

Value Creation Model Methodology Manual

2025

SALARIES AND PAY

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We create value for our employees amongst others by paying salaries and other benefits, which can be used to improve their wellbeing. Calculated by:			
VOLUMES	X	PRICES	= VALUE OF IMPACT
Employee benefits paid above living wage	x	Health utility of income per country	= Monetised societal impact of wages
SCOPE	METHODOLOGY, ASSUMPTIONS AND LIMITATIONS		
Own employees	<p>The economic impact of salaries and pay is calculated by:</p> <ul style="list-style-type: none"> • Taking the average wage per employee in each country and subtracting the living wage in that country, to determine how much more or less Lindéngruppen is paying employees. • This delta is multiplied by the marginal Health Utility of Income (HUI) in that country. HUI represents the contribution of income to an individual's well-being in a given location. It measures health inequities, in terms of DALYs (Disability-Adjusted Life Years) per person, related to income differences between the poorest and richest, expressed annually based on work activity. • This number is multiplied with the total number of employees in each country. <p>External data includes:</p> <ul style="list-style-type: none"> • WageIndicator database (Living wage) • Valuing Impact database (HUI) <p><i>Source: Measuring and valuing the Social Impact Of Wages –The Living Wages Global Dataset And The Health Utility Of Income –S. Vionnet and S. Haut 2018</i></p>		

TAXES AND SUBSIDIES

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Through the taxes we pay, we create economic value for the government and therefore indirectly for society. Calculated by:			
VOLUMES	X	PRICES	= VALUE OF IMPACT
Taxes paid minus the subsidies received	x	Included as actuals (multiplier is one)	= Monetised societal impact of taxes and subsidies
SCOPE	METHODOLOGY, ASSUMPTIONS AND LIMITATIONS		
Direct spend in own operations.	The economic impact is measured through taking the actual taxes paid and subsidies received from the financial statements.		

CARBON EMISSIONS

The use of (fossil) fuels for energy purposes can lead to an increasing concentration of CO₂ in the atmosphere resulting in an increase in global warming which leads to damages to the environment, crop losses and natural disasters. Calculated by:

VOLUMES	X	PRICES	=	VALUE OF IMPACT
Carbon dioxide emissions according to scope 1 and 2 (tonnes of CO ₂ e)	x	Social cost of carbon dioxide (2 246 SEK/tonne in 2024)	=	Monetised impact of carbon emissions on society

SCOPE	METHODOLOGY, ASSUMPTIONS AND LIMITATIONS
Scope 1: Emissions from own fossil fuel usage Scope 2: Emissions from energy purchased for the business	<p>Monetisation through the social cost of carbon (SCC), which reflects the costs or benefits generated by greenhouse gas (GHG) emissions.</p> <ul style="list-style-type: none"> - The SCC is calculated using Integrated Assessment Models (IAMs) that consider outcomes and impacts on society of each metric ton of CO₂e emitted. - The SCC considers socioeconomic futures (which consider different scenarios that model potential future societal, economic and demographic conditions), GHG emissions are linked to changes in the physical environment and subsequent monetized damages. Future damages are discounted to present value.

Source: *Greenhouse Gas Emissions Topic Methodology (IFVI)*

WASTE

WASTE			
Waste (hazardous and non-hazardous) is generated during operations. The disposal of this waste can lead to a range of environmental outcomes that adversely affect human wellbeing, thereby carrying a societal cost. Calculated by:			
VOLUMES	X	PRICES	= VALUE OF IMPACT
(Non)-hazardous waste to landfill, recycled/recovered/reused, incinerated	x	Societal cost of waste per type of waste and treatment type	= Monetised societal impact of waste
SCOPE	ASSUMPTIONS AND LIMITATIONS		
Direct waste produced generated by the Group Companies	<p>Social cost of waste varies according to the type of waste and treatment type. Costs will be based on a study done in Australia (2014), and adjusted based on global datasets (e.g. GDP). The calculations take into account:</p> <ul style="list-style-type: none"> - workplace injuries and illnesses costs from workers who handle hazardous waste - government and regulatory costs related to regulation of waste - environmental costs (GHG emissions, leaching and other air emission costs) - disamenity costs related to decreasing house prices from landfilling <p><i>Source: Marsden Jacob Associates, SRU (2014), Estimate of the cost of hazardous waste in Australia</i></p>		

OCCUPATIONAL HEALTH AND SAFETY

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Occupational incidents and illnesses resulting from working conditions can directly impact our productivity and reputation but can foremost affect the employees and their families through healthcare costs, lower income and quality of life. Calculated by:			
VOLUMES	X	PRICES	= VALUE OF IMPACT
Number and type of occupational incidents (injuries and illness, fatalities), number of days lost to injuries and illness	x	Employees and community cost per incident (corrected for severity of the incident)	= Monetised societal impact of health and safety incidents
SCOPE	METHODOLOGY, ASSUMPTIONS AND LIMITATIONS		
Work-related incidents and illnesses of own employees	<p>Employer's costs are already included in the financial results, so the societal cost of occupational injuries and illnesses is calculated using the average cost per incident for employees and the community.</p> <ul style="list-style-type: none"> - The prices used are based on a meta study conducted in Australia, which, based on desktop research, is the best available to date and also used by the Value Balancing Alliance. - Each incident's cost is calculated using the average number of lost days per incident, and then linked to values ranging between the minimum and maximum reported in the Australian study through a formula: Cost per incident (in AUD) = 28 * (average lost days of all incidents)² + 3472 - We apply the same cost across all countries because we believe that differentiating prices for this subject is ethically inappropriate. - The methodology is based on ESRS health and safety data points. - Days of lost is only considered for incidents of injury and illness and excludes days lost due to fatalities. - Given that the study reports a lower cost for fatalities compared to full incapacity, we have opted to use the cost associated with full incapacity as the cost for fatality costs. <p>Source: Safe Work Australia (2015). <i>The cost of work-related injury and illness for Australian employers, workers and the community: 2012-2013</i></p>		

GENDER EQUALITY

GENDER EQUALITY			
Through our commitment to gender diversity, we aim to enhance our organisational performance and thereby contribute to a more equitable society. Calculated by:			
VOLUMES	X	PRICES	= VALUE OF IMPACT
FTE female vs. male	x	Correction factor based on percent diversity and cost of gender inequality	= Monetised societal impact of diversity and inclusion
SCOPE	METHODOLOGY, ASSUMPTIONS AND LIMITATIONS		
Own employees	<ul style="list-style-type: none"> - Studies show that teams managed by a balanced mix of men and women were more successful across a wide range of outcomes. Sodexo's study of 50,000 managers from 100 entities worldwide between 2011-2014 confirmed a mix between 40 per cent and 60 per cent is necessary for optimal performance. - A direct correlation exists between the percentage of women in the total workforce and those in management (and vice versa) indicating that gender-balanced workforces and leadership create an environment supportive of career growth for women. - The model calculates gender diversity per group company as following: <ul style="list-style-type: none"> - If the overall gender diversity falls outside 40-60%, this is reflected as a cost in the model - If the overall gender diversity falls between 40-45% and 55-60% there is no penalty - If the overall gender diversity falls between 45-55%, this is reflected as a benefit in the model. - The monetary cost of gender inequality is based on the loss in human capital wealth (per person) of US \$23620 due to gender inequality. And equally a benefit for the 45-55% range. <p><i>Source: Q. Wodon, A. Onagoruwa, C. Malé, C. Montenegro et al (2020) How Large is the Gender Dividend? Measuring Selected Impacts and Costs of Gender Inequality</i> <i>The approach is explorative since there is no global approach yet.</i></p>		



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