

Machine operator wearing L.Brador workwear, Guide gloves and Arbesko safety shoes. Tengtools make work simple and efficient.

SUSTAINABILITY REPORT 2023/2024

Bergman & Beving has prepared a Sustainability Report for the 2023/2024 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 2023/2024 Annual Report, the Board of Directors has also signed the Sustainability Report.

SUSTAINABILITY REPORT 2023/2024

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).

CONTENT

INTRODUCTION FROM THE PRESIDENT & CEO	31
SUSTAINABILITY VISION	31
GOVERNANCE MODEL	32
How we govern sustainability	32
Values and corporate culture	32
Code of Conduct	32
Group policies	33
Whistleblowing system	33
SUSTAINABILITY STRATEGY	34
Stakeholder dialogues and materiality assessment	34
Focus areas and goal formulation	35
ACTIVITIES AND PROGRESS DURING THE YEAR	
Focus areas:	
Equality and diversity	36
Employees	38
Sustainable value chain	40
Product portfolio	42
Materials, waste and circular flows	44
Emissions and energy consumption	46
Table: Sustainability data	48
Comments on sustainability data	49
The Group's sustainability team	50

WITH A FOCUS ON THE FUTURE, WE ARE STRIVING FOR EXCELLENCE TODAY

In our endeavour to continuously be the trusted choice for our customers, employees and shareholders, we assume the role as the leading niche supplier of innovative, safe and sustainable solutions. Our aim is to inspire the choice of sustainable and reliable products, whose superior quality guarantees long-lasting performance. B&B's range symbolises sustainability and robustness, which contributes to responsible use of the earth's resources.

Sustainability has been transformed from a responsibility to a strategic necessity to ensure our relevance in the business world of the future. B&B is guided by three principles: responsibility (we exclude the unnecessary), a long-term approach (we include the essential), and a solution focus (we prioritise what matters).

The past year has been marked by a serious approach to alignment with the EU's sustainability directives, including a comprehensive CSRD double materiality assessment. This has enabled a focused effort in critical areas and the identification of relevant KPIs, which clarify our continued development.

Our commitment to climate action is strong, as demonstrated by our efforts to calculate emissions using the GHG Protocol standard. We have not covered all categories

in Scope 3, but we are aiming to complete this in the coming year.

While working with CSRD compliance, we have methodically assessed and selected data to avoid reporting non-essential data points, which cuts costs and improves our focus on sustainability and business progress, while clarifying our material sustainability topics for our stakeholders.

Our vision is a continuous improvement in sustainability in our business models. Continuously developing our business and engaging in sustainable business practices means reduced business risk, lower operating costs, better access to capital and more favourable financing costs as well as a work environment that fosters creative thinking, a sense of community and engagement.



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 product's life cycle.

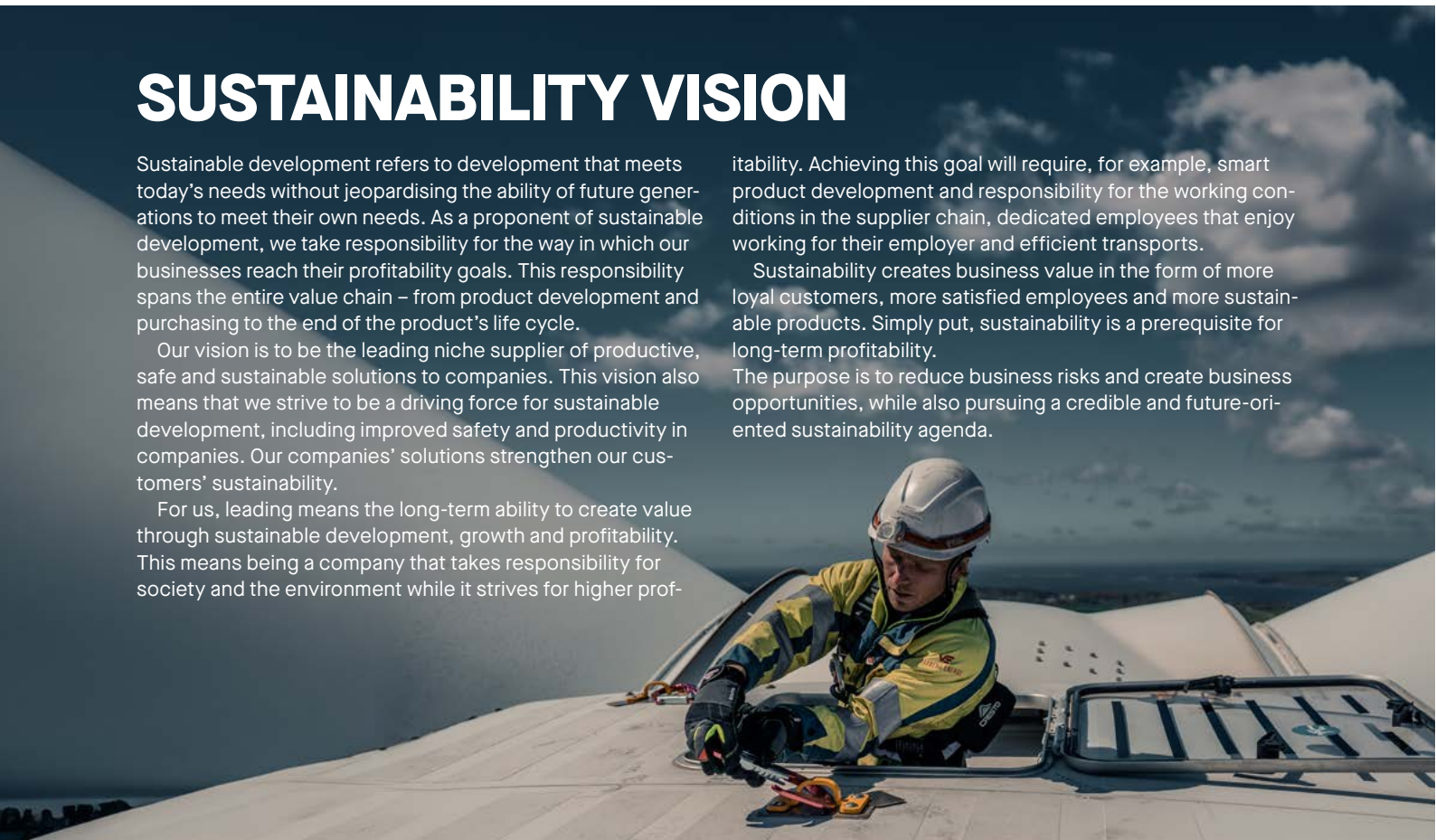
Our vision is to be the leading niche supplier of productive, safe and sustainable solutions to companies. This vision also means that we strive to be a driving force for sustainable development, including improved safety and productivity in companies. Our companies' solutions strengthen our customers'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

itability. 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.

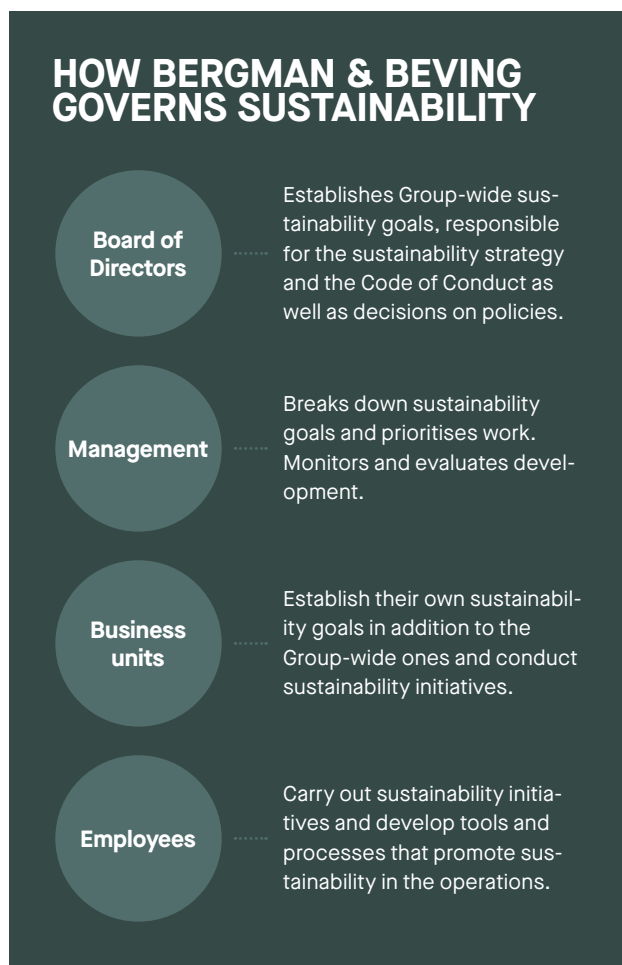
Sustainability creates business value in the form of more loyal customers, more satisfied employees and more sustainable products. Simply put, sustainability is a prerequisite for long-term profitability.

The purpose is to reduce business risks and create business opportunities, while also pursuing a credible and future-oriented sustainability agenda.



GOVERNANCE MODEL

This section describes how B&B guides the business towards set sustainability goals, and the rules and policies that govern this work. For more information, refer to the Corporate Governance Report, which is part of B&B's statutory Annual Report.



VALUES AND CORPORATE CULTURE

Our values and corporate culture form the basis of the Group's sustainability agenda. B&B'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.

From a sustainability perspective, this can be interpreted to mean that we are guided by three principles:

- Responsibility – we exclude the unnecessary
- A long-term approach – we include the essential
- A solution focus – we prioritise what matters, according to materiality and severity.

All of the Group's companies 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 approach to employeeship fosters motivation, creative thinking, a sense of community and engagement, which moves the business forward. We act with integrity, are considered a good role model and take responsibility for sustainable, value-creating development.

CODE OF CONDUCT

Our Code of Conduct applies to everyone working directly or indirectly for B&B.

The Code of Conduct contains the following:

- Human Rights Policy
- Business Ethics Policy
- Social Policy
- Environmental Policy

The Code of Conduct is a critical tool for supporting B&B'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 International Labour Organization (ILO) Core Conventions, the OECD Guidelines for Multinational Enterprises and the principles of the UN Global Compact. The Code of Conduct is also based on the Code of Business Conduct from the Swedish Anti-Corruption Institute (IMM), a driving force within anti-corruption in society and business.

Human rights and business ethics

B&B has been working actively for many years to minimise the risks associated with human rights and business ethics in our value chain as we are well aware of the fact that we purchase products and materials from countries such as China, Pakistan and Brazil. To minimise these risks, we have wholly owned subsidiaries in China and Brazil. These companies guide the selection of subcontractors in each country more effectively and can also make it easier to conduct physical audits. The double materiality assessment that we conducted in 2023 identified a risk in Pakistan, where we only work through suppliers, but indicated that this risk is not material for the Group as a whole due to its highly limited scope. In 2020, B&B collaborated with the Aktiv Påverkan fund from Söderberg & Partners, supported by Save the Children's Centre for Child Rights and Business. The aim of the collaboration was to identify any open child labour risks in our subcontractor chain and to plan a system overview to develop structured supplier dialogues in order to develop preventive solutions that are sustainable over time.

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 trained personnel, ensure that the Group's suppliers are meeting our expectations.

Our role in the communities where we operate

Our Code of Conduct also contains a Social Policy. This policy describes how we maintain an open attitude in our dialogue with stakeholders, how we handle confidential information and how we use social media. The aim of our local engagement is to help strengthen the communities in which we operate by being a viable and long-term business. The Social Policy describes how we comply with the taxation laws and regulations of all countries in which we operate and how we apply the OECD Transfer Pricing Guidelines.

Environmental Policy

The Code of Conduct also includes our Environmental Policy, which describes how the Group is to work actively to continuously reduce our direct and indirect environmental impact. According to the Environmental Policy, the Group's activities should be based on circularity and efficient use of natural resources, and important decisions should take environmental impacts into consideration in order to create long-term value for the Group's stakeholders.

OTHER GROUP POLICIES

In addition our Code of Conduct, 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.

WHISTLEBLOWING SYSTEM

The Group has a whistleblowing system where both internal and external stakeholders can report suspected misconduct and improprieties in our operations.

A.T.E. Solutions are experts at building automated testing equipment solutions for the electronics industry.

SUSTAINABILITY STRATEGY


STAKEHOLDER DIALOGUES AND MATERIALITY ASSESSMENT


B&B works continuously to prioritise how we can maximise the impact of our sustainability initiatives. To enable targeted efforts and resources, B&B's sustainability strategy is based on materiality assessments. When making these assessments, we identified where we can have the greatest impact. The materiality assessments, in turn, are based on stakeholder dialogues. The foundation for the Group's sustainability strategy was laid in 2017 when the first stakeholder dialogue and subsequent assess-

ment were carried out. In 2021/2022, another materiality assessment was carried out in the form of stakeholder dialogues and in autumn 2023, a double materiality assessment was carried out in accordance with the EU's new CSRD requirements. This assessment will form the basis for our ongoing work with sustainability and the results of this process can be illustrated as shown below. It will be developed in line with our ongoing work with the CSRD.

Double materiality assessment in accordance with the CSRD

Environment and climate					Social sustainability				Governance	
E1 Climate change	E2 Pollution	E3 Water and marine resources	E4 Biodiversity and ecosystems	E5 Resource use and circular economy	S1 Own workforce	S2 Workers in the value chain	S3 Affected communities	S4 Consumers and end users	G1 Business conduct	
Climate change adaptation	Pollution to soil	Water	Direct impact drivers of biodiversity loss	Resource in-flows, including resource use	Working conditions	Working conditions	Communities' economic, social and cultural rights	Information-related impacts for consumers and/or end users	Corporate culture	Management of relationships with suppliers including payment practices
Climate change mitigation	Substances of concern	Marine resources	Impact on the state of species	Resource out-flows related to products and services	Equal treatment and opportunities for all	Equal treatment and opportunities for all	Communities' civil and political rights	Personal safety of consumers and/or end users	Protection of whistleblowers	Political engagement
Energy	Microplastics		Impacts on the extent and condition of ecosystems	Waste	Other work-related rights	Other work-related rights	Rights of indigenous peoples	Social inclusion of consumers and/or end users	Corruption and bribery	Animal welfare
	Pollution of living organisms and food resources		Impacts and dependencies on ecosystem services							
	Pollution to water									
	Pollution to air									
	Substances of very high concern									

 **Material sub-topic**

 **Non-material sub-topic**

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 impact, and where the severity and likelihood is high. B&B's sustainability strategy is based on the fact that a safe work environment, responsible purchasing, product safety and climate impact are the most important sustainability matters for us to address.

FOCUS AREAS AND GOAL FORMULATION

Bergman & Beving believes that the Group's sustainability goals, which are structured in a framework with focus areas, are still current and relevant, but will continue to be evaluated in accordance with the CSRD. The focus areas apply across all units within the Group and are described in more detail in the next chapter. Each company can implement unit-specific goals in addition to these focus areas.

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

Based on the results of completed stakeholder dialogues and materiality assessments, management's priorities are structured in a framework with six focus areas that are also linked the UN's SDGs. Our goals cover all ESG areas (Environmental, Social and Governance).

Focus area

EQUALITY AND DIVERSITY

An inclusive work climate



ELKINGTON

– A female-dominated company in a male-dominated industry

Focus area

EMPLOYEES

Attract and develop employees



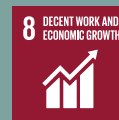
POLARTHERM

– Ability to influence gives a high eNPS

Focus area

SUSTAINABLE VALUE CHAIN

Responsible purchasing



KGC

– Bringing production home to Europe from Asia

Focus area

PRODUCT PORTFOLIO

Sustainable and certified products



ORBITAL

– Aiming for ISO 14001

Focus area

MATERIALS, WASTE AND CIRCULAR FLOWS

Increase resource efficiency



GUIDE

– First gloves in the world with environmental product declaration

Focus area

EMISSIONS AND ENERGY CONSUMPTION

Reduce our GHG emissions



ITAAB

– Investment will eliminate emissions

Focus area

EQUALITY AND DIVERSITY

GOAL FORMULATION

The goal for gender distribution is continuous improvement towards an even distribution to better reflect the social and customer structure, and to pave the way for the industry to become more balanced.

PERFORMANCE MEASURES

We measure and monitor the following:

- Gender distribution, number of employees
- Gender distribution, managers
- Gender distribution, newly recruited salaried employees

For the performance trend between years, refer to "Sustainability data" on page 48.

ACTIVITIES AND PROGRESS DURING THE YEAR



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.

We are very aware that there are several gender identities but in this respect we have chosen to limit ourselves. 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 everything from equality in communication to skills-based, unbiased recruitment. 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. 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. The proportion of women on the Board of Bergman & Beving in 2023/2024 was 25 percent (25), while Group management consisted of two men. However, since employee turnover is low, this measure of equality and diversity is slow to change.

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.

A FEMALE-DOMINATED COMPANY IN A MALE-DOMINATED INDUSTRY

Elkington is one of Bergman & Beving's newest acquisitions and a Swedish leader in duct access hatches. The company really stands out in the male-dominated construction industry. Most of the company's employees are women.

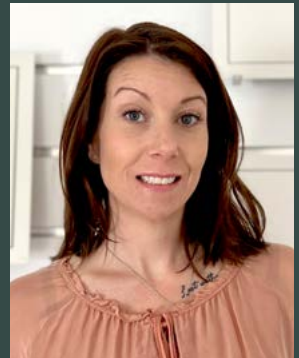
Elkington currently has eight employees, one of whom is a man. But this is not a deliberate strategy, according to Vice President Lotten Nyman.

"We have not made an active choice to employ only women. We have employed people who are good at what they do.

"You could probably say that we are an unequal company with so few male employees. We are currently recruiting new salespeople. We don't know whether they'll be men or women. The choice is always based on ability and personal qualities," she says.

"Our customers have reacted positively and a lot of people like the fact that we are a company of women in a male-dominated industry," she says.

Elkington was founded nearly 60 years ago and the company's customers can be found in infrastructure, the public sector and roadworks.



Lotten Nyman,
Vice President, Elkington



A warm and friendly environment is important to Elkington, where everyone has an equal voice.

Focus area

EMPLOYEES

GOAL FORMULATION

Attract and develop employees through safe work environments, skills development and personal growth. The goal is an Employee Index (EI) score of over 70.

PERFORMANCE MEASURES

We measure and monitor the following:

- Employee index, EI

For the performance trend between years, refer to "Sustainability data" on page 48.

ACTIVITIES AND PROGRESS DURING THE YEAR



B&B'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. B&B's governance model, with clearly decentralised responsibility and decision-making, is important for achieving this, but also for attracting new committed and skilled employees.

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 work while also creating a link between employees' well-being, attitudes and values, and 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 2023. The most recent survey showed an improved EI score of 81 (80) and a high eNPS of 31. Units can choose to carry out "temperature readings" in between surveys.

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, seven training sessions were held in four countries with over 120 participants.

POLARTHERM GIVES ITS EMPLOYEES A VOICE



Polartherm's employees are highly likely to recommend their company as a great place to work. Giving its employees a voice contributes to this high score.

The Finnish company Polartherm – active in powerful, mobile heaters for niche areas in industry, construction and aviation – has received a high Employee Net Promoter Score (eNPS) of 31. For comparison, scores between 10 and 30 are considered “good,” and the result is clearly better than the industry average.

One of the main reasons for the high score is that Polartherm's employees are able to influence matters that affect them at work, according to Heli Koivu, Head of Quality at Polartherm.

“We set joint goals every year. All employees are aware of, and involved in the achievement of, our goals. Before we finalise the goals, we always ask for ideas from all of our employees, which is also part of our continuous improvement process. Management is obviously responsible for making the decisions, but our employees are very happy to give their input to this process,” says Heli Koivu.

Polartherm usually holds at least one workshop with its employees every year, using its goals as a starting point. Sometimes, more workshops are held. Last year, for example, two sub-topics were addressed at the same time: how to improve sustainability, and how to improve the factory layout. This is relevant since Polartherm has decided to replace its business systems in the coming years, which will affect inventory processes, for example. Management wanted to gather ideas from the employees.

“I think the workshop broadened the view of what sustainability is. It's not just about environmental aspects and recycling, there's so much more to it,” says Heli Koivu.

“These types of workshops motivate and encourage our employees to make continuous improvements. I think they also inspire employee commitment. Our employees have always been very enthusiastic about taking part in these workshops so far,”



Heli Koivu, Head of Quality



Polartherm is the leading military air heating equipment manufacturer in Northern Europe with over 40 years of experience in the design and manufacturing of air heaters.

About eNPS – eNPS is an indicator that shows how engaged and loyal employees are to a company. The Net Promoter Score (NPS) was originally invented to help companies predict their long-term profitability by asking customers a question with the insight that “a satisfied customer is not enough, a customer must be loyal.” The score was then further developed to measure employee satisfaction rates (eNPS) based on the same idea that “satisfied” is not enough – a loyal employee/ambassador is needed to ensure that employees would recommend their workplace to their friends and family as a good place to work. By measuring eNPS and what drives it, employee engagement can be linked to customer loyalty, which in turn can link profitability to attitudes and approaches. eNPS is now an equally accepted indicator as the conventional EI score.

eNPS is a value, based on the likelihood that a person would recommend their workplace to friends and family as a good place to work. eNPS surveys ask: How likely is it that you would recommend your workplace to friends or family? The NPS is then calculated by subtracting the share (%) of Critics from the share (%) of Ambassadors. The result is a score between -100 and +100. A score over 0 means there are more Ambassadors than Critics. A score above 30 is considered “very good” but it is important to see how the trend develops from year to year.

Focus area

SUSTAINABLE VALUE CHAIN

GOAL FORMULATION

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.

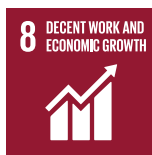
PERFORMANCE MEASURES

We measure and monitor the following:

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

For the performance trend between years, refer to "Sustainability data" on page 48.

ACTIVITIES AND PROGRESS DURING THE YEAR



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. B&B'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. 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.

Regularly conducted audits, by both independent external consultants and by internal trained personnel, ensure that the Group's suppliers are meeting its requirements. During the year, some 80 audits were carried out.

KGC – BRINGING PRODUCTION HOME TO EUROPE FROM ASIA



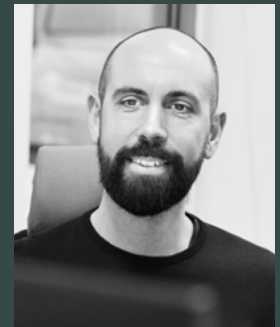
KGC is a Swedish, specialised supplier of professional tools for bricklaying, plastering and tiling. The company is now working to relocate production from Asia to Europe and move closer to its market, to conduct more sustainable purchasing and to secure the flow of goods.

KGC has supplied quality tools for bricklaying and tiling for more than 70 years. By reducing the distance between its production and end users, the company is aiming to secure the flow of goods, improve transparency and enable the verification of sustainability.

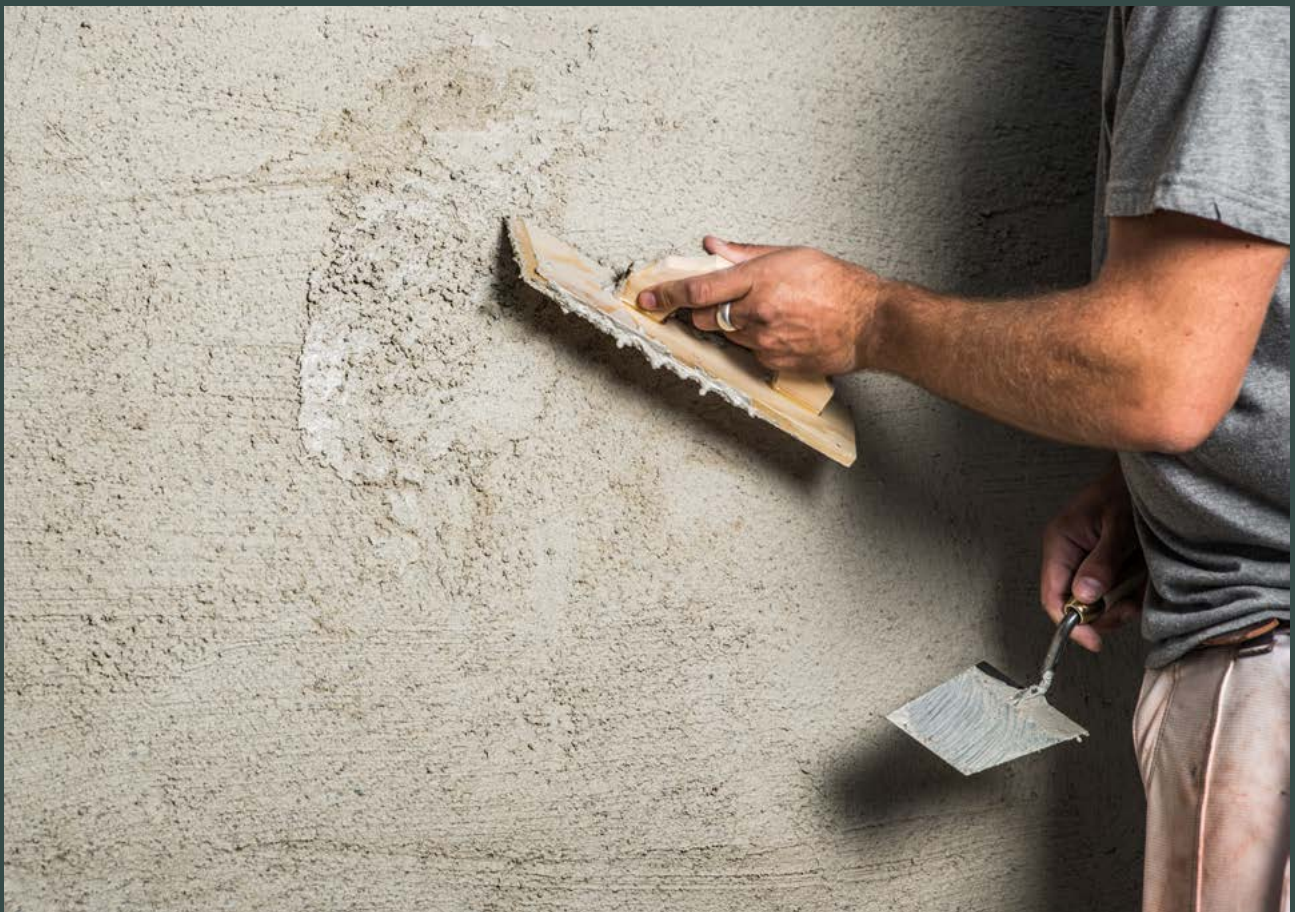
“It’s no secret that production in Asia is exposed to sustainability risks, and following these up is resource-intensive. By moving closer to our producers, we are

strengthening our ability to continuously monitor their sustainability performance. Furthermore, by using producers based in the EU who are subject to considerably stricter legal requirements, we will probably reduce the climate impact of our products,” says Johan Kahn, Purchasing & Marketing Director at KGC.

KGC is planning to base all production of the company’s products in the EU by 2026.



Johan Kahn, Purchasing & Marketing Director, KGC



KGC's trowels are made in Sweden from Accoya® wood, which comes from fast-growing and sustainably managed Radiata pine.

Focus area

PRODUCT PORTFOLIO

GOAL FORMULATION

We offer sustainable, certified and safe products and solutions to our customers. The goal is to continuously increase the share of revenue from certified products and services.

PERFORMANCE MEASURES

We measure and monitor the following:

- Share of sales of certified products and services

For the performance trend between years, refer to "Sustainability data" on page 48.

ACTIVITIES AND PROGRESS DURING THE YEAR



B&B'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 construction and manufacturing 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. High-quality products have a long life, which saves

the earth's resources. All of the companies in the Group have clear objectives when it comes to continuously streamlining their resource use and increasing reuse and recycling. Products should be safe to use and correctly labelled. Another way to ensure a sustainable product portfolio is to increase sales of certified products and services, which every company in the Group measures and follows up as a performance measure.



Arbesko manufactures all shoes in Sweden, which significantly reduces the length of transport routes while lowering carbon emissions and guaranteeing high quality and equitable working conditions.

ORBITAL FABRICATIONS IS AIMING FOR ENVIRONMENTAL CERTIFICATION

ORBITAL
FABRICATIONS

ISO 14001 is the internationally recognised standard for environmental management systems and is firmly established among Bergman & Beving's companies. Next in line is Orbital Fabrications in the UK, which is aiming for dual certification – both its quality and environmental management systems.

Easier to prioritise

"We take sustainability very seriously and our goal is to obtain ISO 14001 certification, which is the most recognised international standard for environmental management systems," says Martin Kay, Operations Manager at Orbital Fabrications.

The standard helps organisations establish an environmental policy and environmental objectives, understand how important aspects can be managed, introduce necessary controls and set clear goals for improving environmental performance.

"This is being pursued by Group management and will improve our existing environmental priorities, and help the entire company to develop, monitor and improve our environmental performance. It is a good complement to our existing ISO 9001 certification, which is the world's most recognised quality management system standard," says Martin Kay.

ISO 14001 is the recognised standard for environmental management systems and is used internationally. It can be used by all industries, areas and businesses and provides a framework for continually improving their environmental performance. It has many benefits, such as more efficient use of resources and energy, smarter procurement and lower costs for waste management. In the long term, it reduces harm to the environment and ecosystems.

The standard creates an environmental management system that can be integrated into the existing organisation. The aim is to make it easier for the organisation to improve its environmental performance. The standard provides a model for continuous improvement.

Several companies in the Bergman & Beving Group already hold ISO 14001 certification: AAK Safety, Arbesko, Cresto Safety, ESSVE produkter, Fastit, Guide, Kiilax, Logistikpartner, Skydda, Zekler, Tema Norge, Luna, Teng Tools AB and Germ.



Orbital Fabrications Ltd. is taking a giant step forward for the environment by following sound environmental principles.

Focus area

MATERIALS, WASTE AND CIRCULAR FLOWS

GOAL FORMULATION

We want to improve resource efficiency and circular flows by reducing the consumption of materials and raw goods, and by increasing recycling and reuse.

PERFORMANCE MEASURES

We measure and monitor the following:

- Consumption of packaging

For the performance trend between years, refer to “Sustainability data” on page 48.

ACTIVITIES AND PROGRESS DURING THE YEAR



B&B 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 currently monitor within the Group is consumption of packaging per delivered cubic metre (m³) from our logistics centre, 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. At B&B, we carried out a number of activities in this focus area during the year. These include a project to start measuring and monitoring more areas across our entire value chain linked to materials, waste and circular flows. In several places, these are included in the GHG Protocol's Scope 3 categories. This project continued throughout the entire financial year and is expected to end in autumn 2024.

What is an EPD? An Environmental Product Declaration (EPD) is an independently verified and registered document to communicate that a company has evaluated the life-cycle environmental impacts of its product in a standard manner. An EPD provides guidance for procurement.

FIRST GLOVES IN THE WORLD WITH AN EPD



GUIDE Guide Gloves has become the first glove maker in the world to create an EPD for one of its glove models. The goal is to create EPDs for all of the company's products.

An EPD shows product-specific environmental information and is an important source of data for a product's life cycle assessment. More and more customers are requesting this information. This was a natural investment for Guide Gloves, according to Ellinor Vegborn, Quality & Sustainability Manager at Guide Gloves.

"EPDs are very important for us due to upcoming EU legislation but also for meeting demands from customers. We will eventually need to conduct life cycle assessments for all of our products. Our customers will be able to choose products based on their environmental impact," says Ellinor Vegborn.

Production has the greatest impact

Now that the first EPD has been created, it also lays the foundation for future initiatives.

"We will apply the lessons we learned from the EPD process in our continued efforts to identify where in the product's life cycle we have a negative impact on the environment. When we've completed the process for more of our models, we will be able to compare them with each other. Then we can help our customers make more sustainable choices and we will know, in a standardised manner, where we need to improve our processes in order to reduce our environmental impact. For Guide Gloves, production has the greatest impact," says Ellinor Vegborn.

Production has the greatest impact, followed by freight, since we produce our products in Asia and then ship them to Sweden. We use recycled polyester in yarn and the yarn

is dyed during the extrusion of the filaments (the polyester is melted and pushed out into thin threads that are twisted into yarn), which means that no water or energy-intensive dyeing process is used. The rest of the production process is water-based and solvent-free, but otherwise similar to all other production. Solvents are harmful to humans and the environment, so choosing water-based instead, whenever possible, is moving our carbon footprint in the right direction," she says.

The European Green Deal

The new EU legislation requires careful preparation, according to Ellinor Vegborn.

"There are many different policy measures under the European Green Deal that will come into effect over the next three to four years. As a manufacturer with production in Asia, we will be affected. We are still in the early stages of planning how we can prepare until the laws come into force. There is still a lot that hasn't been adopted by the EU yet, but we are preparing as best we can and where we think we will be most affected. In recent years, Guide Gloves has implemented a wide range of sustainability initiatives."

"We've been reporting our Scope 1 and 2 GHG emissions since 2020, and Scope 3 emissions since 2023.

Otherwise, we have reduced the weight of our packaging and choose recycled wherever possible. We work actively to choose materials for our products that do not contain hazardous chemicals. The product team works together with our suppliers to develop sustainable materials and production processes, such as reduced water consumption and chemical use in the production of input materials", says Ellinor Vegborn.

Joint sustainability team

Bergman & Beving also has a sustainability team at Group level that meets on a regular basis.

"It's a valued network where we can share our experience and discuss opportunities and challenges," says Ellinor Vegborn, who is pleased with the work that Guide Gloves has done but says that there is more to do.

"We've come a long way, but still have a long way to go because we have gradually expanded our goals. Our customers appreciate what we are doing. The response from them has been generally very positive, but at the same time, not many know what an EPD is," says Ellinor Vegborn.

Focus area

EMISSIONS AND ENERGY CONSUMPTION

GOAL FORMULATION

By measuring the climate impact of our operations, 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. 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.

PERFORMANCE MEASURES

We measure and monitor the following:

- Energy consumption and GHG emissions in accordance with the Greenhouse Gas Protocol (GHG Protocol) initiative
- Coefficient of fullness, incoming freight
- Coefficient of fullness, outgoing freight
- Percentage air shipments

For the performance trend between years, refer to "Sustainability data" on page 48.

ACTIVITIES AND PROGRESS DURING THE YEAR



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.

Projects are also ongoing to report and monitor emissions in accordance with the GHG Protocol's Scope 3 categories – upstream and downstream in the Group's value chain. By measuring and analysing first, we can concentrate our resources to where we have the greatest impact and opportunities to improve.

When it comes to transportation, B&B has opted for ships as a means of transport between continents and to minimise air transport. 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. The climate footprint of our upstream and downstream transports is included in the project to calculate Scope 3 GHG emissions.

B&B's operations are working actively to reduce both GHG emissions and energy consumption.

INVESTING IN ENVIRONMENTALLY FRIENDLY POWDER COATING LINE

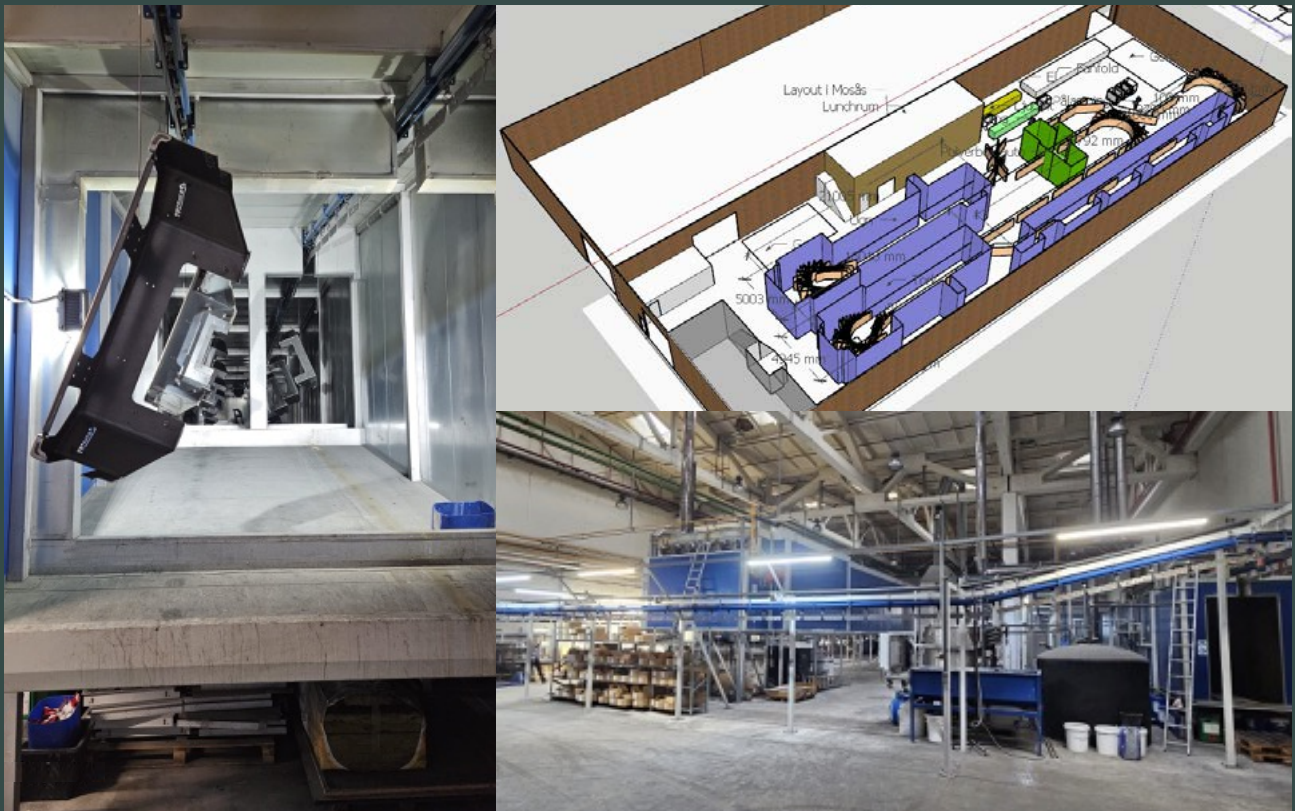
itaab By investing in a powder coating line, Itaab is aiming to reduce solvent and hazardous waste, thereby drastically reducing its environmental impact.

Itaab is the leading manufacturer of metal suspended ceilings in Sweden. The company currently uses a wet painting line in its coating process, which results in a bottleneck when demand is high. By investing in a powder

coating line, Itaab will eliminate the risk of future capacity problems, while reducing emissions.

Reducing the use of hazardous chemicals, paint and solvents in the production process will also have a positive effect on the work environment. The efficiency of the coating process is also expected to increase significantly.

The new powder coating line is expected to be operational by autumn 2024.



Itaab is investing in a powder coating line to reduce hazardous waste and emissions.

SUSTAINABILITY DATA

PERFORMANCE MEASURES

2023/2024 2022/2023 2021/2022 2020/2021 2019/2020

SOCIAL SUSTAINABILITY

Equality and diversity

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

Employees

Employee index	81	–	80	–	78
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ENVIRONMENT AND CLIMATE

Sustainable value chain

Share of procurement volume from certified suppliers, %	78.4	76.2	75.0	73.0	–
Share of procurement volume from suppliers who have signed our Code of Conduct, %	97.2	92.9	83.8	83.9	–

Product portfolio

Share of revenue from certified products and services, %	83.1	85.4	83.6	66.3	–
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Materials and waste

Consumption of packaging (hg/m ³)	97.4	73.1	76.0	72.8	98.4
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Emissions and energy consumption

GHG Protocol, Scopes 1 and 2

Scope 1–2 emissions per krona in revenue (total CO ₂ e emissions tonne/MSEK)	0.259	0.223	0.231	0.259	–
Total Scope 1-2 emissions (tonne CO ₂ e)	1,931	1,763	1,843	1,886	–
Total energy consumption (MWh)	12,479	10,280	10,713	9,254	–
of which electricity (MWh)	6,828	5,988	5,989	5,164	–
of which district heating and cooling (MWh)	5,651	4,291	4,724	4,090	–
Energy consumption per krona in revenue (MWh/MSEK)	1.68	1.30	1.34	1.27	–

Coefficients of fullness

Coefficient of fullness, incoming freight (%)	71.9	68.8	72.3	72.1	70.0
Coefficient of fullness, outgoing freight (%)	49.8	46.9	46.6	46.9	46.4
Percentage air shipments (%)	1.3	2.4	2.0	2.5	–

EU taxonomy

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

COMMENTS ON SUSTAINABILITY DATA FOR THE YEAR

Equality and diversity

- Gender distribution:
The decrease during the year was mainly attributable to acquisitions, which reduced the average for the Group. Excluding acquisitions, the distribution would have been 32/68.
- Gender distribution, managers:
The decrease during the year was attributable to acquisitions and the figure would have remained unchanged excluding these.
- 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 and that a decrease will have the opposite effect.

Employees

Group-wide employee surveys are conducted roughly every 18 months and the most recent survey in 2023 showed an improvement and an eNPS of 31. Refer to the factbox on page 39. Units can choose to carry out "temperature readings" in between surveys.

Sustainable value chain

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

Product portfolio

The decrease during the year is actually an increase if all companies are included. In the preceding year, the newly acquired company Polartherm was excluded.

Materials and waste

The main reason for the increase during the year was a new customer

with a highly diversified range that required extensive packaging to ensure safe and secure delivery. Another reason was a changed order structure, with a lower volume per order. To some extent, this could be offset by smaller packaging sizes, but due to the nature of the products, the length, width and height had to be taken into account. However, the improved coefficient of fullness showed that we have become better at adapting our choice of packaging and at cutting down the corrugated boxes to reduce the amount of air in the packages.

Emissions and energy consumption

GHG emissions calculations

These calculations are based on calendar year data and exclude acquisitions during the year. All performance measures in this category that were set in relation to revenue increased due to a deliberate focus by the Group's companies on more profitable business, whereby revenue decreased.

- Scope 1–2 emissions per krona in revenue: The increase in 2023 was attributable to the acquisition of three relatively energy-intensive companies in the preceding financial year – Kiilax and Polartherm in Finland, and Fallskyddsspecialisterna in Sweden. Finland also has a higher emission factor for purchased energy (kWh) than Sweden, for example. Excluding two other producing units – Cresto in Slovakia and BVS in Hungary – which under-reported their purchased energy in 2022, there was no increase in 2023 (0.222 CO₂e/MSEK).

- Energy consumption per krona in revenue: Excluding companies that were included for the first time during

the year (three more energy-intensive companies) and a couple of energy-intensive companies that under-reported purchased energy in 2022, the performance measure was 1.54. The increase was otherwise linked to the above-mentioned reason regarding a decrease in revenue.

Coefficients of fullness

- Coefficient of fullness, incoming freight: 2022 was characterised by sea freight turmoil with a major shortage of containers. The year's improvement was linked to a return to more normal conditions.
- Coefficient of fullness, outgoing freight: We improved considerably during the year. Improved processes in our new warehouse combined with adaptation to each company's needs improved the coefficient of fullness compared with the year-earlier period. Since Luna has its own freight agreements, the company was not included in the measurement. We are developing our measurement model to include flows not included in Logistikpartner's freight agreements. Efforts to adapt packaging to each customer's shipment structure had a positive effect on the coefficient of fullness for outgoing freight and packaging consumption. When the packaging is better suited (higher coefficient of fullness), we also use less.

Percentage air shipments

The percentage of air shipments in all three divisions decreased considerably compared with preceding years.

EU taxonomy

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

THE GROUP'S SUSTAINABILITY TEAM

Sustainability team: A source of inspiration for sustainable innovation and knowledge sharing

The heart of B&B's sustainability work is our sustainability team, an intra-Group network of experts and enthusiasts with a shared ambition – to increase the focus on sustainability in all of the Group's companies. By embracing both diversity and vision, this team is paving the way for continuous development and knowledge sharing in areas that are critical for our planet and our business. With an agenda that is regularly updated with relevant themes – from circular business models to calculating our GHG emissions – we are enabling more in-depth expertise and a practical application of sustainable principles across our operational borders.

Dialogue and exchange: Meeting forums for inspiration and action

Our meetings, both digital and physical, are more than just information exchanges; they are incubators for ideas, engagement and forward-looking energy. Inviting external speakers and holding thematic sessions creates a rich environment for learning and inspiration. This openness to external perspectives and expertise help us remain adaptable and forward-looking, ready to integrate innovative and sustainable solutions into our operations.

Moving forward together: A sustainable journey from every aspect

B&B's sustainability team reflects the Group's ambition to not only achieve, but also surpass our sustainability goals. By recognising the unique challenges and progress of each of the Group's companies, we are fostering a culture based on shared responsibility and collective success. This collaboration strengthens our ability to respond to growing demands from customers and other stakeholders in a way that accounts for both environmental and social conditions. Our vision is clear: to be the leading niche supplier of productive, safe and sustainable solutions to companies. By navigating our way forward together, we are not only building business value but also contributing to a more sustainable and just society for all.

“The Group formed a sustainability team three years ago that meets several times per year. It is a valued network where we can share our experience and discuss opportunities and challenges.”

Ellinor Vegborn, Quality & Sustainability Manager at Guide Gloves



AUDITOR'S REPORT ON THE STATUTORY SUSTAINABILITY REPORT

To the General Meeting of the shareholders in Bergman & Beving AB (publ), corporate identity number 556034–8590

Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the financial year 2023-04-01 – 2024-03-31 and that it has been prepared in accordance with the Annual Accounts Act. The Sustainability Report is included on pages 29–50 in the annual report.

The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

Stockholm July 3, 2024
Deloitte AB

Signature on Swedish original

Andreas Frountzos

Authorized Public Accountant



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