presence helps to prevent crimes such as vandalism, assaults and drug abuse.

APCOA and Riksförbundet Narkotikafritt Samhälle

Riksförbundet Narkotikafritt Samhälle - Works to prevent drug abuse among young people. They have established relationships with elementary and secondary school's in the whole country.



NEW CONCEPT FROM 2022 SOCIAL RESPONSIBILITY



PRAO (Internship program):

- Grades 8th 9th (14-15 years old)
- Period 2 weeks
- PRAO-program with mentor
- Opportunity to promote our various professions and their important social function. To take responsibility for making it possible for students' for a practical working life orientation

PRAO is practical working life orientation, and the purpose is to strengthen the connection between what students do in school and what awaits in working life. PRAO is a way to equip students for their upcoming study and career choices.

During PRAO, students gain valuable experiences of different professions, and they get an increased understanding of how working life works. It helps students to get a better idea what to study or work with in the future. For many students, PRAO can also contribute to increased study motivation as they gain a greater understanding of how school and working life are connected.

For us at APCOA, we see the opportunity to welcome students and give them an opportunity to get to know the different professions we have in our company. This gives them also an increase understanding of the important role in the society our parking business have.

SPONSORSHIP PROGRAM:

"

We are sponsors for a better society, with children and young people as focus

- Application process
- Guidelines and selection
- Written agreement

We sponsor a better society, with children and young people in focus



APCOA wants to take extra responsibility for activities that affect our society. In our business plan, we have set ambitious goals in the areas of sustainability, social development, and social responsibility, where one of the success factors for achieving the goals can be to work actively with local organizations. According to our guidelines for sponsorship, our sponsorship collaborations must therefore be about joint initiatives for community involvement and work for social sustainability.

Every year, we review our sponsorship collaborations and evaluate new opportunities to collaborate with associations that together with us want to create a society full of community, inclusion and influence.

How to apply for Sponsorship

Application for sponsorship can be made at any time during the year via our form in our home page. The applicants must describe their association, values and goals.

APCOA's local management team evaluates all applicants and decides which organization meets our aspiration to create a better society and in accordance to APCOAs guidelines for sponsorship.

SICK LEAVE

Success factors for a successful rehabilitation

We have established that the key is to work proactivity and paying attention and acting on early signals such as:

Behaviour

- Being late for work in repeated occasions
- Work performance is declining
- High sickness absence
- Withdraws, unusually quiet

Success factors

- Cooperation between employees, manager, HR, Swedish Social Insurance Agency, occupational health care, etc.
- Focus on the work ability rather than only focusing on sickness
- Continuous follow-up and documentation

Plan to reduce sick leave and rehabilitation

We have an established process and explicit guidelines for all managers to follow when they need to help an employee return to the workplace after a period of sick leave.

Mangers gets support from the HR department and the occupational health care service.

As we work systematically and methodically with process throughout the company we have managed to reduce the total sick leave before the pandemic from 7% to 5%.





Attrition

The attrition rate at APCOA has been 10% for the last 2 years. During 2020 we had a predominably involuntary attrition because of some lay offs due the pandemic.

In 2021 the attrition has been a combination of both voluntary and involuntary. The involuntary cases were exclusively due to disciplinary issues.

GOVERNANCE

Our management system is our tool for planning, leading, controlling, following up and evaluating our organization's work, delivery and performance.

APCOAs management team utilizes the management system to ensure that our business is conducted in accordance with the established policies, guidelines, and processes. The management system is also a tool for all employees for support in their daily work. It facilitates a long-term and resolute approach with a clear division of responsibilities and a high level of employee involvement.

In summary, our management system is a tool to be used to create an overview of all the activities that take place in our company, with the aim of increasing goal fulfillment, supporting compliance requirements and contributing to continuous improvement work.

On boarding new employees

Mandatory e-learning for all employees:

- Anti Corruption & Compliance
- GDPR
- Information Security

Whistleblower

All employees can, anonymously, report misconduct or irregularities within the company without fear of retaliation. The company has a collaboration with SAFECALL-hotline since 2017.

M&A

Sustainability as Basis Consumer Focus New Business

Strengthen

& Grow our Core

Expand with

Urban Hubs

es, Collaborati

Technology as Foundatio

partnersh

