



Sustainability Report 2023

The sustainability report covers the parent company, Svedbergs Group (publ), corporate identity no. 556052-4984, and all subsidiaries, which are listed in Note 24 in the consolidated financial statements. However, Thebalux, which was acquired at the end of 2023, has not been integrated in the Group's sustainability report.

The report is prepared in accordance with the provisions of Chapters 6 and 7 of the Swedish Annual Accounts Act.

As the Group is a signatory of the UN Global Compact's ten principles in the areas of human rights, labour, environment and anti-corruption, the sustainability report also constitutes the Group's Communication on Progress.

Adaptation of the report to the forthcoming EU legislation based on the CSRD Directive has

been initiated. As part of this work, an analysis of material impacts, risks and opportunities was carried out in November 2023. Adaptation of objectives and focus areas will be completed in 2024.

The auditor's opinion on the sustainability report can be found on page 51. The report has not been audited by an external party.



Significant sustainability events in 2023

- All companies have continued to work on activities related to the reduction plans drawn up after the first analysis of greenhouse gas emissions.
- During the year, the companies within Svedbergs Group have produced a number of environmental product declarations, EPDs (Environmental Product Declaration).
- An efficient new production line has been completed at the Svedbergs factory in Dalstorp.
- Svedbergs i Dalstorp switched to bio-fuel for transport by sea from Asia.
- Roper Rhodes signed an agreement to use Sustainable Marine Fuels for transport by sea from Asia.
- During the year, Macro Design signed an agreement with Woodio, a new supplier of basins and worktops made of waterproof wood composite.
- Cassøe helps save water by means of product development of low-flow mixers for the Danish market.
- The Group and its brand companies, has carried out a double materiality analysis of sustainability impacts, risks and opportunities.
- All of the Group's companies are now certified according to Great Place to Work, a global trust index to measure company culture.

Sustainability in all processes

“We want to make Svedbergs Group a truly sustainable Group,” says Per-Arne Andersson, CEO of Svedbergs Group. “A long-term mindset must be integrated in all the company’s processes. There is no simple solution. This involves continuous work.”

CEO Per-Arne Andersson and Director of Business Development and Sustainability Beate Hennessy are involved in everything from discussions about sustainability risks and opportunities to how long-term thinking should permeate the organisation’s processes.

How can sustainability be properly integrated in all the Group’s processes?

Per-Arne points out that several things need to be done in parallel.

“We need to understand what sustainability means for Svedbergs Group. We train employees, we provide information and we set requirements for suppliers. We also train the Board of Directors.”

The Group’s subsidiaries face slightly different challenges. Beate emphasises the importance of adopting a shared approach to sustainability. The risk analysis carried out by the Group’s sustainability officers creates consensus.

“The CSRD reporting that we prepare shows how the Group is developing and provides ideas on how we can improve. We work with specific goals and action plans.”

How far has Svedbergs Group come with this integration?

“We are working proactively towards the goals we have set,” says Beate. “Over the past year, sustainability has been in focus in most processes. Sustainability officers are often involved in various issues. Greater knowledge results in new ideas from within the organisation, from the experts in the various processes.” Per-Arne adds that the issue of sustainable operations is more second nature now than before.

“Sustainability is mainly driven by the organisation and the employees.”

Can you provide specific examples of integration in the company’s processes?

“One example is the customisation and digitalisation of our sales process. Collaboration with customers is key to knowing what action to take,” says Per-Arne. Beate mentions the purchasing process, where Svedbergs Group makes supplier evaluations. Sustainability is also a criterion in the design and product development phase.



“I would also like to mention the management process,” says Per-Arne. “We have sustainability on the agenda both on the Board and in Group management, in which Beate, as Director of Sustainability, is now also involved. The Board shows great interest in how we manage sustainability issues and generate results.”

Svedbergs Group is careful to ensure that the measures taken in the organisation do not

lead to price rises, only to more efficient use of resources and thus greater competitive advantages.

“We simply have to use fewer resources per unit produced, which requires efforts to be made throughout the organisation,” concludes Per-Arne.

Sustainability targets 2030

Target 2030

50%

Reduction of CO₂ emissions

CO₂ emissions from Svedbergs Group's operations should fall by 50 percent in relation to net sales between 2021 and 2030.

100%

Share of renewable energy

100 percent of the energy used by Svedbergs Group should come from renewable sources by 2030.

100%

Environmentally certified wood raw material

100 percent of the wood raw material purchased by Svedbergs Group should come from environmentally certified sources.

96.5%

Healthy presence

Healthy presence in relation to total scheduled time should exceed 96.5 percent by 2030.

20%

Physical audits of strategic suppliers

The proportion of strategic suppliers at which a physical audit has been carried out should be 20 percent per annum.

35%

Total waste

The ratio of waste to net sales should be reduced by 35 percent between 2021 and 2030.

Outcome 2023

17.2%

Carbon dioxide emissions, in relation to net sales, decreased during the year by 3.3 percent compared to 2022. Compared to the base year 2021, emissions decreased by 17.2 percent.

92.4%

The share of renewable energy in Svedbergs Group increased by 6.4 percentage points in 2023, from 86 percent in 2022 to 92.4 percent in 2023.

100%

In 2023, 100 percent of wood raw materials purchased came from environmentally certified sources.

97.6%

Healthy presence in 2023 increased by 0.6 percentage points compared to the previous year.

10%

During 2023, physical audits focusing on sustainability were carried out at 10 percent of the Group's strategic suppliers. This is an increase of 3 percentage points compared to the previous year.

17.2%

The volume of waste in relation to net sales was reduced in 2023 by 10.1 percent compared to the previous year. Compared to the base year 2021, the volume was reduced by 17.2 percent.

Governance

How the Group's sustainability work is managed

Svedbergs Group's sustainability work is based on existing Acts, Ordinances and Regulations. Agenda 2030, the UN Global Compact, the Group's Code of Conduct and other policy documents are essential in the work on sustainability. They determine how the Group should conduct its operations in an ethically, socially and environmentally sustainable manner.

The Group's Board of Directors is responsible for Svedbergs Group's sustainability work. The Board adopts overall goals and monitors them on an ongoing basis. At Audit Committee meetings, the Group's Director of Sustainability presents current issues. Responsibility for operational implementation rests with Group management, which includes the CEO of each company. The Director of Sustainability has been part of Group management since 2023.

Svedbergs Group manages and sets targets for its operations in line with the UN Sustainable Development Goals and the Paris Agreement. The Group joined the UN Global Compact in 2019 and follows its 10 principles. The Svedbergs segment is a member of the trade and employer organisation the Swedish Federation of Wood and Furniture Industry (TMF). TMF has set a clear direction for the entire industry's sustainability work.

Sustainability Council

Sustainability work is carried out within each segment in line with the 'Cooperation without confusion' strategy. The Group's Director of Sustainability coordinates the work of the Sustainability Council, which has a responsible

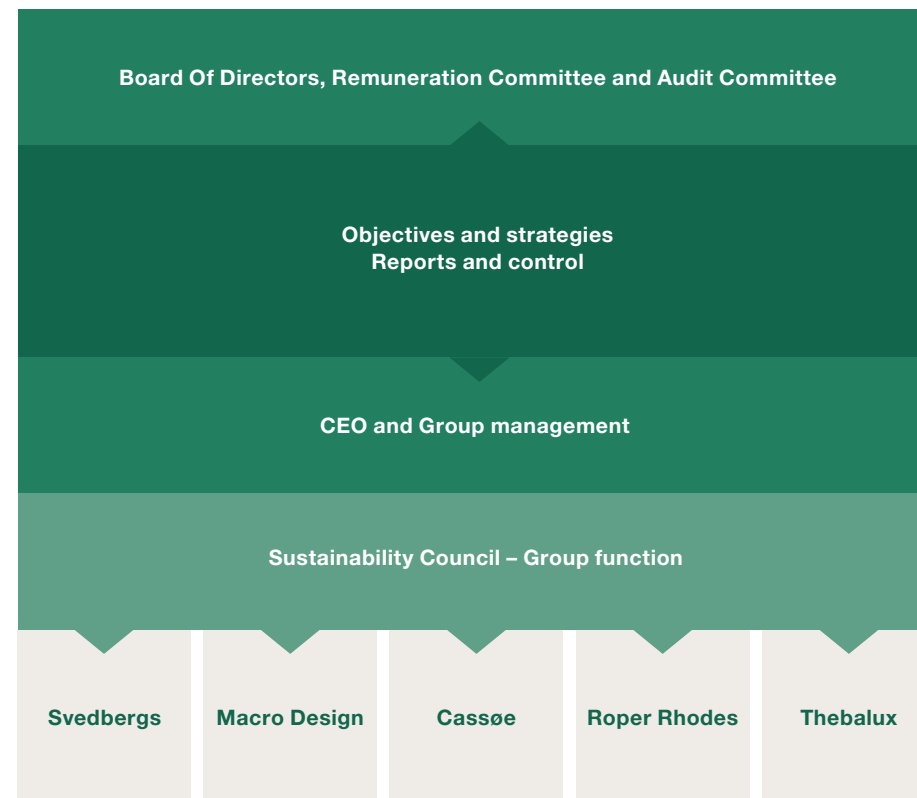
representative from each segment. The Sustainability Council shares experiences and best practices, as well as information on upcoming statutory requirements.

Training

The management teams of the Group's companies and salaried employees in the Svedbergs segment have had training in sustainability. All managers in the Svedbergs segment received leadership training in 2023 and more companies are holding leadership training programmes. Training on the circular economy has been organised for product managers at Roper Rhodes. Sustainability training programmes will continue to be rolled out on an ongoing basis in all companies. New employees, newly acquired companies and new partners receive an introduction to Svedbergs Group's Code of Conduct, focus areas and targets as part of the Group's onboarding process.

System support

All employees in the Group have access to an intranet. The latest versions of the Group's policy documents are available there. The intranet and the Group's website have a link to the



Governance

Group’s whistleblower service and information on the processing of personal data to guarantee anonymity.

As part of the preparations for the transition to the new CSRD Directive, a cloud-based application for storing and monitoring sustainability data has been in use since the end of 2022. The application is used for reporting sustainability data and planning improvement measures and provides support in the materiality analysis of material impacts, risks and opportunities. The tool makes it easier to set clear targets for climate, resource use and social issues. The tool already supports the Global Reporting Initiative (GRI) and the EU taxonomy.

Monitoring

Quarterly monitoring of sustainability indicators started in 2023.

Greenhouse gas emission reduction plans were developed for all subsidiaries at the end of 2022. The plans were based on the mapping of greenhouse gas emissions according to the GHG Protocol Scopes 1–3 carried out in 2021 and 2022. Based on the GHG protocol, climate audits were implemented to ensure that progress was being made in the right direction. Read more about the mapping of greenhouse gas emissions in the section ‘Reducing greenhouse gas emissions’ on page 45.

Management tools

The Code of Conduct is the overall policy document for the Group’s sustainability work and is applied to all employees. The Code of Conduct governs how everyone who works for Svedbergs Group is expected to act in relation to human rights, working conditions, health and safety, the environment and business ethics. The Code of Conduct is adopted annually by the Board of Directors. Compliance is evaluated and discussed in the different management teams. A number of policy documents complement the Code of Conduct in areas such as health and safety, gender equality and diversity. Suppliers and partners are subject to the Code of Conduct for Suppliers.

A whistleblower service for all employees is available on the Group’s intranet and website. Any cases are handled anonymously and go directly to a partner for further processing. The intranet also provides information on how personal data is processed.

Managers in the Group are obliged to ensure that employees are familiar with and work in accordance with policies and know that they can use the whistleblower service. Additional management tools are greenhouse gas reduction plans with targets for each company.

The Svedbergs segment’s operations are certified in compliance with ISO 9001 and ISO 14001 and the sustainability work is integrated in all processes that govern operations.

Code of Conduct – ethical guidelines for Svedbergs Group

- The Group’s sustainability work is governed by a Code of Conduct aimed at all employees and suppliers.
- The Code of Conduct is based on the ten principles of the UN Global Compact, covering human rights, labour rights, the environment and anti-corruption.
- The Code of Conduct governs how everyone working for Svedbergs Group is expected to act in these areas. Svedbergs Group is a signatory of the UN Global Compact and the Group makes an annual report on its sustainability work to the UN.

Whistleblowing

Svedbergs Group uses a cloud service to receive and manage whistleblowing cases such as suspected corruption, human rights violations or other abuses. The service collects reports and guarantees the anonymity of the whistleblower. The service is linked to the case management system for monitoring in the organisation. No case was received in 2023.

Management tools

Policy	E	S	G	Owner
Code of Conduct	●	●	●	Board of Directors
Whistleblowing	●	●	●	Group management
Finance policy			●	Board of Directors
IT policy			●	Board of Directors
GDPR		●		Board of Directors
Health and safety		●		Group management
Victimisation		●		Group management
Gender equality		●		Group management
Discrimination		●		Group management
Fire protection		●		Group management
Rehabilitation		●		Group management
Crisis management		●		Group management
Alcohol and drugs policy		●		Group management
Remuneration policy			●	Board of Directors

Strategy and materiality

Sustainable business in Svedbergs Group

Svedbergs Group consists of five segments that partly operate in different markets and with partly different business models. The overall business has a clear common focus on long-term sustainability, and environmental, social and financial values are included in all business decisions.

Long-term sustainable value creation for all stakeholders is the foundation of Svedbergs Group's business operations. Sustainability is business-critical.

The Group's sustainability strategy is known as 'Our Choice'. The name reflects active choices that lead to the Group's ambition to be a leader in sustainable bathroom furniture and fittings in the markets in which it operates.

Based on materiality analyses, a number of focus areas with targets have been set that provide a clear direction for the Group's sustainability work. The targets extend to 2030. Each focus area is described in more detail on pages 43–50.

Value creation

Svedbergs Group creates value by developing innovative, high-quality, timeless products with a long life. Value creation is based on five strategic pillars. See more information in the 'Market and strategy' section.

- Svedbergs Group takes a long-term approach to all aspects of the value chain.
- Design and product development, research and collaboration with customers generate high-quality and customised solutions.
- Roughly two thirds of the Group's products are purchased ready-made and roughly one third are manufactured in-house. Purchasing plays a key role in ensuring environmental and social sustainability in the supply chain.
- Efficient production operations close to end customers helps maintain good control over the environment and working conditions.
- Customers should have products that have a long life, and spare parts are readily available for much of the range. The design phase includes planning to make all materials re-usable or recyclable.

See also the financial notes for information on breakdown of income (Note 4), expenses broken down by type of expense (Note 7), employee benefits (Note 9), research and product development and intangible assets (Note 20).



Sustainability vision

Svedbergs Group aims to be one of the most sustainable bathroom furniture Groups in the markets in which we operate.

Sustainability work will be fully integrated in the activities of the Group and its companies and be a natural part of their day-to-day work.

With clear targets and through constant improvement, centred on the UN Sustainable Development Goals, the Group promotes sustainable development.

Strategy and materiality

Impact in the value chain



Strategy and materiality

Stakeholder dialogue

Several processes and tools are used to identify material issues and focus areas for Svedbergs Group's sustainability work.

The table shows the most important stakeholder groups for the Group, how communication takes place and what the most important sustainability issues are for each group.

Stakeholder groups	Examples of stakeholders	How communication takes place	Most important sustainability issues
Owner	Shareholders, investors, financial market	Annual and interim reports, press releases, investor meetings	Positive returns through sustainable growth
Regulators	Authorities, municipalities, Nasdaq, Finansinspektionen, EU, Swedish law	Annual reporting, insider reporting, tax returns, audits, licence applications	Legal and regulatory compliance, correct tax, anti-corruption
Certification bodies and organisations	ISO, UN Global Compact, SEMKO, NEMKO, M1, type approval	Verification of current certificates, audits, Communication of Progress (COP)	Regulatory compliance, development
Suppliers	Material and product suppliers	Contract negotiations, visits, Code of Conduct, audits	Good partnerships to optimise and plan production
Transport companies	Transport companies, waste transporters	Contract negotiations, visits, Code of Conduct, audits	Good partnerships to optimise and plan transport
Industrial customers	Construction companies	Contract negotiations, visits, customer service	Targets and processes to reduce environmental impact, delivery reliability, quality, strong brand, sustainable products
Dealers	Specialist bathroom and building stores, DIY	Showroom, visits, customer service	Targets and processes to reduce environmental impact, delivery reliability, quality, strong brand, sustainable products
Consumers	Private individuals	Customer surveys, complaints handling, customer service	Correct function, quality and design in relation to price, strong brand, compliance with the Consumer Sales Act
Employees	Employees, potential employees	Employee satisfaction index, development dialogues	Working environment, employment contracts, safe and stable employer, gender equality, equality, health, working conditions, strong brand
Local residents	Local residents around factories	Consultation	Compliance with licence conditions, noise
Media	Press, analysts	Press releases	Legal and regulatory compliance, quality and sustainability

Strategy and materiality

Impacts, risks and opportunities

The operations of Svedbergs Group affect the environment, climate and society. Impacts, risks and opportunities in the value chain are analysed to focus measures on key areas.

Svedbergs Group has a risk analysis prepared by the various subsidiaries and by the Group functions. See the table.

New process

In addition to its impact on the environment, climate and society, the Group itself is affected financially by climate change and transitions.

In November 2023, Svedbergs Group conducted a double materiality analysis, i.e. an analysis of negative and positive impacts on the environment and society as well as risks and opportunities for Svedbergs Group.

The work was carried out via preparatory analyses and a workshop with management and key staff in different areas.

Decisions on the issues to be regarded as material based on this analysis will be made by the Group management of Svedbergs Group. This analysis and methodology are a further development of previous materiality analyses and risk assessments.

Risk area and description	Risk minimisation	Measurement of impact
Environment		
Climate change		
The risks are particularly high from the purchase of goods and from the use of products sold	Reduction plans exist for each company in the Group	Measurement of greenhouse gases according to the GHG protocol, Scopes 1–3
Transport may be affected by, for example, droughts or floods Production may be affected by extreme weather conditions	Continuity plans are drawn up Alternative transport routes are identified	Internal processes for risk identification and monitoring
Water and marine resources		
Water restrictions, conflicts with local communities and supply interruptions may lead to higher prices, lower quality and shortages of raw materials	All suppliers must have sustainable water use practices in place	Part of the annual audit of suppliers
Biodiversity and ecosystems		
Reduction of biodiversity through deforestation	Use wood raw material from sustainable forestry	Proportion of wood purchased from certified sources
Circular economy		
Risk of a high proportion of waste not being reused or recycled	Right from the design phase, develop products that provide good opportunities for reuse or recycling and are easy to disassemble	Waste intensity
Social issues		
Own employees		
Risk to own employees and to employees of subcontractors in connection with the production, transport and handling of hazardous chemicals	The handling of hazardous substances in own production is governed by the health and safety policy	Accidents and incidents Healthy presence
Risk of victimisation or discrimination	Policies and guidelines govern the work	Employee surveys
Contractors and employees in the supply chain		
Risk to employees and contractors at subcontractors in connection with the production, transport and handling of hazardous chemicals	Supplier audits, signing of the Code of Conduct	Supplier audits
Human rights may be neglected in production in different parts of the world	Systematic evaluation of suppliers, signing of the Code of Conduct	Supplier audits
Governance		
Business ethics		
A risk of corruption and unethical business practices may arise in different parts of the value chain	Supplier audits, signing of the Code of Conduct Training in the Code of Conduct	Supplier audits

Sustainability focus areas











Svedbergs Group divides its sustainability work into focus areas. These areas help achieve the UN Sustainable Development Goals, while developing operations within Svedbergs Group. Targets and the direction of the work are set for each focus area. Focus areas and targets are used by all companies in the Group to define specific activities.

Focus areas and the UN Sustainable Development Goals

The UN Sustainable Development Goals provide an important framework for the sustainability work. Seven of the SDGs are particularly relevant to operations.

Svedbergs Group has the opportunity to help achieve several of the UN Sustainable Development Goals, primarily the following seven goals:

- Goal 3** Good health and well-being
- Goal 5** Gender equality
- Goal 8** Decent work and economic growth
- Goal 9** Industry, innovation and infrastructure
- Goal 12** Responsible consumption and production
- Goal 13** Climate action
- Goal 15** Life on land

Focus area and key issues	UN Sustainable Development Goals	Target
Environment		
Reducing the environmental impact of our products		
Develop circular products Extend the life of products High proportion of in-house production Meet health, environment and safety requirements	<ul style="list-style-type: none"> Responsible consumption and production 	 <ul style="list-style-type: none"> 50% reduction in CO₂ emissions ~35% total waste in relation to sales
Reducing greenhouse gas emissions		
Reduce emissions throughout the value chain	<ul style="list-style-type: none"> Responsible consumption and production Climate action 	  <ul style="list-style-type: none"> 50% reduction in CO₂ emissions
Resource efficiency		
Make the best use of raw materials and resources Optimise energy and water consumption, materials and chemicals, waste	<ul style="list-style-type: none"> Industry, innovation and infrastructure Responsible consumption and production 	  <ul style="list-style-type: none"> 100% renewable energy ~35% total waste in relation to sales
Wood from sustainable forestry		
Ensure supplies of wood from certified, sustainability-labelled forestry Use environmentally certified wood raw material	<ul style="list-style-type: none"> Responsible consumption and production Life on land 	  <ul style="list-style-type: none"> 100% wood certified according to sustainable forestry standards
Social issues		
Corporate social responsibility		
Promote good health and working conditions throughout the value chain and respect human rights	<ul style="list-style-type: none"> Good health and well-being Gender equality and equality Decent work and economic growth 	   <ul style="list-style-type: none"> >96.5% healthy presence 20% physical audits at strategic suppliers
Governance and business ethics		
Corporate social responsibility		
Maintain good business ethics and combat corruption	<ul style="list-style-type: none"> Good health and well-being Gender equality and equality Decent work and economic growth 	   <ul style="list-style-type: none"> 20% physical audits at strategic suppliers

See the description of key issues and how they are addressed under each focus area, pages 44–50.

Focus area Environment

Reducing the environmental impact of our products

Reducing the environmental impact of products from Svedbergs Group is in line with goal 12 of the UN Sustainable Development Goals – Responsible consumption and production. The products have an environmental impact in both production and use, for example waste generation and water consumption.

Sustainability goals

Svedbergs Group aims to find solutions that extend the life of its products and reduce their environmental impact in the design stage and throughout production.

Product development and circular design principles

Svedbergs Group integrates circular design principles in product development. The Group's mapping of greenhouse gas emissions shows that the single largest emission factor is purchased goods, followed by the use of products by customers. To reduce emissions and negative environmental impact and increase resource efficiency, products are developed according to the principles of design manuals. Examples of important principles are extended life, reduced waste, reduced volume of material used in manufacturing, reduced use of plastics and development of water-efficient products.

Good control in in-house production

A high proportion of in-house production has several advantages. In-house production affords better control over working conditions,

the production environment and transport, and consequently also better control over environmental impact. Svedbergs Group's in-house production accounted for approximately one third of sales in 2023.

Eco-labelling and certification

Svedbergs Group regularly reviews existing eco-labels of its products and adapts processes to meet the relevant certification requirements for the Group's markets. Products must meet the EU's basic health, environmental and safety requirements. Parts of the range are eco-labelled and the ambition is to increase this proportion and ensure that eco-labelling is carried out according to EU and other regional rules.

The EU legislation for the Ecodesign for Sustainable Products (ESPR) product passport

is expected to be expanded in the future. This means that products included must meet certain minimum energy efficiency requirements and are labelled with a code that provides information about the products. Svedbergs Group is monitoring the development of this legislation.

Operations that require authorisation and notification

Svedbergs Group carries out certain operations that are subject to authorisation and notification under Swedish law. This authorisation relates to finishing wood and coating metal. The obligation to notify authorities concerns the plant for recycling solvents used in the company's own operations, machining metals with cutting fluids, process oils and hydraulic oils and machine tools, and the plant for initial cleaning of materials with alkaline degreasing agents.



Main control methods

- Code of Conduct
- Checklists for circular design principles
- Eco-labelling – Sunda Hus, Byggvarubedomningen, Svanens Husproduktion and other country-specific labels
- Operations subject to authorisation
- ISO 14001 (Svedbergs)

Metrics

Emissions of CO₂ from

tonnes of CO ₂ e	2023	2022
Emissions from goods purchased	35,836.7	36,423.9
Emissions from goods sold	9,335.6	9,451.3
Waste	22.3	28.9

Focus area Environment

Reducing greenhouse gas emissions

Svedbergs Group is working to reduce greenhouse gas emissions from its operations. The work helps achieve UN Sustainable Development Goals 12 – Responsible consumption and production, and 13 – Climate action. The highest emissions in the value chain come from goods purchased, the use of products by customers and from transport.

Sustainability goals

Svedbergs Group will reduce carbon dioxide emissions according to GHG Scopes 1–3 by 50 percent in relation to sales by 2030 compared to 2021.

Mapping greenhouse gas emissions in the value chain

The Group’s direct and indirect impact on greenhouse gas emissions was mapped for the first time in 2022 for 2021 according to the global Greenhouse Gas Protocol (GHG) standard. Further mapping took place in 2023.

The mapping showed that around 98 percent of Svedbergs Group’s climate impact in both 2022 and 2023 came from Scope 3, i.e. the impact that arises in the supply and customer stages of the value chain, outside direct own operations. Goods purchased are the area with by far the greatest impact. The use of products sold and the transport of goods and products also have a significant climate impact.

The results of the mapping are used as a basis for decision-making to prioritise measures

to reduce greenhouse gas emissions. All companies work according to targets and reduction plans.

In the years 2021 to 2023, the total volume of greenhouse gas emissions decreased by 17.2 percent measured in relation to sales. The decrease was mainly in Scope 3, goods purchased and transport.

The Group promotes greater collaboration between subsidiaries on suppliers of products, materials and transport.

Emissions from goods purchased and use of products sold

Principles for reducing greenhouse gas emissions are now being incorporated in the design phase of products. More long-term development is needed to offer circular products that have a longer life and are easier to reuse or recycle, and of which the materials and raw materials are produced in a sustainable manner.

To create clarity about what is required to reduce climate impact, Svedbergs Group has set itself the goal of preparing a number of EPDs (Environmental Product Declarations) for different products and product groups. A number of EPDs were prepared and also published in 2023. More are expected to be published in early 2024 and work continues on EPDs for more products.

Continued measures to have an impact in the shorter term are important, for example to reduce emissions from transport and energy efficiency in production.

Reducing emissions from transport

Svedbergs Group prioritises suppliers with sustainable transport solutions and makes clear requirements for an environmental profile and reporting of outcomes. Other measures to reduce emissions include increased capacity utilisation in transport, reduced packaging and coordinated shipping to the Group’s companies from suppliers. As much as possible is transported by ship because it is currently more environmentally friendly than road transport.

The subsidiary Svedbergs has chosen 100 percent biofuel for its container transport by ship from Asia and Turkey to Sweden. This led to a reduction in emissions of 143 tonnes of CO₂ equivalents in 2023.

In the UK, Roper Rhodes and a transport provider have invested in Sustainable Marine Fuel (SMF) for all shipments from Asia. SMF is a sustainable fuel made from residual oils from food waste, waste oils and fertiliser.

Impact of business travel

The Group’s travel policy includes guidelines that must be followed by all employees when travelling on business. Environmentally friendly travel options are prioritised and digital meeting solutions are encouraged. The company car policy makes it more favourable for employees to choose an electric car or a plug-in hybrid, and charging points are available outside the Group’s premises. An increasing share of the vehicle fleet is now electric.



Main control methods

- Code of Conduct
- Climate Audit as per the GHG Protocol
- Reduction plans for each company
- Supplier evaluations and audits
- Rules on business travel and company cars

Climate impact by category, tonnes of CO₂e

The largest share of greenhouse gas emissions comes from the category ‘Goods purchased’, mainly metal, porcelain and plastic, and the category ‘Use of products sold’, in which heated towel rails and lighting in mirrors and cabinets have the greatest impact.

Metrics

Total emissions of CO₂ per Scope

tonnes of CO ₂ e	2023	2022
Scope 1	487.0	651.0
Scope 2	201.9	265.0
Scope 3	53,660.6	55,337.7
Total	54,349.5	56,253.7

Focus area Environment

Greenhouse gas emissions in the value chain

Svedbergs Group conducted a Climate Audit for the first time in 2022. With the support of experts, greenhouse gas emissions were mapped throughout the value chain according to the global Greenhouse Gas Protocol (GHG) standard. The mapping was done for GHG Scopes 1–3, the direct and indirect impact of operations. 2021 was chosen as the baseline year for the calculations. The analysis showed that 98 percent of Svedbergs Group’s climate impact during 2021 was from Scope 3, i.e. the impact that arises in the supply and customer stages of the value chain, outside direct own operations. Goods purchased are the area with by far the greatest impact. The use of products sold and the transport of goods and products also have a significant impact.

The analysis provided new insights into where best to take action to reduce climate impact. Reduction plans and targets were developed for all Group companies and

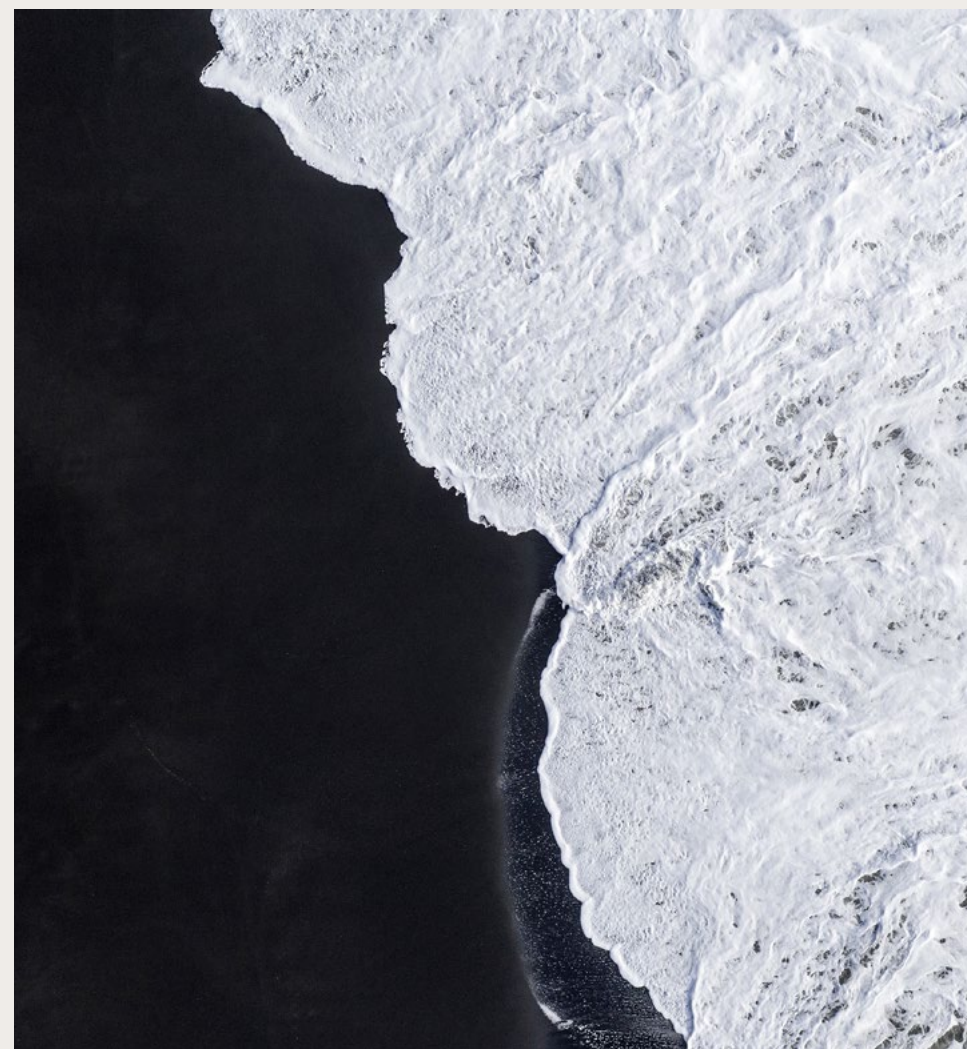
activities have been initiated to prioritise GHG reduction measures tailored to each company.

Mapping also took place for 2022 and 2023 and will be updated annually in the future.

Climate impact is reported by category and subsidiary. Climate impact is also broken down by, for example, products and types of input material.

During 2023 Svedbergs Group started to develop EPDs (Environmental Product Declarations) for different products and product groups. These are used to provide further clarity on what is required to reduce climate impact.

The Group endeavours to collaborate with stakeholders who share the same ambitions, such as suppliers and carriers. Collaboration between group companies is also an important method for reducing climate impact, for example through the exchange of experience and joint purchasing.



Climate impact per company per annum

Climate impact, tonnes of CO ₂ e	2023	2022	2021	2023–2021 % change in tCO ₂ e	2023–2021 % change in tCO ₂ e/net sales
Svedbergs	18,827.9	22,173.8	23,496.0	–19.9%	–13.8%
Macro Design	6,001.8	6,406.9	6,155.1	–2.5%	25.6%
Cassøe	980.7	1,387.6	2,874.9	–65.9%	–65.3%
Roper Rhodes	28,537.3	26,283.6	27,318.8	4.5%	–18.8%
Svedbergs Group	1.8	1.8	1.6	10.2%	–
Total	54,349.5	56,253.7	59,846.4	–9.2%	–17.2%

Focus area Environment

Resource efficiency

By using resources efficiently, Svedbergs Group helps achieve UN Sustainable Development Goals 9 – Industry, innovation and infrastructure, and 12 – Responsible consumption and production. The efficient use of resources such as energy, water, raw materials and chemicals is a high priority. In addition to environmental benefits, there are also economic benefits from a resource-efficient approach.

Sustainability goals

One of Svedbergs Group's goals is for all energy consumption in the Group to come from renewable sources by 2030. The Group has the target of reducing the volume of waste by 35 percent by 2030 compared to 2021 in relation to sales.

Energy consumption

The Swedish operations have been using only renewable energy since 2019. The production facility in Dalstorp is heated with district heating generated from residual bark and dry chippings from a local sawmill. The production facility in Laholm is heated with biogas. Several energy efficiency measures have been implemented in the factories, such as the replacement of windows. In Dalstorp, a completely new production line with high capacity and customisation options has been installed, enhancing production efficiency and reducing energy consumption.

The distribution centre outside Bristol, UK, was completely self-sufficient in electricity and energy in 2023, thanks to a recently installed solar energy system on the roof of the premises. The energy produced is enough to power the premises and charge electric cars, and surplus energy can be sold to the National Grid.

Waste

The Group's waste consists mainly of wood waste from production and packaging material from the transport of products from suppliers and to customers.

Several measures were taken in 2023 to reduce the amount of combustible waste and waste in the organisation. Some of these measures include a new design of cabinet doors that greatly reduces wood waste in production and the complete phase-out of plastic as a packaging material in the UK.



Materials and chemicals

Svedbergs Group evaluates the raw materials to be included in products right from the design phase. The choices made are central to quality, safety and sustainability.

Internal documentation is available on substances that must be avoided. New chemicals and products are inspected before they are used in production. Checks are also carried out regularly in production to ensure constant quality and that no harmful, unauthorised or unnecessary substances are used. The Group complies with the EU's Chemicals Regulation REACH. The health and safety policy governs the handling of hazardous substances and chemicals in in-house production.

Two examples of the shift towards more sustainable materials are a newly developed furniture range, Poem, which does not contain plastic, and the new collaboration with the Finnish company Woodio on basins made from wood chip material.



Main control methods

- Code of Conduct
- EU Chemicals Regulation – REACH

Metrics

	2023	2022
Energy consumption (GWh)	6,817	7,242
Share of renewable energy (%)	92.4	86.4
Waste (tonnes)	1,207	1,372

Focus area Environment

Wood from sustainable forestry

Svedbergs Group strives only to use wood raw material certified according to sustainable forestry standards. This promotes UN Sustainable Development Goals 12 – Responsible consumption and production, and 15 – Life on land. Wood raw material is used in in-house production and in the production of purchased products.

Sustainability goals

Svedbergs Group aims for all the wood raw materials used to certified according to sustain-

able forestry standards. When forests are managed sustainably they can provide more raw material, important ecosystems are protected and carbon sinks are preserved to a greater extent.

Sustainable forestry

Deforestation affects the climate by reducing carbon sequestration and increasing the risk of biodiversity loss.

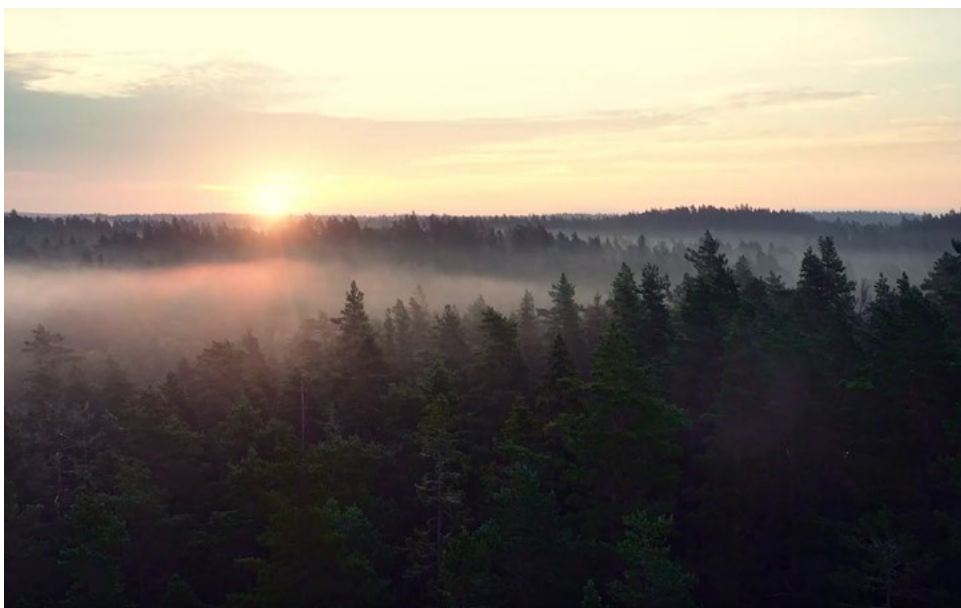
Voluntary forest certification is one of several important tools that promotes sustainable

forestry around the world and protects forest animals and plants. By using wood raw material from sustainable forestry operations, natural habitats and biodiversity are promoted. This also helps to reduce global warming by reducing greenhouse gas emissions.

Environmentally certified wood raw material

The certification of forestry and labelling of forest products proves that the products the Group produces come from forests that are managed sustainably.

Svedbergs Group has suppliers of wood and wood products operating in Europe and also imports finished bathroom furniture manufactured in Asia and elsewhere. All European suppliers are evaluated, and are required to meet the Group's requirements for sustainable forestry and to use only wood from certified sources. To be approved, these suppliers must be environmentally certified and the wood content must be traceable throughout the production chain. The subsidiary in the UK has recently started analysing the wood it uses and has therefore not made as much progress in mapping and setting requirements for suppliers.



Main control methods

- Code of Conduct
- Verification of environmentally certified producers

Metrics

%	2023	2022
Procurement of wood raw material certified according to sustainable forestry standards	100	100

Focus area Social issues

Corporate social responsibility

Svedbergs Group attaches great importance to corporate social responsibility, helping achieve UN Sustainable Development Goals 3 – Good health and well-being, 5 – Gender equality, and 8 – Decent work and economic growth. Health and safety risks exist both within our own organisation and in the supply chain.

Sustainability goals

Svedbergs Group’s goal is to run a business that promotes good health and good working conditions throughout the value chain. The Group sets high standards of responsibility for its own operations and for suppliers and other partners. Respecting human rights and ensuring that workplaces are safe and contribute to well-being is a high priority. The focus area has measurable targets: healthy presence in relation to total scheduled time must exceed 96.5 percent by 2030, and physical audits must be carried out at 20 percent of all Svedbergs Group’s strategic suppliers every year.

Good working conditions, skills and development

Employees are essential for the profitability and development of the business. Clear goals, visions and values build a culture of inclusion. One of Svedbergs Group’s strategic pillars is ‘organisation and leadership’. The organisation is based on a decentralised structure in which employees’ skills are continuously developed. Leadership should be about leading by example. This builds a culture of trust and the courage to develop and grow. The working environ-

ment must develop both employees and the organisation.

In 2023, several subsidiaries provided training in sustainability and sustainability-related issues, which is continuing in 2024. Examples of training programmes include self-leadership and leadership for managers. Skills development has led to new sustainability initiatives emerging from the organisation and makes it easier to implement effective measures more quickly.

Civic engagement can create both new insights and pride in your organisation. At Roper Rhodes, each employee has been asked to set aside one day of their annual working hours to volunteer at a local charity or similar organisation.

Diversity, equality and gender equality strengthen the corporate culture. Svedbergs Group is committed to promoting equality for everyone, regardless of gender, age, ethnicity or sexual orientation. This is reflected in the Group’s day-to-day operations and in recruitment. All employees must have equal conditions of employment, promotion and pay.

Performance reviews and employee surveys are held annually with all employees.

All Group companies are Great Place to Work certified. This is measured in five areas: Credibility, Respect, Fairness, Pride and Camaraderie.

The Swedish companies in the Group have collective agreements for all employees. In other companies, standard practice in each country is followed.

Health and safety

The health and safety of employees are top priority. The Group’s companies carry out systematic health and safety work, based on the health and safety policy, to offer a safe, attractive workplace. Any workplace accidents and incidents are reported and analysed so that measures can be taken to prevent similar events from happening again. Employees receive regular health and safety training and strong emphasis is placed on maintaining a high level of safety in production.

The subsidiaries offer wellness allowances and occupational health care based on local rules.

Respect for human rights

Svedbergs Group places great emphasis on ensuring that human rights are respected throughout its own operations and the operations of the Group’s suppliers.

The Group rejects all forms of forced labour, child labour and unsafe or unfair working conditions. To identify and manage risks regarding human rights, the environment and corruption, the companies in Svedbergs Group conduct annual risk analyses and evaluations in the supply chain, see page 50. Governance is through the Supplier Code of Conduct.



Main control methods

- Code of Conduct
- Personal data policy
- Whistleblower service
- Follow-up and development meetings
- Employee surveys

Metrics

Healthy presence

%	2023	2022
Healthy presence in relation to total scheduled time	97.6	97.0

Supplier audits

%	2023	2022
% of strategic suppliers audited	10.0	7.0

Absence due to accidents

	2023	2022
Accidents that resulted in more than eight hours of absence per 200,000 hours worked	1.60	1.72

Focus area Corporate governance and business ethics

Corporate social responsibility

Svedbergs Group attaches great importance to corporate social responsibility, helping achieve UN Sustainable Development Goals 3 – Good health and well-being, 5 – Gender equality, and 8 – Decent work and economic growth. Inadequate business ethics may occur in business relationships throughout the value chain.

Sustainability goals

Svedbergs Group sets high standards for business ethics, respect for human rights and the environment for its own operations and for suppliers and other partners. To monitor compliance with the Group's Supplier Code of Conduct in the supply chain, physical audits should be carried out at 20 percent of all Svedbergs Group's suppliers every year.

Good business ethics and anti-corruption

Svedbergs Group does not accept any form of corruption, bribery, extortion or money laundering and rejects any illegal restriction of competition. This statement includes employees, customers, suppliers or individuals working for or on behalf of the Group. An important tool in this work is the Group's Code of Conduct, which must be accepted by both employees and suppliers.

If there is any suspicion of irregularities such as bribery, conflicts of interest, insider trading, environmental crimes or shortcomings in security, employees, customers and suppliers are all encouraged to report this. The Group's whistle-

blowing service, which guarantees anonymity, is available for reporting. Incoming cases are handled by an external party. Guidelines and information on the processing of personal data are published on the website.

Board members and those in senior positions in the Group receive training in stock exchange rules, including insider trading and conflicts of interest. People with temporary insider information are documented and registered in an event-driven insider register.

Responsible supply chain

Svedbergs Group establishes good relationships with suppliers, in part to ensure control and responsibility throughout the supply chain in the areas of the environment, social conditions and corruption. Purchasing managers in the Group work together to improve control of the supply chain.

Before an agreement is signed with a new supplier, a risk assessment and evaluation are carried out to check the supplier's ability to ensure reliable deliveries of high-quality, affordable products as well as their ability to meet requirements for social and environmental responsibility. The Swedish Group companies conduct risk assessments with the support of amfori BSCI, a global business initiative that promotes responsible supply chains. Roper Rhodes uses the SEDEx platform for supplier audits.

To ensure that high standards are maintained and that the Supplier Code of Conduct is com-

plied with, the Group conducts regular risk assessments and dialogues with strategic suppliers. Based on the assessments, either in-house audits or external third-party audits of selected suppliers are carried out. In addition, a strategic supplier assessment is carried out once a year. In the event of any deviations and deficiencies, a list of measures is drawn up and the Group works with the supplier to remedy the deficiencies. In case of repeated deficiencies, partnerships and agreements are terminated.

Supplier Code of Conduct

The Supplier Code of Conduct provides the framework to ensure compliance with internationally recognised minimum standards for human rights, health and safety, social conditions and the environment, and is in line with Svedbergs Group's principles, policies and standards. The Supplier Code of Conduct is based on the Ethical Base Code (ETI) and the ten principles of the UN Global Compact.

Before an agreement is signed with a new supplier, a risk assessment and evaluation are carried out to check the supplier's ability to ensure reliable deliveries of high-quality, affordable products as well as their ability to meet requirements for social and environmental responsibility.

The Supplier Code of Conduct has been signed by all strategic suppliers. In 2023, the Supplier Code of Conduct was updated to adapt it to the growing Group.



Main control methods

- Code of Conduct
- Personal data policy
- Whistleblower service

Metrics

Supplier audits

%	2023	2022
% of strategic suppliers audited	10.0	7.0

Auditor's report on the statutory sustainability report

To the general meeting of the shareholders in Svedbergs Group AB (publ),
corporate identity number 556052-4984.

Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the financial year 2023-01-01–2023-12-31 on pages 34–50 and that it has been prepared in accordance with the Annual Accounts Act.

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.

Malmö 3 April 2024
Deloitte AB

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