

# SUSTAINABILITY REPORT 2022/2023

**Bergman & Beving** has prepared a Sustainability Report for the 2022/2023 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 2022/2023 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 prioritised 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 the strategy we developed based on our chosen focus areas and goals from the UN Sustainable Development Goals (SDGs). Our goals cover all ESG areas (Environmental, Social and Governance).

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# WE AIM TO BE A SAFE CHOICE FOR OUR CUSTOMERS, EMPLOYEES AND SHAREHOLDERS

Bergman & Beving's management works purposefully to contribute to sustainable development and continued to advance our positions in the area during the year. 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.***

Bergman & Beving aims to be a safe choice for its customers, employees and shareholders. We want to support and influence customers in making good choices when it comes to sustainability, which we do by maintaining a constant dialogue with our stakeholders and developing our market offering. 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. Demand for sustainable solutions, as well as reporting requirements, have increased markedly in the last few years. This is a strategic opportunity for Bergman & Beving, since it will create greater demand for solutions that increase productivity, safety and sustainability. We see this current trend as a journey where we take well-chosen steps forward to help create a more sustainable world.

Bergman & Beving strives to mitigate climate change as well as to adapt to it – the first two of the six environmental

objectives established by the EU. That is why the Group's companies carried out climate calculations according to the GHG Protocol, which you can read about on page 42. By measuring the climate impact of our operations, we can implement measures to reduce emissions and help build better conditions for sustainable consumption and production across the entire value chain. All of the Group's companies have clear objectives for more efficient resource use as well as increased reuse and recycling in order to work with the EU's remaining four environmental objectives to protect the environment and biodiversity. Finally, all activities within the Group must adhere to our current Code of Conduct and other policies that ensure that our activities comply with minimum safeguards.



*Magnus Söderlind,  
President & CEO*

## 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 operations are governed according to the sustainability goals we have set and which rules and policies govern our activities. For more information, refer to the Corporate Governance Report, which is a part of Bergman & Beving's statutory Annual Report.



## VALUES AND CORPORATE CULTURE

Our values and corporate culture form the basis of the Group's 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 and improprieties 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 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 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 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.

# SUSTAINABILITY STRATEGY

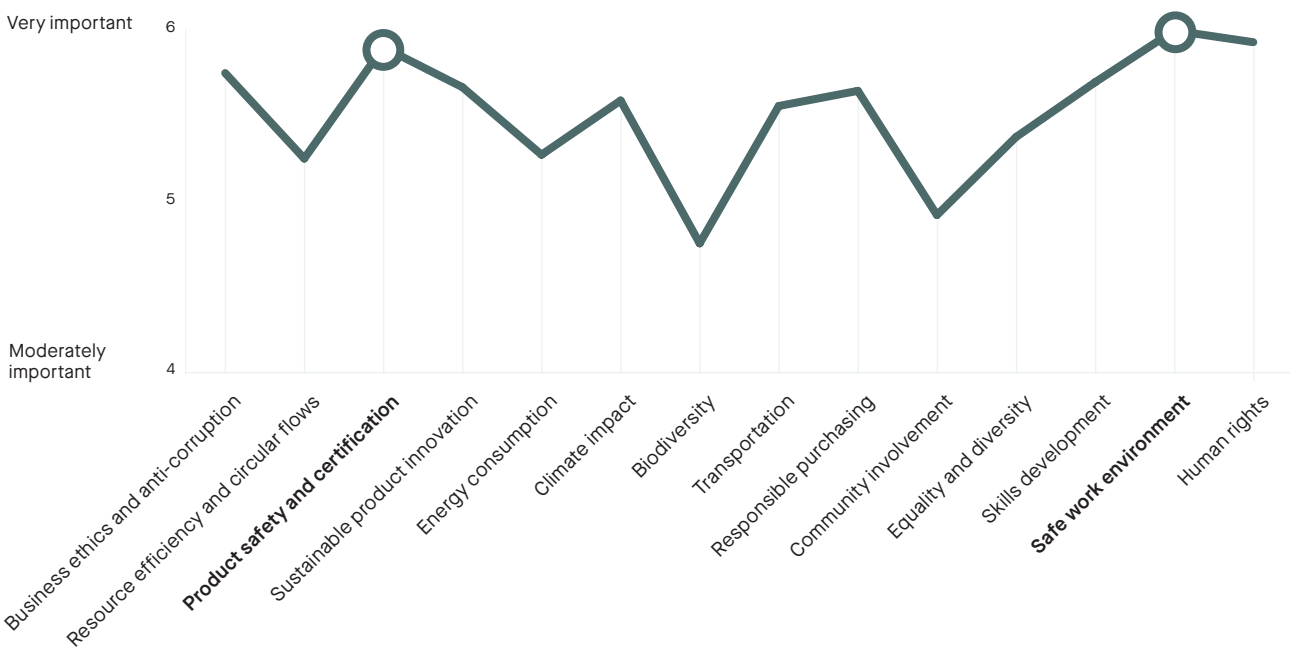
## STAKEHOLDER DIALOGUES AND MATERIALITY ANALYSIS

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. The basis of the Group’s current sustainability strategy was established in 2017 when the first stakeholder dialogue and subsequent analysis took place.

An updated materiality analysis was then carried out in 2022 through stakeholder dialogues in the form of interviews and questionnaires sent to owners, employees, stakeholders in society, customers and suppliers. In the coming financial year, a double materiality analysis will be carried out that will form the basis for future regulatory changes for the Corporate Sustainability Reporting Directive (CSRD). As seen in the below diagram, a safe work environment and product safety are the most important sustainability issues for our stakeholders.

**SIGNIFICANT FOR ALL STAKEHOLDERS**



Biodiversity is currently the lowest priority, but according to external analysis 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:

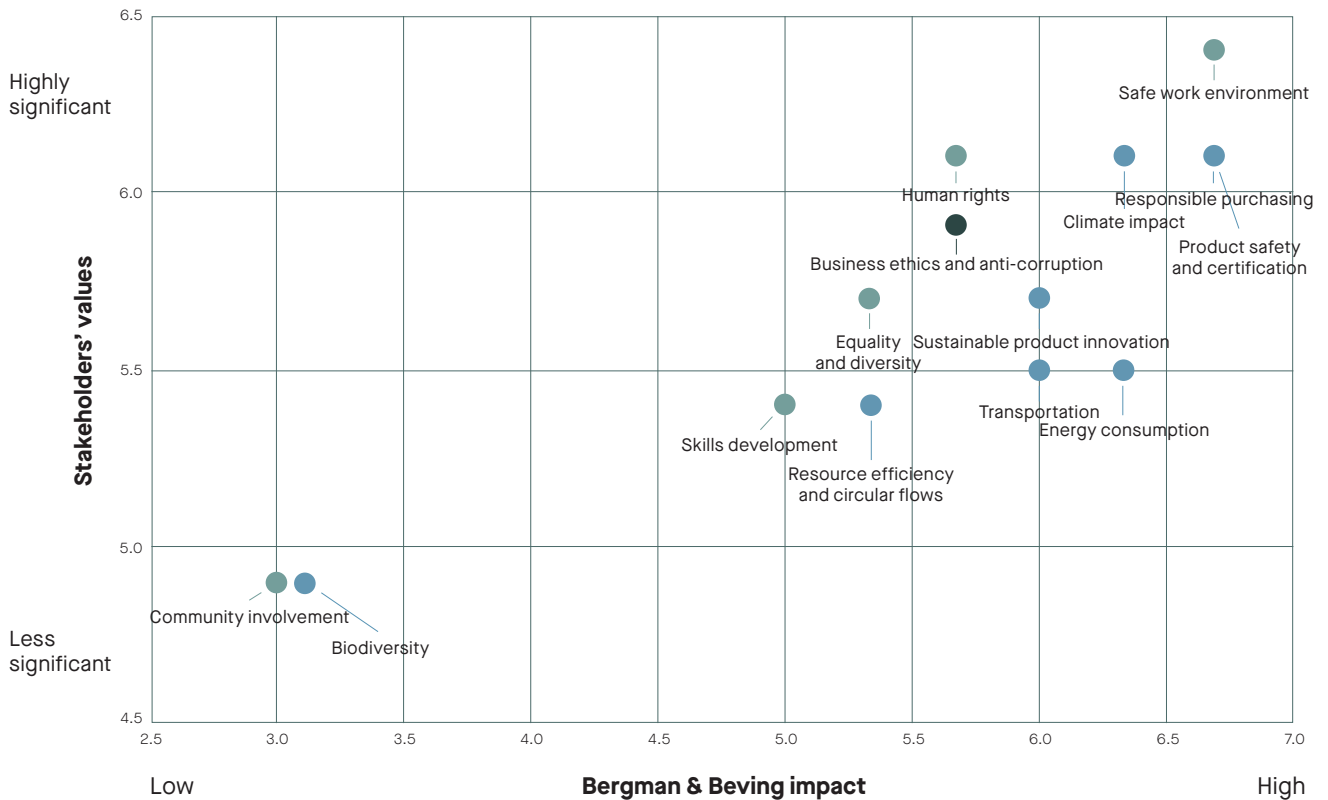
- **Investors:** Human rights, business ethics and anti-corruption, safe work environment, and climate impact
- **Employees:** Safe work environment, human rights, and product safety and certification
- **Customers:** Product safety and certification, safe work environment, and climate impact
- **Suppliers:**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

We can see that sustainability requirements and expectations are increasing. 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 transpar-

ent in our communication and to work towards measurable goals through focused activities where we have the greatest ability to have an impact.

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’ prioritised areas and the Group’s analysis of where we have the greatest ability to have an impact are presented in the illustration below.

### MATERIALITY MATRIX



The aggregate results from the stakeholders’ and the Group’s priorities were then used in the analysis to identify important areas and issues. Bergman & Beving could see that the Group’s sustainability goals, which are structured in a framework with focus areas, are still relevant and applicable. The most recent analysis included calculations of climate

impact, which we carried out last year.

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.

The Board monitors sustainability efforts in connection with the annual strategy review.

“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.”

# FOCUS AREAS AND GOAL FORMULATION



Focus areas	Goal formulation	Performance measures	UN SDGs
<b>Equality and diversity</b> Page 36	We operate in a male-dominated industry, and we 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.	Gender distribution number of employees Gender distribution number of managers Gender distribution newly recruited salaried employees	
<b>Employees</b> Page 37	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> Page 38	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> Page 39	We offer sustainable, certified and safe products and solutions. The goal is to continuously increase the share of revenue from certified products and services.	Share of sales of certified products and services	
<b>Materials, waste and circular flows</b> Page 40	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> Page 42	By measuring the climate impact of our operations in our value chain, we can implement focused measures to reduce our impact and help build better structures for sustainable consumption and production. The goal is for all operations to reduce their climate impact and to help reach the goals of the Paris Agreement.	Energy consumption KWh according to the GHG Protocol. Emissions, CO <sub>2</sub> e (tonnes) KWh according to the GHG Protocol.	
	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	

For performance between years, refer to Sustainability data on page 46.

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 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 2022/2023 was 25 percent (38) while Group management consisted of two men. However, since employee turnover is low, this measure of equality and diversity is slow to change.

*For performance between years, refer to Sustainability data on page 46.*

## “OPERATIONS IMPROVE WHEN WE INCLUDE SEVERAL PERSPECTIVES”

**Thinking beyond narrow norms and old structures and focusing on expanding expertise leads to equality, according to ESSVE’s CEO Karin Lidman. But she emphasises that, when all is said and done, the right skills are the most important factor in her hiring process.**

**“The mistake people make is to look for someone who is similar to themselves.”**

ESSVE operates in a sector that is traditionally male-dominated. Even though the company does not have an explicit goal for half of the management group to be women, several have joined ESSVE’s management group recently. This includes Karin Lidman, who was appointed CEO of ESSVE during the year. Prior to this, she was CEO of Arbesko. Karin Lidman believes this is because the company looks beyond specific qualities when hiring and that this is a recipe for breaking habits.

“If you believe that industry knowledge is the most important quality when you hire, and the industry is 80 percent men, then you’re going to have significantly more male candidates. But you can always learn industry knowledge. Meanwhile, there are characteristics that are

more difficult to learn, such as leadership qualities, interest in people and the ability to drive change and development,” she says.

For ESSVE’s CEO, diversity is not just about gender but other factors as well, including ethnic background.

“Diversity is generally positive for most organisations. It leads to more perspectives and allows the operations to develop more.”



*Karin Lidman, CEO of ESSVE.*



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. During the year, six training sessions were held with over 130 participants.

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. One example is the CEO of Arbesko, Ana Paula Geisler,

who began her career at the company when she moved to Sweden from Brazil in the late-1990s.

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.

*For performance between years, refer to Sustainability data on page 46.*

## BUSINESS SCHOOL BENEFITS COMPANIES AND EMPLOYEES

**Bergman & Beving is a decentralised group, where each company operates with a great deal of freedom and the responsibility for profitability, development and sustainability. At Bergman & Beving’s Business School, leading individuals are trained in the Group’s profitability model, referred to internally as the Focus Model.**

“The goal is for all of the participants to understand how they can affect profitability,” says Magnus Billfalk, who has several years of experience at Bergman & Beving and is a course leader.

The Business School is a two-day course where theory is combined with practical problem scenarios. The training includes all markets where the Group has subsidiaries. The Business School is therefore an excellent opportunity for employees at Bergman & Beving to develop their intra-Group networks and exchange experiences. This builds a strong culture and creates excellent interpersonal connections, according to Magnus Billfalk. The Business School is a successful concept that Bergman & Beving has been using for over 40 years.



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. During the year, nearly 80 audits were carried out.

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

*For performance between years, refer to Sustainability data on page 46.*

## SKYDDA TAKES RESPONSIBILITY FOR SAFE AND COMFORTABLE WORKPLACES

**L.Brador is a proprietary brand in the Skydda Group, with the vision of creating sustainable work clothes that can be used again and again.**

**For L.Brador, this means that product development is always based on a lifecycle perspective and that the brand takes responsibility for ensuring that everyone in the entire supply chain is safe and comfortable at their workplace.**

L.Brador works with its producers in Asia to address social issues as well as work environment issues in its production countries. The brand always aims for long-term partnerships with suppliers in order to influence and improve labour conditions in production's entire value chain.

Suppliers to L.Brador must sign the company's Code of Conduct and Product Compliance Agreement, which impose requirements regarding respecting human rights, fair labour conditions and the use of chemicals as well as a ban on child and forced labour. A supplier process is always applied for new suppliers, where all of the above requirements are assessed, signed and approved before production starts.

An updated process has been implemented and L.Brador ensures that the requirements in the Code of Conduct

and Product Compliance Agreement are followed through self-assessments, internal checks and visits, and annual visits from independent external controllers. The brand also has personnel with production expertise in Shanghai who provide assistance in daily communication and regularly visit producers.



*L.Brador works with producers in Asia and emphasises work environment as well as social issues in its production countries.*

## 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 and sustainable products that can be used for a long time thanks to their quality. This is exactly what the Group's companies offer. All of the companies in the Group have clear objectives when it comes to continuously streamlining their resource use and increasing reuse and recycling.

One example is Arbesko's deliberate efforts to use more sustainable material in its product portfolio. Heel cushioning, which is used in all existing series of proprietary

shoes, is purchased from a supplier that uses 100 percent of its own residual material in manufacturing. The product is certified under the Global Recycling Standard as a 100 percent recycled product.

All of the leather in our shoes also comes from tanneries that hold gold certification from the Leather Working Group (LWG) – their highest level. LWG is recognised as the world's leading certification for responsible leather manufacturing.

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 every company in the Group measures and follows up as a performance measure.

*For performance between years, refer to Sustainability data on page 46.*

## SMART, ENERGY-EFFICIENT LIGHTING FROM LUNA GROUP

**Correct, smart lighting makes construction sites more productive, cost-effective and environmentally friendly as well as safer. Mareld Sunlit is a proprietary Luna Group brand, with a system of products consisting of efficient strands of LEDs, flicker-free drives and lighting controls that can result in a great deal of energy savings.**

Mareld Sunlit is a system of products designed by lighting experts in Sweden to be the most effective way to illuminate a construction site. The LED strands can be upgraded or supplemented, making them future-proof. Additionally, all older LED strands are compatible with the latest generation of smart controls. The light from the product is comfortable, in a neutral colour temperature that makes it easy to provide good lighting in a variety of environments. The strands are also available in a frosted version that provides a gentler, glare-free light that does not strain the eyes.

Above all, the product is efficient and exceeds the tough new ecodesign standards by a wide margin. A new standard for energy labelling for lighting took effect in the EU in 2021. The Ecodesign Directive sets minimum energy performance requirements for products, and at 122 lm/W this product is a class leader in terms of efficiency. Lighting accounts for approximately 10 percent of total

electricity use in the markets where Mareld operates, so there is significant potential for energy savings in the area. In Sweden alone, the potential energy savings is estimated to be 5 TWh.

With the smart lighting controls from Casambi, the LED strands can also be connected together in a smart network. The dimmer from Casambi makes it possible to control when, and how much, light is used through night dimming and motion detectors, which has significant potential to further reduce electricity consumption.

The partnership with Casambi is unique, and Mareld is the company's first partner to manufacture work lighting.



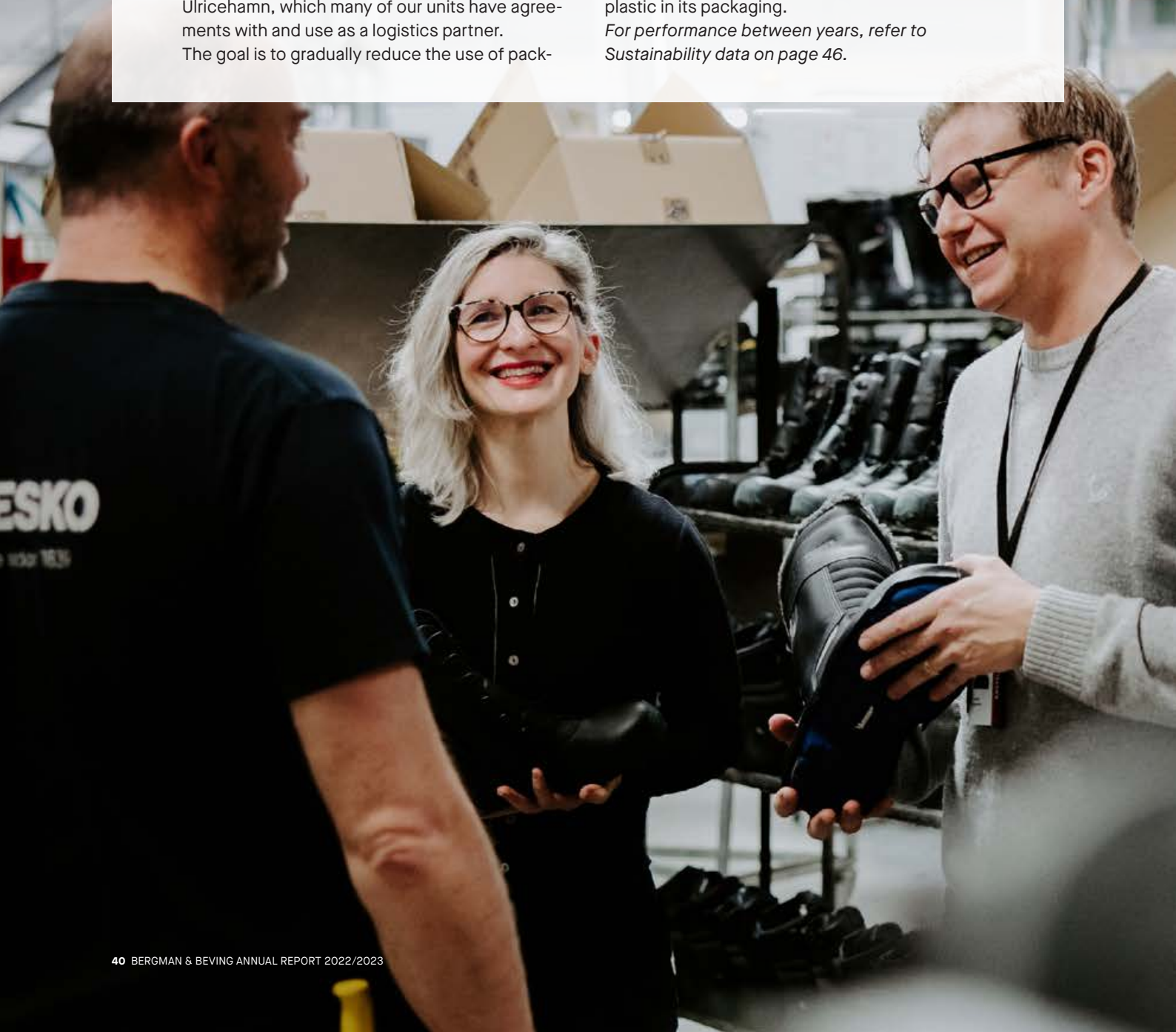
Focus area

# 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 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 pack-

aging. 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. Our company Teng Tools works with reusing material, for example. It collects the plastic product cards from individual tools that are placed in a complete boxed set. The plastic card is then reused. Teng Tools also reviews how tools are packaged in tool carts to reduce the amount of empty space in shipments and uses recyclable plastic in its packaging. *For performance between years, refer to Sustainability data on page 46.*



# ARBESKO INVESTS IN LOCAL PRODUCTION OF SUSTAINABLE SAFETY SHOES

**For nearly 200 years, Arbesko has produced high-quality safety and work shoes in Kumla. By keeping end production local, the company can guarantee quality all the way from the drawing board to the finished product. This also makes it easier to make the company's processes more sustainable.**

The Swedish plant where the soles are mounted is powered entirely with renewable hydropower energy. The Brazilian factory that produces the shoes' leather upper parts will soon be powered entirely by renewable energy.

Given the critical situation in the electricity market, Arbesko's major focus in the autumn was to save kilowatt hours. Thanks to good planning and many hours of work, solutions were found that drastically reduced consumption during the energy-intensive winter months. Another step towards sustainable energy use and production will be taken when the solar panels on the factory roof in Kumla go into operation later in the year.

An important part of Arbesko's sustainability agenda is to maintain a constant overview of its manufacturing and insight into the input material for the shoes. The company strives to become more circular by working with more recycled material, becoming more resource-efficient and extending the useful life of its material.

Arbesko also actively seeks out use areas for all of the waste and excess material it generates. Arbesko already uses excess leather, from the tanneries in the supply chain as well as in its own shoe production, to produce fertiliser for organic farming. Otherwise, leather is normally sent to landfill. Leather itself is one of the most

important materials in shoes from Arbesko. Quality is important, since wear-resistant leather that is handled correctly does not require extra components in the form of membranes or additional proofing with environmentally hazardous substances. A high-quality leather shoe can also be cared for so that it lasts a long time – a competitive and sustainability advantage. Arbesko's leather is always purchased from tanneries that are certified gold by LWG, ensuring that sustainable methods were used during manufacturing.

After the end of the year, Arbesko surveyed one of its best-selling products through a life-cycle analysis in order to gain a better understanding of the impact its products have on the environment and climate.

"By identifying our primary areas of improvement, targeted initiatives can be launched to further reduce Arbesko's climate impact," says Josefin Jehander, Head of Sustainability at Arbesko.



*"Arbesko's leather is always purchased from tanneries that are certified gold by LWG, ensuring that the most sustainable methods were used during manufacturing," says Josefin Jehander, Head of Sustainability at Arbesko.*

## Focus area

# EMISSIONS AND ENERGY CONSUMPTION



The first thing many people think of when it comes to sustainability is greenhouse gas emissions into the atmosphere and energy consumption, since activities in these areas can affect and counteract the ongoing climate crisis. Bergman & Beving's operations actively work to reduce greenhouse gas emissions as well as energy consumption.

A good example is the goal-oriented energy efficiency work that Arbesko carried out during the year. Arbesko successfully found solutions that reduced energy consumption in production by around 50 percent during the months of the year that are the most energy intensive. This included reviewing the ventilation system, switching to LED lighting and installing timers on the mould heaters of the polyurethane injector for sole manufacturing. Arbesko saved over 527,000 kWh, the equivalent of a 36-percent energy reduction compared with the previous year.

In the materiality analysis, Bergman & Beving determined that we can affect greenhouse gas 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 and we measure the portion of air shipments. Together with its customers, including some of our Group companies, 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.

*For performance between years, refer to Sustainability data on page 46.*

“Bergman & Beving's operations actively work to reduce greenhouse gas emissions as well as energy consumption.”

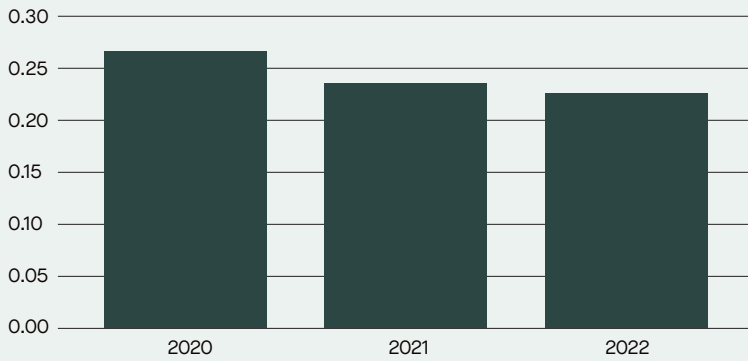
## CLIMATE CALCULATIONS

By measuring the climate impact of our operations, we can implement measures to reduce our negative impact. We can also help build better structures for sustainable consumption and production. Climate impact needs to be measured in order to achieve qualitative and quantitative goals. All of the companies in the Group therefore carried out obligatory climate calculations during the year. The journey to limit our climate impact, adapt to the prevailing

climate changes and actively contribute to this transition has begun. This is only possible if we measure our starting point, which we did in 2020 for Scopes 1 and 2 according to the GHG Protocol.

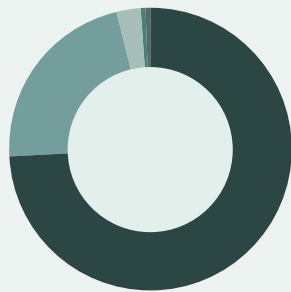
Illustrations of our calculations below indicate a reduction of greenhouse gas emissions (tonne CO<sub>2</sub>e) according to Scopes 1 and 2 of the GHG Protocol in relation to each krona of revenue.

**Total Scope 1 and 2 emissions / MSEK (tonne CO<sub>2</sub>e/MSEK)**



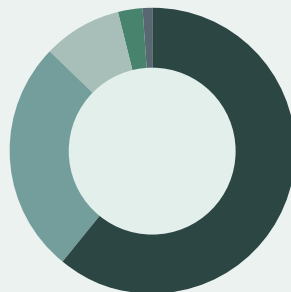
The primary contributing factor to the Group's success was replacing many of the diesel vehicles with electric ones.

Total emissions per vehicle type, 2020



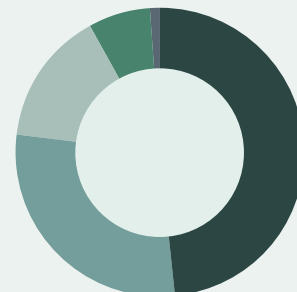
74% Diesel  
22% Petrol  
3% Plugin hybrid electric/petrol  
1% Electric  
0% Plugin hybrid electric/diesel

Total emissions per vehicle type, 2021



61% Diesel  
26% Petrol  
9% Plugin hybrid electric/petrol  
3% Electricity  
1% Plugin hybrid electric/diesel

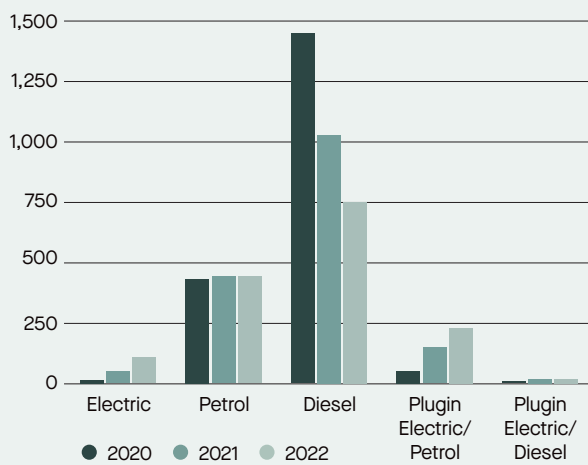
Total emissions per vehicle type, 2022



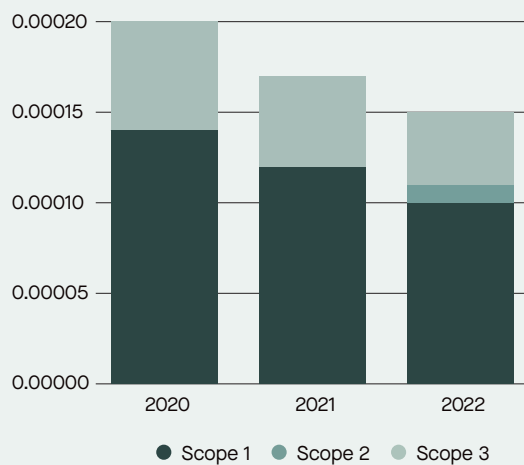
49% Diesel  
29% Petrol  
15% Plugin hybrid electric/petrol  
7% Electricity  
0% Plugin hybrid electric/diesel

According to the following diagram, purchased Scope 2 electricity increased during the year thanks to the greater number of electric vehicles. However, it is clear that this also reduced the amount of greenhouse gas emissions per kilometre driven.

**Total emissions per vehicle type (tonne CO<sub>2</sub>e)**



**Total emissions (CO<sub>2</sub>e) from company cars per kilometre driven**





*Rampestreken, view of Kongen, Dronningen and Bispen, Norway.  
This is where AAK Safety's head office is located.*



# THE GROUP'S SUSTAINABILITY TEAM

During the year, the Group's sustainability team continued its efforts to increase the focus on sustainability in all operations. The sustainability team promotes an internal Group network that shares initiatives and generates engagement. The team regularly meets with and invites external lecturers in to inspire us and improve our expertise on a variety of themes, working to ensure that the Group reaches its sustainability goals and that we develop in the right direction in accordance with our sustainability vision:

***To be a leading niche supplier of productive, safe and sustainable solutions to companies.***

The themes for the year were:

- Materiality analysis
- Human rights
- Inspiration from a large cap company
- Creating value for the planet while creating value for business

During the year, the team also worked on a climate calculations project.

When it comes to sustainability, progress has varied between the companies included in Bergman & Beving's

sustainability team. "By discussing joint projects, inspiring each other and developing tangible initiatives, all of the companies will progress even further", explains Marianne Beanier, Group Business & Sustainability Controller.

The companies in Bergman & Beving are independent and have free rein to design their own sustainability agendas. The sustainability team – which gathers representatives from companies within the Group – exchanges ideas, tips and inspiration. One concrete result of the team's work is a collective measurement of climate impact according to the GHG Protocol's frameworks, which simplifies and standardises an important aspect of sustainability for all of the companies included in the team. The companies in the Group have noted that customers are demanding greater focus on the environment and working conditions.

"We've noted that we're getting many more questions about how we measure the lifecycles of products and how we ensure that our supply chains take the climate and working conditions into consideration." According to Marianne Beanier, sustainability is, and will remain, relevant at Bergman & Beving – and there is even more to be done.

"It will be exciting to develop our sustainability agenda, and we have everything to gain by working together and helping each other on this journey", says Marianne Beanier.



# SUSTAINABILITY DATA

PERFORMANCE MEASURES

2022/2023 2021/2022 2020/2021 2019/2020 2018/2019

**SOCIAL SUSTAINABILITY**

**Equality and diversity**

Gender distribution, % (women/men)	33/67	34/66	33/67	31/69	30/70
Gender distribution: managers, % (women/men)	26/74	30/70	27/73	25/75	22/78
Gender distribution: newly recruited salaried employees, % (women/men)	38/62	32/68	43/57	-	-

**Employees**

Employee index	-	80	-	78	-
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**ENVIRONMENT AND CLIMATE**

**Sustainable value chain**

Share of procurement volume from certified suppliers, %	76.2	75.0	73.0	-	-
Share of procurement volume from suppliers who have signed our Code of Conduct, %	92.9	83.8	83.9	-	-

**Product portfolio**

Share of revenue from certified products and services, %	85.4	83.6	66.3	-	-
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**Materials and waste**

Consumption of packaging (hg/m <sup>3</sup> )	73.1	76.0	72.8	98.4	101.2
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**Emissions and energy consumption**

**GHG Protocol, Scope 1-2**

Scope 1-2 emissions per krona in revenue (total CO <sub>2</sub> e emissions tonne/MSEK)	0.223	0.231	0.259	-	-
Total Scope 1-2 emissions (tonne CO <sub>2</sub> e)	1,763	1,843	1,886	-	-
Total energy consumption (MWh)	10,280	10,713	9,254	-	-
of which electricity (MWh)	6,021	6,010	5,165	-	-
of which district heating and cooling (MWh)	4,291	4,724	4,090	-	-
Energy consumption per krona in revenue (MWh/MSEK)	1.30	1.34	1.27	-	-

**Coefficients of fullness**

Coefficient of fullness, incoming freight (%)	68.8	72.3	72.1	70.0	71.0
Coefficient of fullness, outgoing freight (%)	46.9	46.6	46.9	46.4	49.4

**Percentage air shipments (%)**

	2.4	2.0	2.5	-	-
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**EU taxonomy**

Proportion of turnover aligned with the taxonomy, %	n/a	n/a	-	-	-
Proportion of OPEX (investments) aligned with the taxonomy, %	n/a	n/a	-	-	-
Proportion of CAPEX (costs) aligned with the taxonomy, %	n/a	n/a	-	-	-

## COMMENTS ON SUSTAINABILITY DATA FOR THE YEAR

### Equality and diversity

**Gender distribution:** The decrease during the year is due to the increase in warehouse staff between the years, of whom 9 of 36, or 25 percent, were women, which brought down the average for the Group. The increase in warehouse staff was attributable to the start-up of the new logistics centre. The performance measure for the divisions' operations is at the same level as in the previous year. Bergman & Beving has a more even gender distribution than average, which is around 25/75 for the manufacturing sector and 10/90 for the construction sector, according to Statistics Sweden.

**Gender distribution managers:** The decrease during the year is due to acquisitions and a restructuring within one of the divisions.

**Gender distribution newly recruited:** We measure this because we believe an increase here will, in the long term, lead to improvements in the gender distribution among managers.

### Employees

The Group-wide employee survey is conducted roughly every 18 months and the most recent was conducted in 2021/2022.

### Sustainable value chain

The companies' work to increase the share of purchases from certified suppliers and to have our suppliers sign and operate according to the Group's Code of Conduct has yielded results during the year.

### Product portfolio

The companies' work to increase the share of certified sales improved this performance measure during the year.

### Materials and waste

The year's improvement is a result of continuous work to adapt packaging to each company's shipment structure.

### Emissions and energy consumption

**Climate calculations:** based on data for the calendar year, excluding the new acquisitions of Kiilax, Fallskydds specialisterna, Polartherm and A.T.E Solutions.

**Coefficient of fullness, incoming freight:** The year was very turbulent in terms of shipment by sea, with prices increasing several times over before returning to lower levels in autumn 2022. There was also a shortage of containers, which impacted decisions about shipments.

**Coefficient of fullness, outgoing freight:** Work to adapt packaging to each company's shipment structure had a positive effect on the coefficient of fullness for outgoing freight and packaging consumption. When packaging is better suited (higher coefficient of fullness), less of it is used.

**Percentage air shipments:** The increase is due to a sanctioned and focused decision regarding air shipments from China to Sweden during the year.

### EU taxonomy

Our industry is not taxonomy-eligible, which is why no values are given for these parameters.

