

# SUSTAINABILITY REPORT 2021/2022



**Bergman & Beving** has prepared a Sustainability Report for the 2021/2022 financial year covering the Parent Company, Bergman & Beving AB (publ), Corporate Registration Number 556034-8590, and its subsidiaries.

Bergman & Beving aims to be a sustainable company where we actively work to limit the effect of our operations on the environment and simultaneously create long-term value for society and our shareholders. The Group's work to achieve this goal is presented in this Sustainability Report. By signing the 2021/2022 Annual Report, the Board of Directors has also signed the Sustainability Report.

# INCREASED BUSINESS VALUE THROUGH CORPORATE RESPONSIBILITY

In Accordance with Chapter 6, Section 11 of the Swedish Annual Accounts Act, Bergman & Beving has chosen to prepare this statutory sustainability report as a separate report from the statutory annual report. Our Sustainability Report describes our sustainability goals, why we have them and our progress during the year. We also describe several examples of initiatives and activities in our prior-

itised focus areas that fall outside the scope of measurable targets. The Sustainability Report, structured according to the table of contents below, is in line with our strategy based on our chosen focus areas and UN Sustainable Development Goals (SDGs). Our goals cover all ESG areas (Environmental, Social and Governance).

## CONTENTS

<b>INTRODUCTION FROM THE PRESIDENT &amp; CEO</b>	<b>31</b>
<b>SUSTAINABILITY VISION</b>	<b>31</b>
<b>GOVERNANCE MODEL</b>	
How we govern sustainability	32
Values and corporate culture	32
Code of Conduct	32
Group policies	32
<b>SUSTAINABILITY STRATEGY</b>	
Stakeholder dialogues	35
Materiality analysis	36
Focus areas and goal formulation	37
<b>ACTIVITIES AND PROGRESS DURING THE YEAR</b>	
EU taxonomy	38
The Group's sustainability team	39
<b>Focus areas:</b>	
Equality and diversity	40
Employees	41
Sustainable value chain	42
Product portfolio	43
Materials, waste and circular flows	44
Emissions and energy consumption	45
<b>Sustainability data</b>	<b>47</b>

## WE ARE BUILDING A GROUP OF COMPANIES THAT CONTRIBUTE TO SUSTAINABLE DEVELOPMENT

Bergman & Beving’s management works purposefully to contribute to sustainable development and continued to advance our positions in the area during the year. Our business concept is based on the idea that the customer offering from our operations should be a positive force for a sustainable society, since the focus is on providing productive, safe and sustainable solutions to the manufacturing and construction sectors. Sustainability is therefore well in line with our corporate culture and operations, and our increased focus creates both business opportunities and long-term competitiveness. An approach that is reflected in our sustainability agenda.

Demand for sustainable solutions has increased in the past year and will continue to do so. That is why all of our subsidiaries have clear objectives for more efficient resource use as well as increased reuse and recycling. One example of this is Arbesko, which was certified during the year by reThink for its waste management efforts, which are part of its goal to be the most sustainable safety shoe supplier in the market.

Another example is ESSVE’s partnership with Knauf Danogips and Norgips, which has resulted in a unique new system that radically reduces material waste and provides the most efficient and ergonomic mounting of drywall in interior walls. A third example is our brand Millers, which has switched all of its plastic packaging to paper. Additionally, we develop products in workplace safety and personal protective equipment, which helps our customers create safe and secure work environments for their employees.

We also require our suppliers and employees to follow our ethical guidelines, which cover anti-corruption and human rights. Our sustainability work is under constant development. That is why we carried out stakeholder dialogues during the year to update our materiality analysis and sustainability strategy. We also procured a system to support climate calculations according to the GHG Protocol.<sup>1</sup> These calculations are the foundation of continued improvements in the area.

Our sustainability report specifies our initiatives and the purposeful work that contributes to sustainable development.



Magnus Söderlind  
President & CEO, Bergman & Beving

1) Greenhouse Gas Protocol.

# OUR SUSTAINABILITY VISION

Sustainable development refers to development that meets today’s needs without jeopardising the ability of future generations to meet their own needs. As a proponent of sustainable development, we take responsibility for the way in which our businesses reach their profitability goals. This responsibility spans the entire value chain – from product development and purchasing to the end of the production cycle.

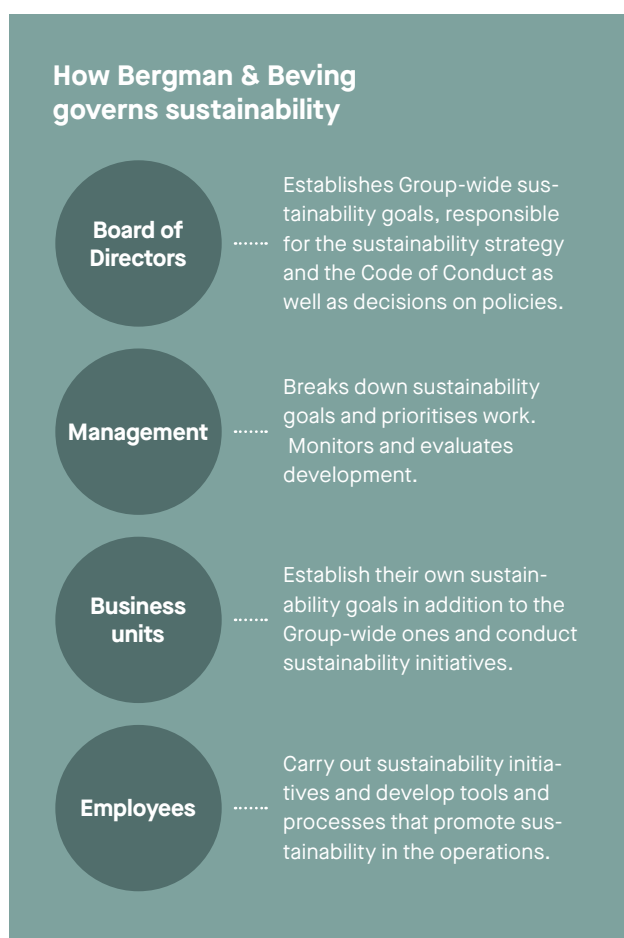
Our vision is to be the leading niche supplier of productive, safe and sustainable solutions to companies. This vision also means that we strive to be a driving force for sustainable development, including improved safety and productivity in companies. Our companies’ solutions strengthen our customers’ sustainability.

For us, leading means the long-term ability to create value through sustainable development, growth and profitability. This means being a company that takes responsibility for society and the environment while it strives for higher profitability. Achieving this goal will require, for example, smart product development and responsibility for the working conditions in the supplier chain, dedicated employees that enjoy working for their employer and efficient transports.

Sustainability creates business value in the form of more loyal customers, more satisfied employees and more sustainable products. Simply put, sustainability is a prerequisite for long-term profitability. The purpose is to reduce business risks, create business opportunities and promote a trustworthy and future-oriented sustainability agenda.

# GOVERNANCE MODEL

This section describes how we govern our operations according to the sustainability goals we have set and which rules and policies govern our activities. For more information about our corporate governance, refer to our Corporate Governance Report, which is a part of our statutory Annual Report.



## VALUES AND CORPORATE CULTURE

Our values and corporate culture form the basis of our sustainability agenda. Bergman & Beving's values and corporate culture are based on genuine entrepreneurship. We strive to innovate and develop competitive offerings and build relationships. We summarise our values with keywords such as:

- Responsibility and freedom
- Simplicity
- Efficiency
- Openness and a willingness to change

Our subsidiaries conduct their operations with a high degree of freedom and are also held accountable for meeting our ambitious objectives. In practice, this means

that our employees prioritise initiatives and take decisions as close to their customers and market as possible. This creates a sense of motivation and allows our employees to develop. We act with integrity, are considered a good role model and take responsibility for sustainable, value-creating development. The Group has a whistleblowing system where both internal and external stakeholders can report suspected misconduct in our operations.

## CODE OF CONDUCT

Our Code of Conduct is a critical tool for supporting Bergman & Beving's decentralised organisation and applies to all employees and suppliers.

The Code of Conduct is based on documents such as the UN Universal Declaration of Human Rights, the ILO (International Labour Organization) Core Conventions, the OECD Guidelines for Multinational Enterprises and requirements in the UN Global Compact. The Group also bases its Code of Conduct on the Code of Business Conduct from the Swedish Anti-Corruption Institute (IMM), a driving force within Anti-corruption in society and business.

A sustainable value chain means responsible purchasing that complies with the Group's values with respect to business ethics, human rights, prohibitions on child and forced labour, and equitable working conditions.

Bergman & Beving's Code of Conduct imposes requirements on suppliers to respect fundamental human rights and to treat their labour force fairly and with respect, with the aim of counteracting corruption. The suppliers also ensure that their sub-suppliers, contractors and agents act in accordance with the Group's Code of Conduct and assess their performance in relation to this Code.

It is important to the Group that our business partners meet our expectations, and that every supplier actively approves and confirms that it will comply with the Code of Conduct. Regularly conducted audits, by both independent external consultants and by internal personnel, ensure that the Group's suppliers are meeting our expectations.

We strive for a sustainable value chain by increasing the share of purchases from certified suppliers and the share of purchases from suppliers who have signed the Group's Code of Conduct.

## GROUP POLICIES

The Group has a number of employee policies and guidelines, such as guidelines for systematic occupational health and safety, incidents and emergencies, equal treatment as well as guidelines for alcohol, drugs and hazardous substances.



Innovative and forward-looking solutions can make daily life easier for tradesmen while reducing their climate impact. ESSVE's patented system solution Nail It Indoor® reduces sheet material waste by half and requires 20 percent fewer studs. It also improves the work environment through more efficient and ergonomic mounting and improves profitability for mounters, since easier mounting also allows for more installations per day. The system thereby enables a better use of materials and a reduced impact on the environment.

\*Nail It Indoor® is a registered name of Knauf Danogips. ESSVE's patented system solution is marketed through an exclusive regional contract.





During the year, Guide Gloves continued to develop the ENVI sustainability concept and designed a new work glove manufactured using a new, more environmentally friendly method where the fabric is based on glucose extracted from sugar beets.

# SUSTAINABILITY STRATEGY

## STAKEHOLDER DIALOGUES

At Bergman & Beving, we work continuously to prioritise how we can maximise the impact of our sustainability initiatives.

In order to invest its resources purposefully, Bergman & Beving bases its sustainability strategy on a materiality analysis that indicates where we believe we have the greatest opportunity to have an impact. The materiality analysis is, in turn, based on stakeholder dialogues we have conducted. The basis of the Group’s current sustainability strategy was established four years ago when the first stakeholder dialogue and subsequent analysis took place.

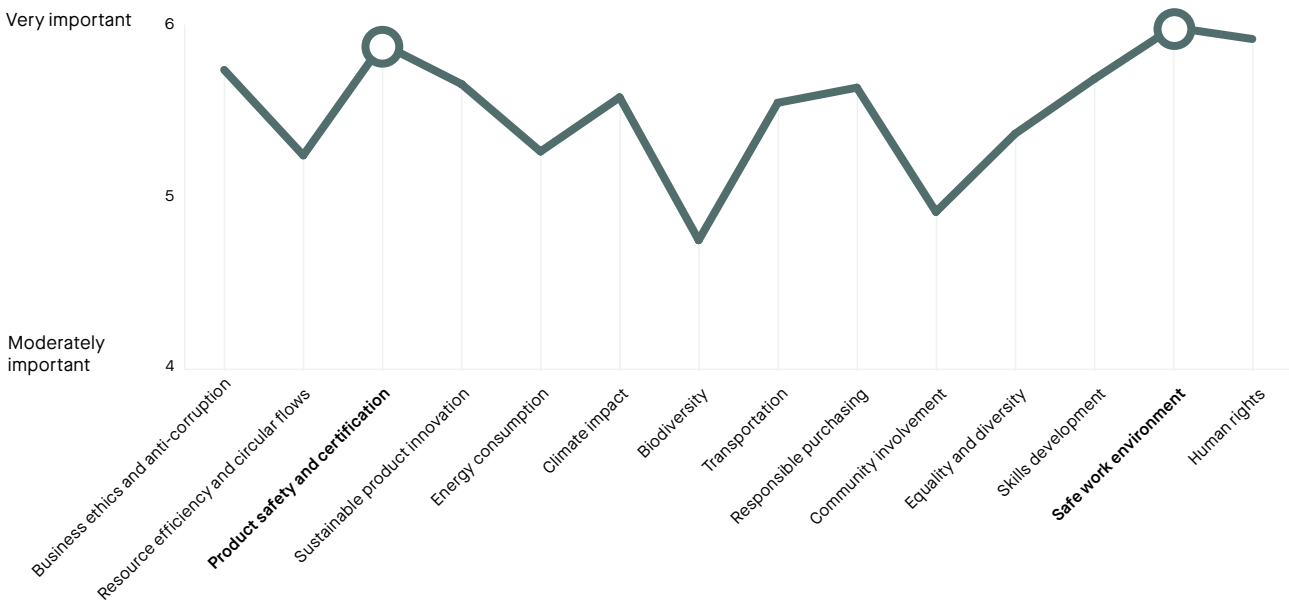
During the year, an updated stakeholder dialogue was carried out through interviews with owners, stakeholders

in society, customers and suppliers. We also sent surveys to several customers and suppliers and to all of our employees. The aggregate results from the stakeholders’ and management’s priorities were used in the analysis to identify important areas. Management could see that the Group’s sustainability goals, which are structured in a framework with focus areas, are still relevant and applicable.

The focus areas apply across all units in the Group, but the respective companies can implement their own goals in addition to the Group-wide focus areas.

The Board monitors sustainability efforts in connection with the annual strategy review. An in-depth stakeholder dialogue and materiality analysis are carried out every three years.

**SIGNIFICANT FOR ALL STAKEHOLDERS**



As seen in the above diagram, a safe work environment and product safety are the most important sustainability issues for our stakeholders. Biodiversity is currently the lowest priority, but according to external analyses and experiences from external consulting firms we work with when it comes to sustainability, this area will likely be more highly prioritised in the future. This was also evident in the in-depth interviews carried out with a number of stakeholders. The greatest consensus was surrounding transportation, sustainable product innovation and responsible purchasing.

The most important sustainability issues in each stakeholder group are as follows:

- **Investors:** Human rights, business ethics and anti-corruption, safe work environment, and climate impact
- **Employees:** Safe work environment, human rights, and product safety and certification
- **Customers:** Product safety and certification, safe work environment, and climate impact
- **Suppliers:** Business ethics and anti-corruption, product safety and certification, safe work environment, and climate impact
- **Society:** Responsible purchasing, safe work environment, and climate impact

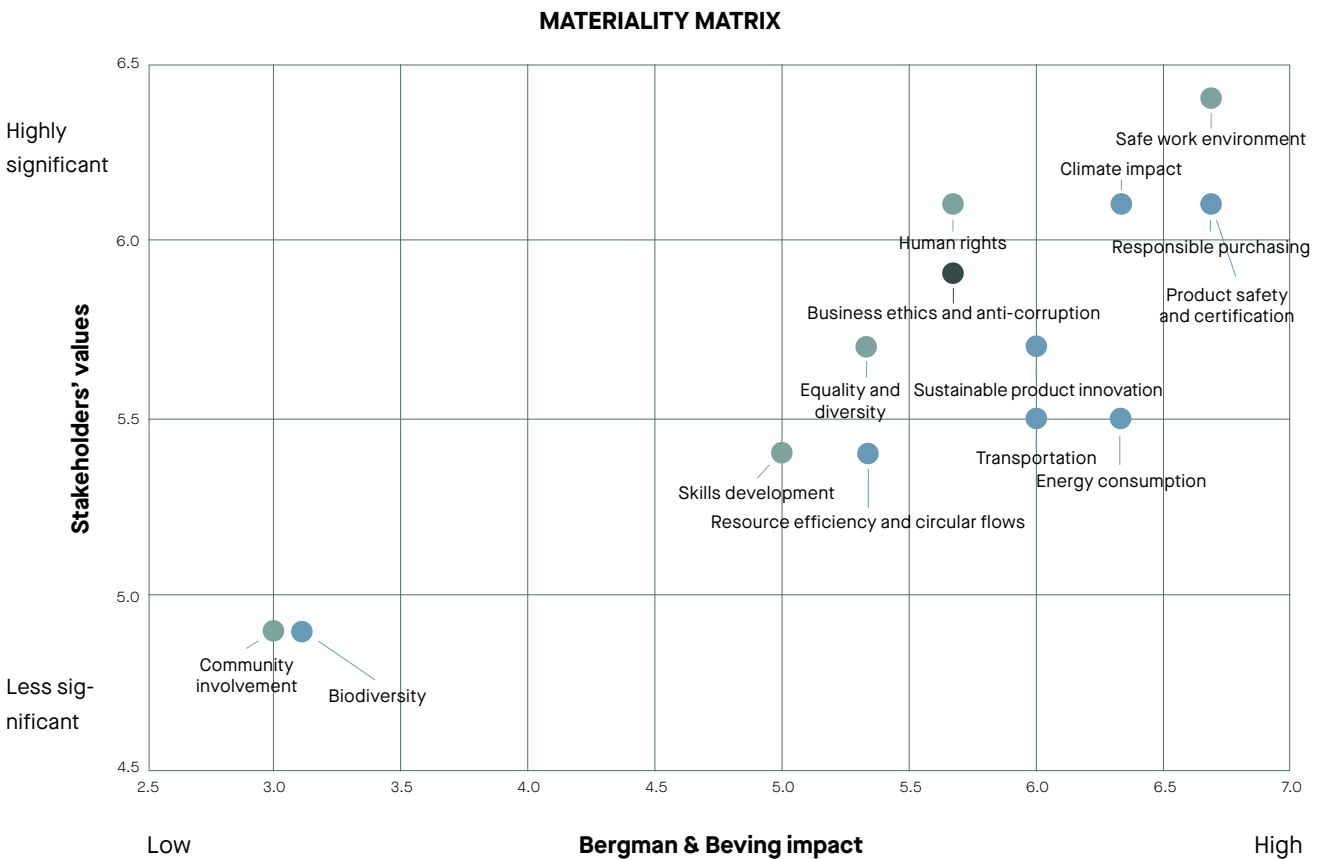
# MATERIALITY ANALYSIS

We can see that sustainability requirements and expectations will increase. This will require increasingly stringent controls for supplier risks and measuring climate impact across the entire value chain. Long value chains result in elevated risks when a high level of responsibility rests with suppliers. That is why it is important to actively work together with our suppliers regarding sustainability issues. For our customers, it is important that we build trust and that they are confident that we take responsibility throughout the entire value chain.

We have high ambitions to be clearer and more transparent in our communication and to work towards measurable

goals through focused activities where we have the greatest ability to have an impact.

While working on the materiality analysis, we did not see any major change from the previous analysis from four years ago in terms of which issues were considered the most material. Work environment, control over global supply chains, and products that meet the market's expectations for climate impact are the most important areas to address. Stakeholders' collected prioritised areas and the Group's analysis of where we have the greatest ability to have an impact are presented in the illustration below.



During the coming financial year, we will follow the EU's coming framework for sustainable products (Sustainable Products Initiative, SPI) and the EU law that will require

companies to carry out human rights audits across the entire value chain (Human Rights Due Diligence).



# FOCUS AREAS AND GOAL FORMULATION

The aggregate results from the stakeholders’ and management’s priorities were used in the materiality analysis. We could see that the Group’s sustainability goals, which are structured in a framework with focus areas, are still relevant and applicable. Calculations for climate impact were included in this year’s compilation. This covers all areas but is categorised below in the “Sustainable value chain” focus area. The performance measure “share of compa-

nies that measure their climate impact according to the GHG Protocol” has been included and will be monitored going forward.

The focus areas apply across all units within the Group. Each company can implement unit-specific goals in addition to the Group-wide focus areas.

UN SDGs	Focus areas	Goal formulation	Performance measures
	<b>Equality and diversity</b>	We operate in a male-dominated industry, and can make a difference with respect to diversity and equality. An inclusive work climate where differences are utilised and where all employees have equal conditions and opportunities. The goal for gender equality is constant improvement towards an even distribution.	Percentage women/men Percentage men/women, managers Percentage women/men, new salaried employees
	<b>Employees</b>	Attract and develop employees through safe work environments, skills development and personal growth. The goal is an EI over 70.	Employee index, EI
	<b>Sustainable value chain</b>	The Group’s operations and products promote positive working conditions and economic growth in the entire value chain. Through responsible purchasing, we support equitable working conditions and human rights, and conduct operations according to good business ethics and without corruption. The goal is to continuously increase purchases from certified suppliers and suppliers who have signed our Code of Conduct.	Share of procurement volume from certified suppliers Share of procurement volume from suppliers who have signed our Code of Conduct
	<b>Product portfolio</b>	We offer innovative, sustainable, certified and safe products and solutions. The goal is to continuously increase the share of sales of certified products and services.	Share of companies that measure according to Scopes 1 and 2 <sup>1</sup> Share of companies that measure according to Scope 3, 10 to 15 categories <sup>1</sup> Share of companies that measure according to Scope 3, 5 to 10 categories <sup>1</sup> Share of companies that measure according to Scope 3, 1 to 5 categories <sup>1</sup> Share of sales of certified products and services
	<b>Materials, waste and circular flows</b>	We want to improve resource efficiency and circular flows by reducing the consumption of materials and raw goods, and by increasing recycling and reuse in our own manufacturing.	Consumption of packaging
	<b>Emissions and energy consumption</b>	Through smart transportation and energy solutions in our operations, we can reduce our environmental impact. The goal is a coefficient of fullness of 80 percent for incoming freight and 50 percent for outgoing freight and to decrease the percentage of air shipments.	Coefficient of fullness, incoming freight Coefficient of fullness, outgoing freight Percentage air shipments

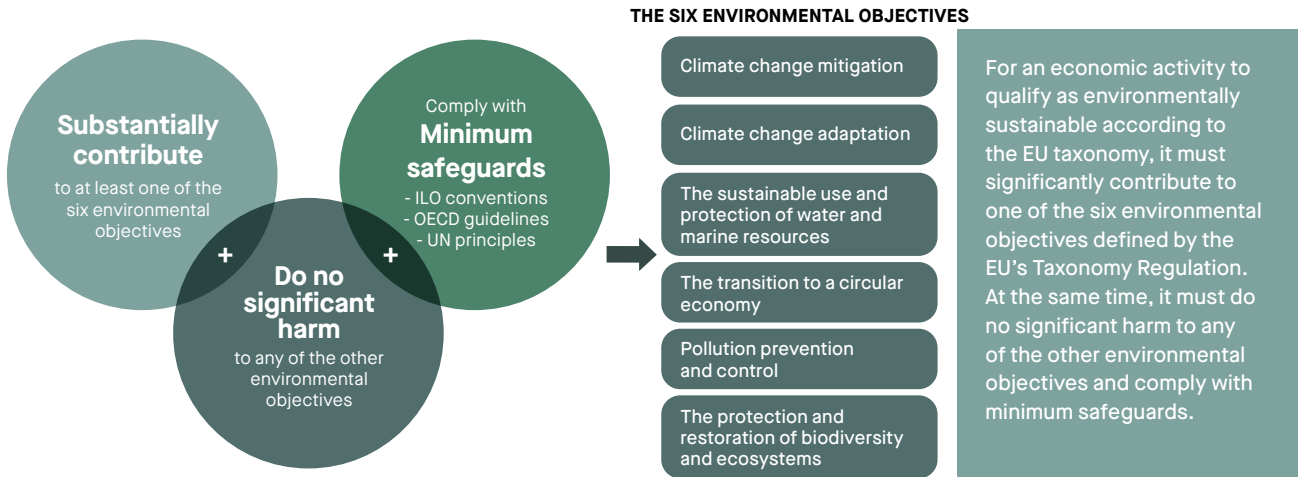
1) According to the GHG Protocol (Greenhouse Gas Protocol).

# ACTIVITIES AND PROGRESS DURING THE YEAR

## EU TAXONOMY

The EU taxonomy for sustainable economic activities is an EU initiative to achieve the global environmental objectives as well as the objectives of the Paris Agreement. It is also a classification tool that determines which economic activities are considered sustainable within the EU. The

goal is to create a shared language that helps investors and companies navigate the transition to a lower-carbon, resilient and resource-efficient economy, and to direct investments in a more sustainable direction.



During the year, we began an analysis of the reporting requirements for our activities. Since our industry is not directly covered by the EU taxonomy, we do not have any outcomes within the parameters below. Preparations are under way for this survey and the analysis will be carried out during the next financial year.

- Proportion of turnover aligned with the taxonomy
- Proportion of OPEX aligned with the taxonomy
- Proportion of CAPEX aligned with the taxonomy

The higher the percentage, the more positive the impact our activities have on the transition to climate neutrality. However, a company cannot be aligned with the taxonomy if these regulations do not apply to its operating industry.

What have we done during the past year within the first two environmental objectives? To be able to achieve qualitative and quantitative goals, it is important to begin measuring your climate impact – your footprint. With this in mind, the Group procured a system during the year that will support the handling of sustainability data and carry

out climate calculations. Some companies have already carried out their own climate calculations, but for others the journey has just begun to limit their climate impact, adapt to the prevailing climate changes and actively contribute to this transition. This is only possible if we measure our starting point. Other activities that we carried out during the year are described in further detail in each focus area in the sustainability report on the coming pages. It is our assessment that none of these activities cause significant harm to any of the other environmental objectives.

All activities in the Group must be in line with the Group's governance model. Our current Code of Conduct and other policies ensure that our activities comply with minimum safeguards. The Code of Conduct is based on documents such as the Universal Declaration of Human Rights, the ILO (International Labour Organization) Core Conventions, the OECD Guidelines for Multinational Enterprises and requirements in the UN Global Compact. The Group also bases its Code of Conduct on the Code of Business Conduct from the Swedish Anti-Corruption Institute (IMM), a driving force within anti-corruption in society and business.

# THE GROUP'S SUSTAINABILITY TEAM

During the year, a sustainability team was assembled that held a number of meetings covering various topics. The goal of the sustainability team is to create an internal Group network, share initiatives and generate engagement. We invite external lecturers in to inspire us and improve our expertise. Together, we will ensure that the Group

reaches its sustainability goals and that we develop in the right direction in accordance with our vision: to be a leading niche supplier of productive, safe and sustainable solutions to companies. The sustainability team strives to further increase our sustainability focus.



**The Group's sustainability vision and governance model**

**Stakeholder dialogues**

**Climate calculations**

**Circular and conscious handling of IT equipment**

**Unbiased recruitment and equality in communication**

**Packaging**

“We meet digitally every other month to discuss different themes.”

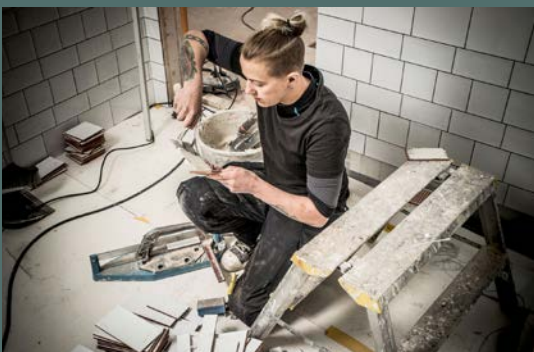
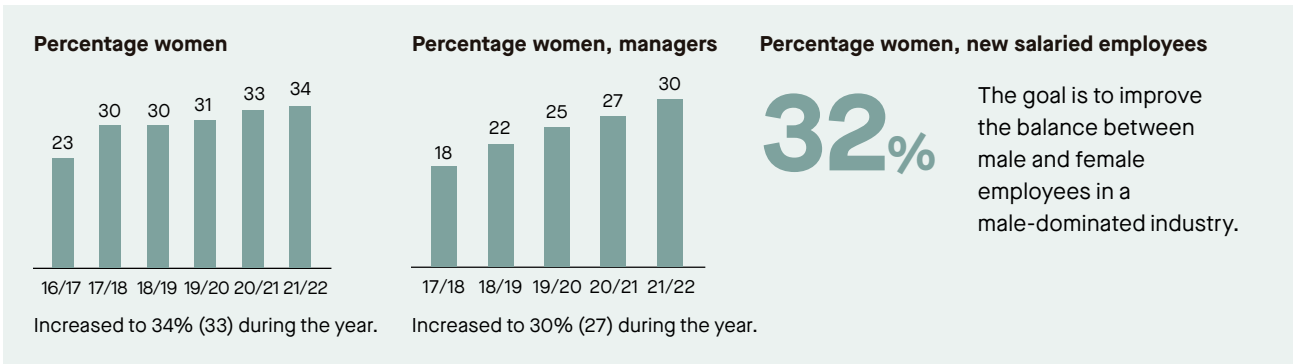
Focus area

# EQUALITY AND DIVERSITY

Equality and diversity are considered central issues that affect the entire business model and corporate culture. They have obvious business value and we work purposefully with equality in communication and skills-based, unbiased recruitment. The goal is constant improvement towards an even distribution. Bergman & Beving aims to offer an inclusive work climate where all employees have equal conditions and opportunities, differences are utilised and the attitude is that diversity enriches us. To provide customers with the best service possible, it is important to build competent teams and have a leadership that reflects the values of both the Group and society.

The Group’s policy for equal treatment describes how all employees are to conduct themselves to eliminate discrimination and contribute to gender equality and

diversity. Bergman & Beving has set a goal to continuously improve the balance between male and female employees in a male-dominated industry. We are very aware that there are several gender identities but in this respect we have chosen to limit ourselves. The goal is to better reflect social and customer structures as well as lead the way for the industry as a whole to become more balanced. We believe the gain will be that better decisions are made and that the industry will be perceived as more open for everyone, regardless of gender. One way to achieve the Group’s stated goals of gender equality is to measure the proportion of female managers. The proportion of women on the Board of Bergman & Beving in 2021/2022 was 33 percent (33) while Group management consisted of two men. Since employee turnover is low, this measure of equality and diversity is slow to change.



## UNBIASED RECRUITMENT – ONE WAY TO WIDEN THE SEARCH FOR NEW TALENT

During recruitment at KGC Verktyg & Maskiner, it is important to get the right person in the right place. It is also important that those who are applying for jobs are properly assessed and that the choice is based on the applicant’s skills and merits. That is why KGC uses an unbiased recruitment process, which includes hiding names, ages, gender and backgrounds of the candidates until they appear for an

interview. The selection of candidates is based exclusively on the skills needed to best carry out work-related tasks. This is how KGC can be sure that it hires the most skilled person for the job, without the influence of preconceptions. At the same time, it creates more opportunities to find hidden talent. According to CEO Johan Lundin, the transition has been smooth and the process already feels natural.

“Without thinking about it, most of us make decisions based on our own frame of reference. We gravitate towards individuals who resemble ourselves. That’s why it’s not so strange that many workplaces choose candidates that ‘fit in’ with other employees. But, when we let preconceptions influence the recruitment process, we limit our choices and will eventually lack diversity. We want to avoid overly homogeneous groups where everyone has similar approaches, since we’ve noticed that diversity leads to better business and a higher rate of innovation. It also increases the chance of finding talent we didn’t know existed,” says Johan Lundin.

Focus area

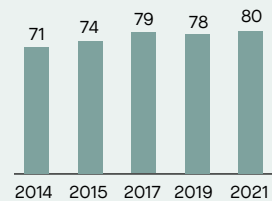
# EMPLOYEES

Bergman & Beving's greatest asset is its skilled employees. Their commitment is an important prerequisite for continuing to develop new and existing business. Our ambition is to leverage our employees' desire to develop within the operations. Bergman & Beving's governance model, with clearly decentralised responsibility and decision-making, is important for achieving this, but also for attracting new committed and skilled employees. Our governance model includes an internal business school for training employees in business matters, explaining Bergman & Beving's values and sharing experiences with other business units.

The Group takes a positive view towards internal recruitment, and many employees with managerial responsibilities in the Group began their career in one of the subsidiaries. Bergman & Beving's employee philosophy focuses on being an attractive employer with a workplace where people have a high degree of job satisfaction, feel they are involved and can develop. Commitment and employee satisfaction are monitored through regular employee surveys. Through these surveys, the Group gains an understanding of its employees' attitudes towards their tasks while also creating a link between employees' well-being, attitudes and values as well as the requirements for earnings performance from our owners.

The Group-wide employee survey is conducted roughly every 18 months and the most recent was conducted in 2021. Units can choose to carry out "temperature readings" in between surveys.

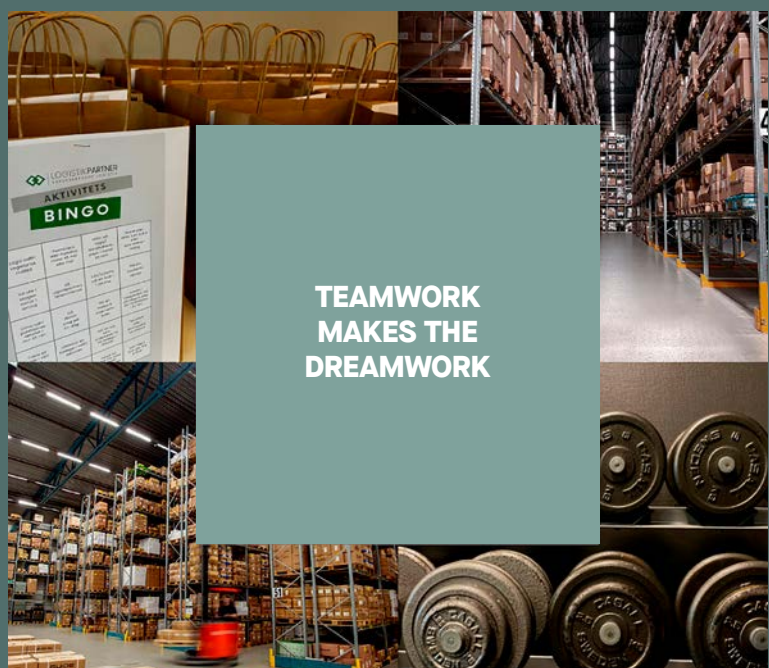
Employee index, EI



The Group's goal is an EI over 70, showing that all of the basic conditions are present and well functioning. This year's survey indicated a major EI improvement to 80 percent (78). Areas like "Leadership" and the overall "Vision" area and goals increased significantly.

## WORK ENVIRONMENT MONTH

To place extra focus on a sound work environment and to involve employees in the topic, Logistikpartner held various work environment activities in November. Employees had the chance to try yoga, attend a lecture about sustainable teamwork or participate in an activity bingo, among many other choices. We wanted to highlight the psychosocial aspects and connection between physical and mental health.



Focus area

# SUSTAINABLE VALUE CHAIN

A sustainable value chain means responsible purchasing that complies with the Group’s values with respect to business ethics, human rights, prohibitions on child and forced labour, and equitable working conditions. Bergman & Beving’s Code of Conduct imposes requirements on suppliers to respect fundamental human rights and to treat their labour force fairly and with respect, with the aim of counteracting corruption. The suppliers also ensure that their sub-suppliers, contractors and agents act in accordance with the Group’s Code of Conduct and assess their performance in relation

to this Code. It is important to the Group that its business partners meet its expectations, and that every supplier actively approves and confirms that it will observe the Code of Conduct. Regularly conducted audits, by both independent external consultants and by internal personnel, ensure that the Group’s suppliers are meeting its requirements. We strive for a sustainable value chain through increasing the share of purchases from certified suppliers and through increasing the share of purchases from suppliers with an approved Code of Conduct.

**Share of procurement volume from certified suppliers**

75%

We want to ensure the right quality and sustainable development together with our suppliers. Becoming a certified supplier always requires some form of an external audit.

**Share of procurement volume from suppliers who have signed our Code of Conduct**

84%

The Code imposes requirements on our suppliers to respect human rights and to treat their labour force fairly and with respect. The Code is also intended to counteract corruption.

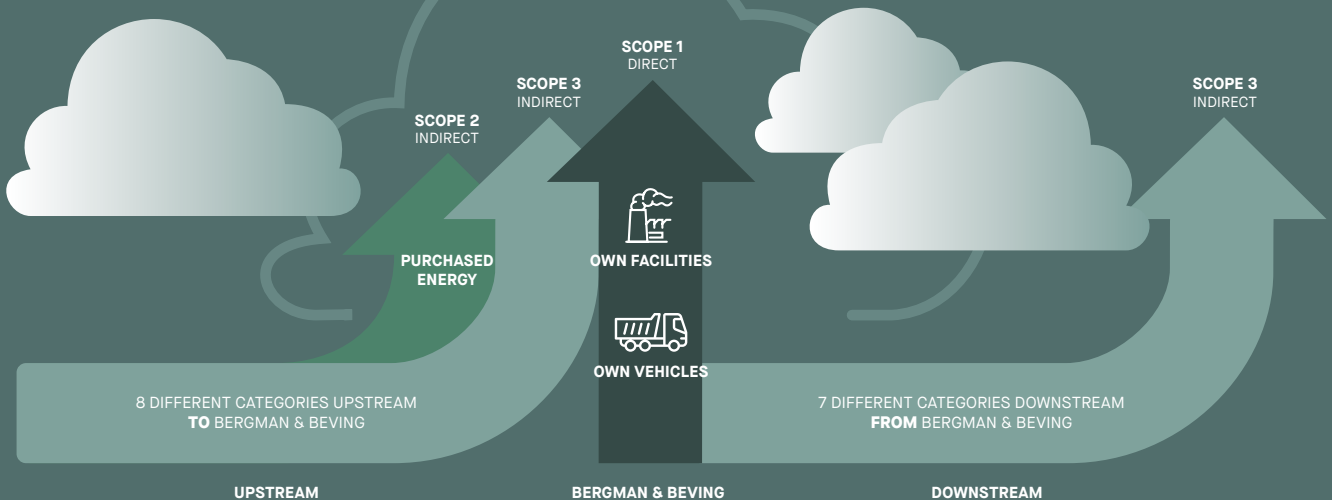
By measuring the climate impact of our operations in our value chain, we can implement focused measures to reduce our climate impact. We can also help build better structures for sustainable consumption and production.

New performance measures going forward will include how many companies measure their climate impact according to the Scopes given in the GHG Protocol.

## INTRODUCING CLIMATE CALCULATIONS

To help our companies take responsibility for a sustainable value chain, the Group procured a system to support climate calculations. This is a way for the Group to support our companies in their sustainability journey. Knowledge about their climate impact across the entire value chain, both upstream and downstream, provides a foundation for driving improvements and development.

The system provides climate calculations according to the GHG Protocol. During the year, some companies made progress and carried out their own climate calculations. This means that now, as a Group, we have started our journey of calculating the climate impact of our operations, starting with Scopes 1 and 2 but gradually expanding to include select categories in Scope 3.



## Focus area

# PRODUCT PORTFOLIO

Bergman & Beving's business concept is based on the idea that the customer offerings from our operations should be a positive force for sustainability, with a focus on providing productive, safe and sustainable solutions to the manufacturing and construction sectors. We want our customers to be able to choose safe, sustainable products, which the Group is able to offer.

All of our subsidiaries have clear goals when it comes to continuously streamlining their resource use and increasing reuse and recycling. During the year, for example, Guide Gloves continued to develop the ENVI sustainability concept and designed a new work glove, the GUIDE 3304. It is manufactured using a new, more environmentally friendly method where the fabric is based on glucose extracted from sugar beets.

Products should be safe to use and correctly labelled. Another way to ensure a sustainable product portfolio is to increase the sales of certified products and services, which we measure and follow up as a performance measure.

### Share of sales of certified products and services

# 84%

The share of sales of sustainable products increased to 84 percent (66) during the year. We are primarily affected by customer requirements regarding certified products. Certified products mean that they are better by comparison, for example are safer or are of a higher quality. This does not always entail external certification.

## AN AIR PURIFIER THAT IMPROVES WORK ENVIRONMENTS AND SAVES ENERGY

H&H's air purifier protects builders from breathing in harmful substances and dust. Air purifiers at construction sites have historically required a high level of energy consumption. That is why H&H developed a model that saves electricity equivalent to the amount used by 250 to 300 heated terraced homes per year.

Construction and demolition sites as well as renovations fill the air with harmful substances and dust. Air purifiers are used to minimise air contamination and reduce the risk of spreading it to other nearby areas.

Air purifiers are not usually used optimally in terms of energy and sustainability. That is why H&H developed an air purifier that uses energy-efficient fans that meet the criteria in the EU's Energy Related Products Directive and that also have adjustable circuit breakers. Air purifiers are usually used around the clock. The advantage with the adjustable solution is that they can run at lower levels at designated times of the day. The estimated annual energy savings is 4,150 MWh.

H&H has delivered over 5,000 air purifiers in Europe and received the Finnish Key Flag Symbol in 2021 for its innovative products. This symbol is an approved symbol that shows that the company is responsible, advocates for equal rights, and creates jobs and social benefits locally within Finland.



Focus area

# MATERIALS, WASTE AND CIRCULAR FLOWS

Bergman & Beving works to limit the environmental impact of our operations. We want to increase resource efficiency in order to reduce material consumption, recycle and reuse more material and raw goods, and improve circular flows. The performance measure we monitor within the Group is consumption of packaging per delivered cubic metre (m<sup>3</sup>) from our central warehouse in Ulricehamn, which many of our units have agreements with and use as a logistics partner. The goal is to gradually reduce the use of packaging. Not all initiatives and activities can be measured in performance measures. We carried out a

number of activities in this focus area during the year. Arbesko was certified by reThink for its waste management efforts. This certification awards points based on various criteria, including waste reduction and circular materials. It means that Arbesko participated in an annual audit of its waste management at its shoe factory in Kumla to ensure that the best solutions are used. Arbesko's goal is to be the most sustainable safety shoe supplier in the market, and waste management is an important part of reducing its environmental impact and carbon footprint.

**Consumption of packaging per delivered cubic metre**

**76** hg/m<sup>3</sup>

The marginal deterioration compared with the previous year (73) was due to a change in the order structure, where the volume per order decreased by 7 percent. This is the equivalent of an increase of 14 tonnes per year. However, we are actively transitioning to fewer and larger deliveries, which means more pallet deliveries rather than adding our own packaging.



## MILLERS ELIMINATING ALL PLASTIC PACKAGING

The broad range of handles, locks and hardware fittings from Millers currently includes roughly 3,000 items. Having numerous items means numerous variations in terms of packaging, which in turn has an environmental impact. To minimise its ecological footprint, Millers has started a packaging project to gradually transition to more material-efficient, environmentally friendly and plastic-free packaging. In addition to evaluating which type of material to use in packaging, the goal is also to make the packaging as compact as possible to minimise wasted space.

Millers is currently focusing on door handles, its largest product segment. Several of its handles were previously packaged in plastic bags or blister packaging. In the very near future, the packaging will instead be FSC-certified corrugated cardboard.



Focus area

# EMISSIONS AND ENERGY CONSUMPTION

In our materiality analysis, we have determined that we can affect emissions by eliminating environmentally unfriendly alternatives from our transportation chain. Efficient transport solutions therefore have a major impact on the Group’s total emissions. The Group has selected ships as the means of transport between continents. The containers loaded onto the ships should achieve a certain coefficient of fullness in order to be efficient as regards both costs and reducing emissions. The coefficient of fullness is also measured on all transports leaving the Group’s logistics centre in Ulricehamn, where deliveries to customers go by truck. We also received shipments via rail from Asia, and we are measuring the share of air shipments.

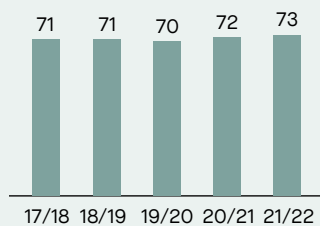
To reduce the environmental impact of our own premises, we choose renewable energy from our electricity suppliers as well as carrying out specific activities that reduce consumption. Electricity in the Group’s Swedish properties comes from renewable sources, and our logistics centre has an operational solar cell park. Solar cells were also installed at Arbesko’s shoe factory in Kumla, Sweden.

Together with its customers, the Group’s logistics centre in Ulricehamn sets goals and creates action plans to increase the coefficient of fullness in outbound packages without risking the safety of the goods. The logistics centre works with its main transport suppliers to determine

what they can do together to reduce our climate impact. The logistics centre has actively chosen a partner to carry out this work in a structured manner in our main markets in Sweden and Norway.

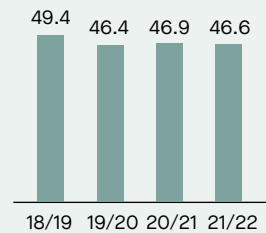


**Coefficient of fullness, incoming freight**



The coefficient of fullness during the year was 73 percent (72). Bergman & Beving’s goal for its current purchasing structure and product mix is to have a coefficient of fullness of 80 percent.

**Coefficient of fullness, outgoing freight**



The coefficient of fullness decreased to 46.6 percent (46.9) during the year. The goal is to achieve 50 percent.

**Percentage air shipments**

# 2.0%

The percentage of air shipments decreased to 2.0 percent (2.5) during the year, which is an improvement. However, the year continued to be impacted by insufficient capacity on shipping vessels as well as growing shortages of important products and input goods. This forced us to use air shipments on several occasions to meet customer obligations.

# INVESTMENT IN NEW LOGISTICS FACILITY WITH A FOCUS ON SUSTAINABILITY

Together with Luna, Logistikpartner invested in a modern 20,000 square metre logistics facility in Ulricehamn, Sweden. The new warehouse solution is part of Luna's growth strategy, with a focus on sustainability and social responsibility. Luna will initially move its operations to the new facility, and other companies in the Group will eventually be able to move in. The facility will be equipped with an automated robotics system for efficient storage of stock items. Miljöbyggnad Silver certification ensures that the property meets Luna's and Logistikpartner's sustainability requirements. The roof of the property will be equipped with solar panels.

The building can be extended significantly as customer needs increase. Luna's customers are already growing, both in size and in number.

In all of the Nordic countries, customers expect that suppliers will be able to deliver faster and more sustainably. Luna's fully automated warehouse will eventually use battery-powered robot technology and digital solutions. Deliveries will be carried out by shipping companies that actively strive to reduce their climate impact according to the UN SDGs.



# SUSTAINABILITY DATA

PERFORMANCE MEASURES	2021/2022	2020/2021	2019/2020	2018/2019
<b>SOCIAL SUSTAINABILITY</b>				
<b>Equality and diversity</b>				
Gender distribution, % (women/men)	34/66	33/67	31/69	30/70
Gender distribution: managers, % (women/men)	30/70	27/73	25/75	22/78
Gender distribution: newly recruited salaried employees, % (women/men)	32/68	43/57	-	-
<b>Employees</b>				
Employee index	80	-	78	-
<b>ENVIRONMENT AND CLIMATE</b>				
<b>Sustainable value chain</b>				
Share of procurement volume from certified suppliers, %	75.0	73.0	-	-
Share of procurement volume from suppliers who have signed our Code of Conduct, %	83.8	83.9	-	-
<b>Product portfolio</b>				
Share of revenue from certified products and services, %	83.6	66.3	-	-
<b>Materials and waste</b>				
Consumption of packaging (hg/m <sup>3</sup> )	76.0	72.8	98.4	101.2
<b>Emissions and energy consumption</b>				
Coefficient of fullness, incoming freight, %	72.3	72.1	70.0	71.0
Coefficient of fullness, outgoing freight, %	46.6	46.9	46.4	49.4
Percentage air shipments, %	2.0	2.5	-	-
<b>EU taxonomy</b>				
Proportion of turnover aligned with the taxonomy %	n/a	-	-	-
Proportion of OPEX (investments) aligned with the taxonomy %	n/a	-	-	-
Proportion of CAPEX (costs) aligned with the taxonomy %	n/a	-	-	-



