



**SUSTAINABILITY REPORT
2021**

WE ARE STRONGER TOGETHER



Throughout 2021, the pandemic continued to affect the world and our operations. Mostly, there were challenges. However, for our operations as a whole, there was a positive “stay-home” effect. Our sustainability journey has also continued and, thanks to our employees’ engagement, we achieved even better results than expected.

Important to act here and now in large and small alike.

Our carbon dioxide footprint (Greenhouse Gas Protocol scope 1 and 2 emissions) contracted by 30 percent in 2021. This is far better than the 1.5 degree goal stipulated in the Paris Agreement. The percentage of certified wood in our products reached almost 100 and our employee engagement index rose to a new record.

During the year, we took the next step in the supply chain with the implementation of a requirements and expectations document covering the environment, working environment, employees and raw materials. It went to 135 suppliers representing 76 percent of all our direct material sourcing.

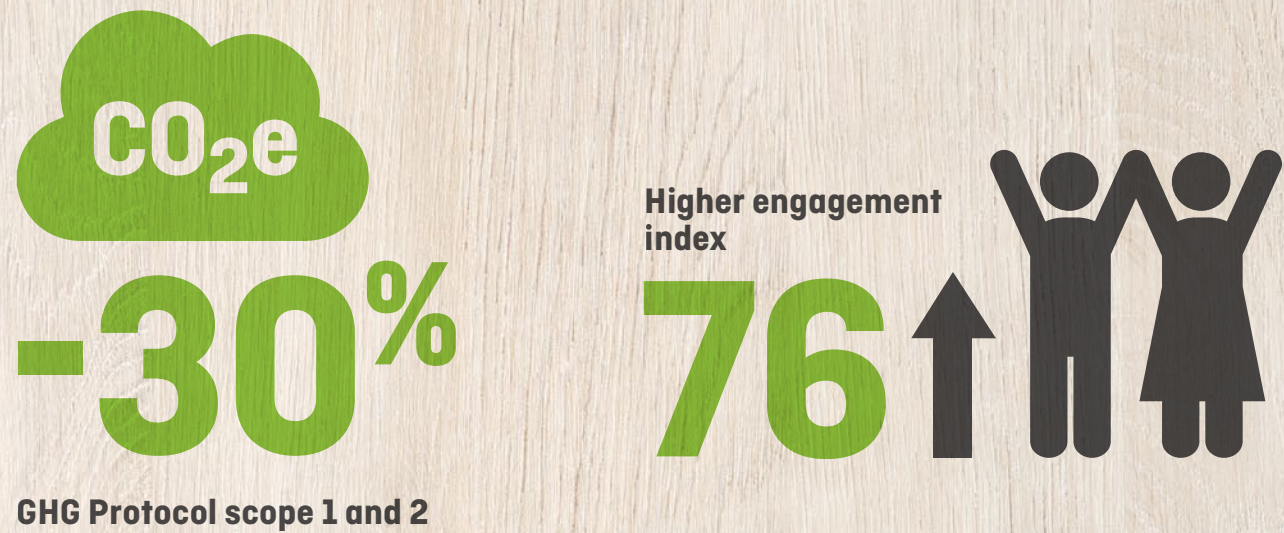
We base our sustainability management on knowledge and facts. We know that our sustainability management is a journey. Its goal changes over time, but this makes it even more important to act here and now in large and small alike. Our employees, suppliers and customers all have important roles in our operations and our development. Here, the key to success is collaboration and dialogue. We know that we are stronger together.

The journey onwards will be pervaded by an increased focus on circularity, diversity and inclusion. We will also continue our ambition to improve sustainability throughout our value chain!

A handwritten signature in black ink, appearing to read 'Marie Webrant'.

Marie Webrant
Director of Group Finance & Sustainability
Ballingslöv International

THE YEAR IN BRIEF



SUSTAINABILITY EVERY DAY

Sustainability is with us every day. In everything we do. Large and small alike. Here are some of the initiatives completed in our business units in 2021.

- JKE Design
- Ballingslöv
- PaulaRosa Manhattan
- Multiform
- DFI-Geisler
- Kvik

JAN

- **Switched to biogas** for heating = 100% green energy throughout the factory!
- **Sustainability became a** set agenda item for the internal weekly meetings encouraging participation and success.
- **Set up two apprenticeships** in the factory. They are whole-year and will contribute to talent development.

MAY

- **Abandoned expanded polystyrene** as a packaging material from one supplier (it was unnecessary waste).
- **Established a biodiversity area** at the factory – a biological diversity initiative.
- **Switched packaging material** to a recyclable box solution. The aim is to improve resource utilisation and circulate the materials several times.

JUNE

- **Implemented** “Too good to waste”, thereby preventing the scrapping of products with small aesthetic defects – respect for the environment!
- **Improved ergonomics** for employees and increased production capacity by installing a robot.

JULY

- **Moved to 100%** recycled materials in all foil-clad kitchen doors.
- **Installed six charging stations** for electric vehicles at the production facility (to promote the transition to electric cars).
- **Contributed to a car** for a local care home, thereby improving elderly care.

OCT

- **Switched to paper tape** for kitchen packaging. A further step in abandoning single-use plastics.
- **Upcycled yet another residual product.** When holes are cut for sinks or hobs in worktops, the “hole material” now finds new life as tapas boards!
- **Switched to biogas** for heating = 100% green energy throughout the factory!

NOV

- **Initiated dialogue with a wrapping supplier** to find collaborations for taking advantage of a possible material loop for wrapping recirculation.
- **Switched all single-use items** in the staff canteen from plastic to wood.
- **Invested in and installed** a new boiler in the factory. This reduces CO₂e emissions by at least 75%.
- **Entered agreement** with the municipality of Morsø to set up a DFI-Geisler forest to further protect animals and nature.

DEC

- **Reduced food waste** by 75% in the lunch restaurant (went over to portion serving).
- **Stopped using** an oil burner and, instead, went over to 100% green energy.
- **Took the next step** in clarifying our products’ climate footprints by adding this information to the product price list.

FEB

- **Implemented sustainability** as an important daily mindset in all departments. Achieved via dialogues on how and with what each and every employee can participate and contribute.
- **Changed surface treatments** to a water-based solution. This reduces volatile organic compound (VOC) emissions by 90%.
- **Implemented design principles** for sustainability.

MAR

- **Removed fossil heating** from the factory so that the “climate-neutral production” goal can be achieved.
- **Implemented internal**, quarterly, sustainability courses.
- **Implemented new waste management** and achieved 76% material recycling, 24% energy recovery and an around 80% reduction in transportation linked to waste disposal.

APR

- **Launched the first kitchen door** made from recycled wood fibre. Saving the world’s resources, this increases the percentage of recycled materials in our kitchens.
- **Improved the work environment** and indoor lighting by fitting the factory with new windows.
- **Installed an air heating system** in the factory. In a sustainable and fossil-free way, this ensures a pleasant, year-round work climate for all employees.

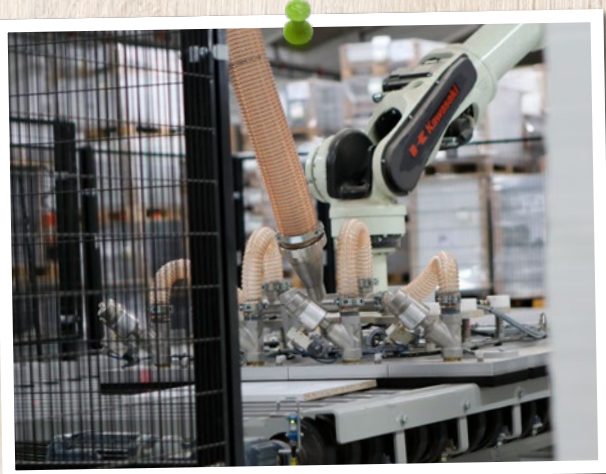
AUG

- **Started an energy optimisation project** to reduce energy consumption.
- **Reduced heavy lifting** in the factory by installing a robot. This improves employee safety and health.

- **Began “A more sustainable choice”**, a project where we and students from Malmö University jointly look for new opportunities for circular kitchen solutions.

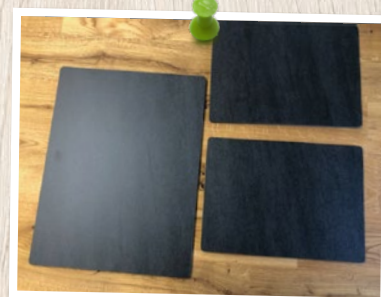
SEPT

- **Started switching surface treatments** to a water-based solution that is better for the environment.
- **Widened internal continuous quality improvement** in production by appointing and training three quality coordinators.



JKE Design: Improved ergonomics for employees and increased production capacity by installing a robot.

DFI-Geisler: Entered agreement with the municipality of Morsø to set up a DFI-Geisler forest to further protect animals and nature.



DFI-Geisler: Upcycled yet another residual product. When holes are cut for sinks or hobs in worktops, the “hole material” now finds new life as tapas boards!

ABOUT BALLINGSLÖV INTERNATIONAL

Ballingslöv International is a group comprising six business units in the kitchen, bathroom and storage industries. Our well-established Ballingslöv, Drømmekjøkkenet, Kvik, Multiform, JKE Design, DFI-Geisler and PaulaRosa Manhattan brands are famous for high quality and good design. The group has 1,300 employees and a turnover of just under SEK five billion. This makes it one of the largest kitchen producers in Europe.

Ballingslöv International's operations are based on long-term, sustainable solutions. We champion high ethical standards and strive for our products to be developed, made, transported, used, reused and, finally, recycled with as little negative environmental impact as possible.

The group's business model entails the business units developing their own unique offerings and independently producing and selling their products. This means that the group has: a wide programme in many price segments; and, product solutions for everyone from individual consumers to building companies and property developers.

Europe is the primary market and production is taken care of by the business units' own plants in Sweden, Denmark and the United Kingdom. Purchased raw materials and components are also primarily from Europe.

Ballingslöv International is owned 100 percent by Stena Adactum AB.

ABOUT THE REPORT

This is Ballingslöv International's third sustainability report under the aegis of the board of directors. It has been drawn up in accordance with the provisions of chapter 6 of Sweden's Annual Accounts Act. The report is for 2021 and covers all the group's companies: Ballingslöv AB, Kvik A/S, JKE Design A/S, DFI-Geisler A/S, Multiform A/S, Dennis & Robinson Ltd and Ballingslöv International AB.

More information about Ballingslöv International's operations, history, sustainability management and brands is available at www.ballingslovinternational.se.



- ♥ OUR CIRCULAR GREEN KITCHEN
- ♥ MY SUSTAINABLE KITCHEN LIFE
- ♥ OUR SUSTAINABLE OPERATIONS



HOLISTIC SUSTAINABILITY

Sustainability is the heart of everything we do – design and product development, investment in manufacturing and transportation, supplier relations, materials selection, competence development and leadership. With the ambition of facilitating a sustainable kitchen life, it beats all the way to our customers' kitchens.

Our three strategic concepts of our circular green kitchen, my sustainable kitchen life and our sustainable operations ensure that, from production to consumer, there is sustainability.



OUR CIRCULAR GREEN KITCHEN

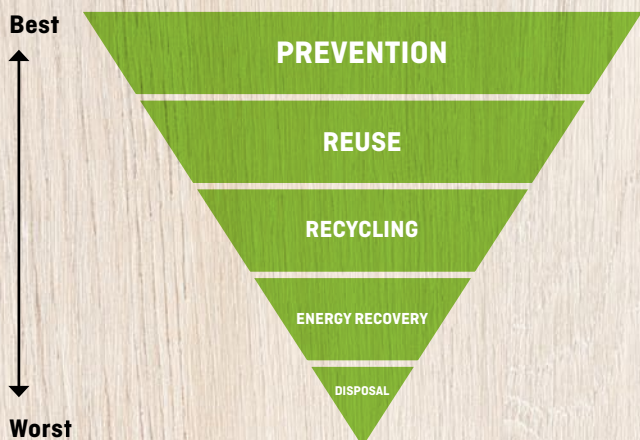
It is very important that kitchens have the smallest possible climate footprint right from the start. In our circular green kitchen initiatives, we work continuously on reducing the initial environmental impact of kitchens.

The ambition of fully integrating sustainability into all our products is embodied in our circular green kitchen concept. Circular green kitchen is the idea that all parts of a kitchen should make maximum possible use of recyclable and recycled materials. Furthermore, they must, of course, be of such high quality that they: withstand long, hard use; are simple to repair and maintain; and, can be reused in another context. When they have finally given their all, it must be possible to fully recycle them.

Of at least equal importance is the initial environmental impact of a kitchen. Here, as illustrated on these two pages, material selection is of great significance.

RESOURCE EFFICIENCY HIERARCHY

We use the resource efficiency hierarchy to visualise circular design. Our focus is on moving up the hierarchy by extending our products' service lives, reducing resource consumption and enabling reuse and recycling. The method has been primarily implemented in the design phase.



PREVENTION – Using less material in design and manufacture. Extending products' service lives.

REUSE – Repair and reuse (same product, but in another home or context).

RECYCLING – Processing old materials to make new products.

ENERGY RECOVERY – Incinerating to provide energy.

DISPOSAL – Landfill or incineration that does not provide energy.

KITCHENS' CLIMATE FOOTPRINTS – MATERIAL SELECTION OF GREAT SIGNIFICANCE

Completed product life cycle analyses clearly show how different raw materials, transportation and manufacturing processes affect a kitchen's climate footprint. There is more about life cycle analyses on page 30. Here are three examples of how material selection affects kitchens' climate footprints (white goods and electricity across a service life of 20 years in a home excluded).



1.13 t

CO₂e

**Painted wood fibre doors,
composite stone worktop.**

Painted MDF kitchen doors, 19 mm thick, from Poland. Composite stone worktop, from Spain.



0.66 t

CO₂e

**Laminate doors,
laminate worktop.**

Laminate kitchen doors, 19 mm thick, material from Italy & Germany. Laminate worktop, material from Italy & Denmark.



0.58 t

CO₂e

**Solid oak doors, laminate
worktop.**

Solid, oak laminate kitchen doors, 19 mm thick, from Sweden. Laminate worktop, material from Poland & Denmark.





MY SUSTAINABLE KITCHEN LIFE

There is a lot you can do to reduce your climate footprint – when you choose your kitchen and every day!

CHOOSE WOOD

Wood kitchens are an extra fine choice. They use a natural resource that puts very little stress on the climate and which circulates and recycles extremely well.



RENEWABLE ELECTRICITY – SMALL CLIMATE FOOTPRINT

When you choose renewable electricity for your home, the climate footprint of the energy you use is marginal. The next step is to minimise electricity consumption. This is good for both the environment and your finances.

EXTEND SERVICE LIFE

Regular maintenance and repair extends kitchen service life. This saves the Earth's resources. When your kitchen needs refreshing, try a new finish, change doors or see if the kitchen can have a new life in someone else's home or your utility room. Caring for your kitchen reduces negative environmental impact.



**SMALL
climate footprint**



SORT MORE

Sorting as many types of material as possible at source and then recycling them is something important you can do for the environment.



REDUCE FOOD WASTE

Turning leftovers into lunchbox meals is an excellent way of reducing negative environmental impact. Ditto storing food wisely so that it stays fresh longer. For example, you can vacuum-pack food and store vegetables in water in the refrigerator. Lemons and carrots then stay fresh much longer!

RIGHT WHITE GOODS

Around 50 percent of your kitchen's climate footprint is generated by white goods.

Thus, buy high-quality white goods (they last longer) and prioritise the best energy rating.

If, additionally, you choose a steam oven, yesterday's meals taste freshly made when you reheat them. This reduces food waste!

50%

**of your kitchen's
climate footprint**





OUR SUSTAINABLE OPERATIONS

With great engagement, we are becoming ever more sustainable – throughout our value chain and in our daily operations!

WHERE WE WANT TO BE!

Best in class, this is our endeavour in all classes!



100%
renewable energy



100%
recyclability



100%
code of conduct*



100
engagement index



ZERO
CO₂e**



ZERO
accidents

* Percentage of suppliers who have accepted our code of conduct
** Impact of our own production facilities



Our sustainable operations - a journey that is more successful when we travel together. Sustainability is then long term!

Sustainability for us

Sustainability is founded on taking responsibility for the climate, the environment, good business ethics and people's health and safety. This is why the sustainability perspective is part of all our decisions and investments; not only in, naturally enough, product development, but also in production, transportation, competence development and supplier relations.

Our taking of responsibility for sustainability is generating fantastic opportunities – for the environment, for people and for tomorrow's kitchen life.

A JOURNEY THAT IS MORE SUCCESSFUL WHEN WE TRAVEL TOGETHER

With our sustainability strategy as the guiding light, we are growing stronger on our sustainability journey, day by day and year after year. Since 2018, we have reduced our climate footprint by more than 60 percent (GHG Protocol scope 1 and 2). Getting even more of our suppliers to join us on a shared sustainability journey was something we focused on and crystallised in 2021. We see the strength in diverse personalities and endeavour to make it possible for all employees to reach their full potential as part of a winning team. Our employees shall be able to feel job satisfaction and pride!





A photograph of a person's legs in blue denim jeans sitting on a white shag rug. In the background, a window with a white frame contains a brass lamp with a glass chimney. The wall is a neutral grey color.

FOR A SUSTAINABLE FUTURE

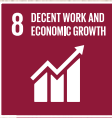
For us, holistic sustainability is a must. We take responsibility, are transparent and focus on circular design, sustainable raw materials sourcing and creating quality products that can be depended on. We work closely with our suppliers and jointly create new and innovative solutions.

Sustainability is part of all our decisions, from design and product development all the way to our customers' homes.

THE UN GLOBAL GOALS

In its Agenda 2030, the United Nations (UN) set 17 global goals that, in their turn, have 169 targets for sustainable development. For us, it is only natural that our sustainability management must link to these and contribute to their fulfilment.

We have chosen four UN goals and five targets that are especially relevant to us.



GOAL 8. DECENT WORK AND ECONOMIC GROWTH

The aim is to promote lasting, inclusive and sustainable economic growth, full and productive employment and decent work for all. This goal is important to us as an employer and in our relationships with suppliers. We focus on target 8.8: “Protect labour rights and promote safe and secure working environments for all”.



GOAL 12. RESPONSIBLE CONSUMPTION AND PRODUCTION

Extraction of the raw materials used in making our products forms a large part of our ecological footprint. We are reducing this by promoting circular processes. We also contribute by encouraging our consumers to make sustainable product choices and to live sustainably (e.g. through maintenance and care that extend the service lives of their kitchens). Our focus is on target 12.5: “Substantially reduce waste generation”.



GOAL 13. CLIMATE ACTION

Combating climate change is vital for our planet and we give it high priority in our sustainability management. It is an important issue for our customers too. Of course, we are keen to fulfil and exceed their expectations. Another reason for the importance we attach to climate initiatives is the dependence of our operations on smoothly functioning, vibrant ecosystems. We focus on target 13.2: “Integrate climate change measures into policies and planning”.



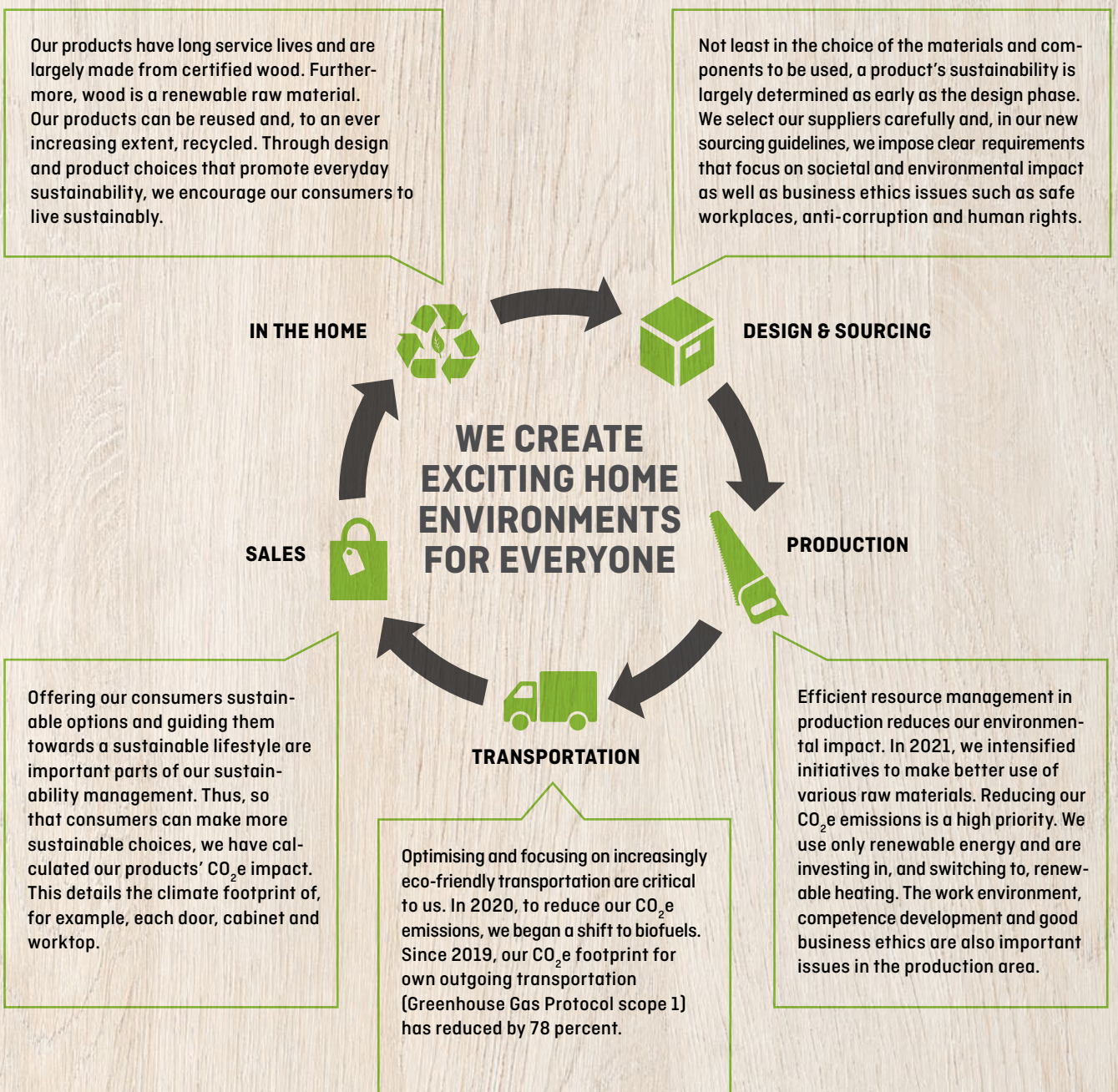
GOAL 16. PEACE, JUSTICE AND STRONG INSTITUTIONS

This goal aims to: promote inclusive societies where there is no discrimination and injustice; and, combat unethical entrepreneurship and corruption. Both independently and via collaborations involving our suppliers and customers, we want to contribute positively to the communities in which we are present. We here focus on two targets, 16.5 and 16.B. Respectively these are: “Substantially reduce corruption and bribery” and “Promote and enforce non-discriminatory laws and policies”.



OUR VALUE CHAIN

Our value chain gives an overview of the main areas where, in various ways, our operations have societal and environmental impact. We want to have the best possible impact – and reduce anything negative. So that our sustainability management can focus on initiatives that deliver the greatest benefit, we continuously analyse the various parts of our value chain.



A LIVING SUSTAINABILITY STRATEGY

After careful analyses of our operations, our operating environment and our value chain, we know what impact we have and which risks we need to manage. Consequently, we know which activities are necessary to achieve continuous improvements in the area of sustainability. We have distilled this in our sustainability strategy, which we illustrate with a tree.

The tree's branches symbolise the strategy's three main areas. These latter are further detailed in a total of seven strategic sustainability initiatives that together comprise the most significant areas in which we have the clearest improvement opportunities and where our activities have the greatest effect.



OPTIMISE OUR ENVIRONMENTAL IMPACT

- **Circular design**
- **Reduce CO₂e emissions**
- **Sustainable forestry**



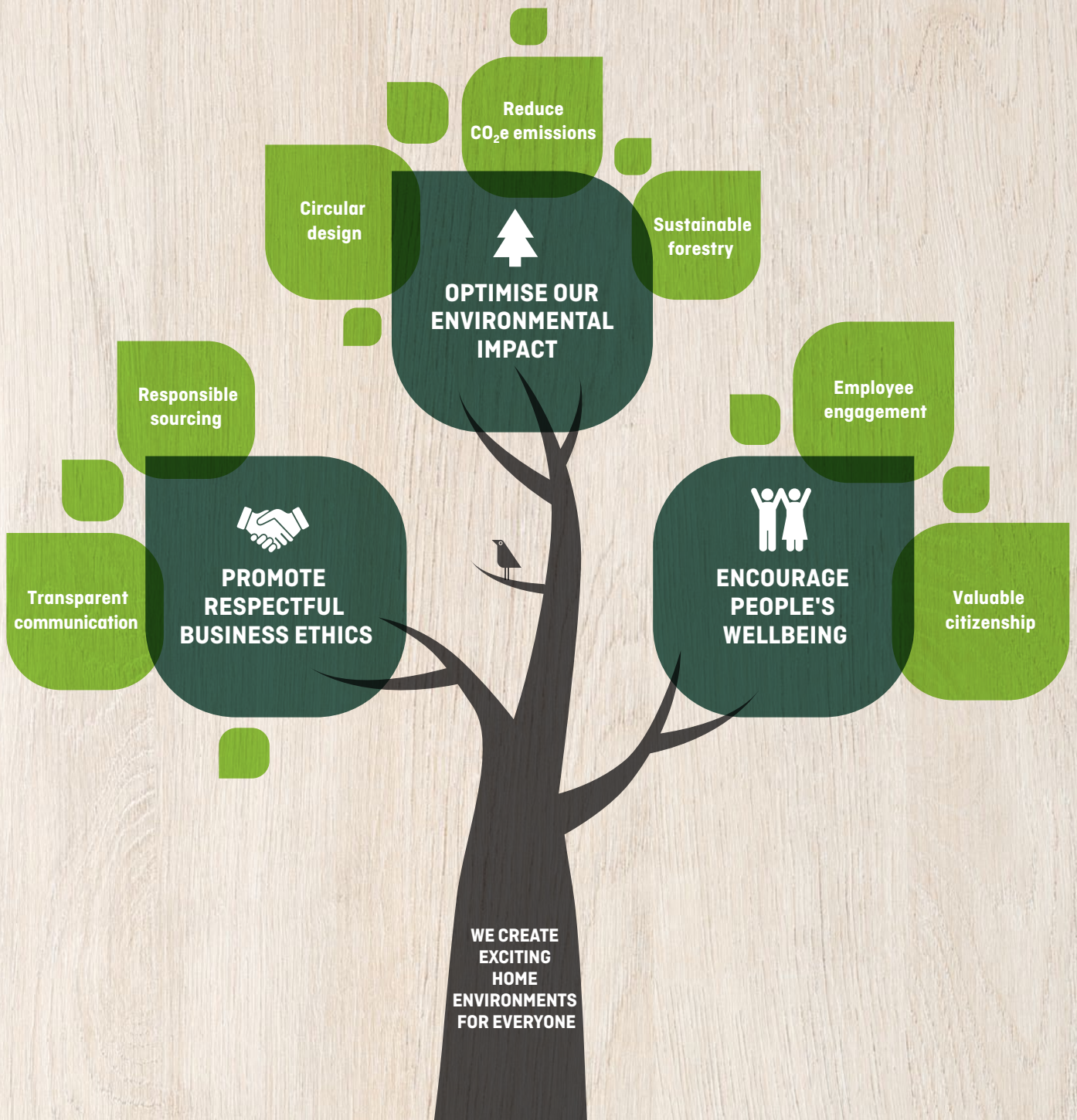
ENCOURAGE PEOPLE'S WELLBEING

- **Employee engagement**
- **Valuable citizenship**



PROMOTE RESPECTFUL BUSINESS ETHICS

- **Responsible sourcing**
- **Transparent communication**



Our sustainability strategy is an integral part of our business operations

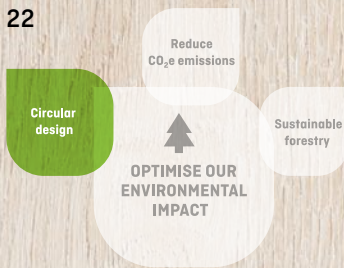


OPTIMISE OUR ENVIRONMENTAL IMPACT

We strive to reduce our climate footprint throughout the value chain. The focus is on using 100 percent renewable energy, increasing percentages of recycled materials in our products, minimising materials consumption, reducing use of chemicals and increasing opportunities for circularity.

To optimise our environmental impact, we have chosen three strategic initiatives: Circular design; Reduce CO₂e emissions; and, Sustainable forestry.





CIRCULAR DESIGN

Circular design entails that we, right from the drawing board, plan products that are durable and which can also be reused or recycled in the future. Besides design, circular thinking also affects material selection. It aims to increase resource efficiency and reduce negative environmental impact.



Ambition 2030

Over 95% of our products shall be recyclable, energy recovery not included therein.

Target 2022

Over 99% of our products shall be recyclable, energy recovery included therein.

Status 2021 and 2020

Over 98% of our products were recyclable (energy recovery included therein), the figure for white goods being 98%.

DESIGN AND DEVELOPMENT WITH SUSTAINABILITY IN THE CENTRE



Claus Johnsen, head of Category Management & Design at Kvik

For Kvik, sustainability is an increasingly integral part of its business concept. In 2021, the company implemented a number of governing design principles for sustainability and circularity.

“We’ve been working dedicatedly with sustainability issues for some years. We’ve learnt a lot on this journey. This knowledge is the basis of our new design principles,” reveals Claus Johnsen, head of Category Management & Design at Kvik.

MANUFACTURE

One of Kvik’s fundamental principles is that sustainable kitchens shall be the norm and not something that costs extra. Creating advantages of scale by using the same basic components in all product lines is one way of achieving this. It reduces waste and keeps costs down.

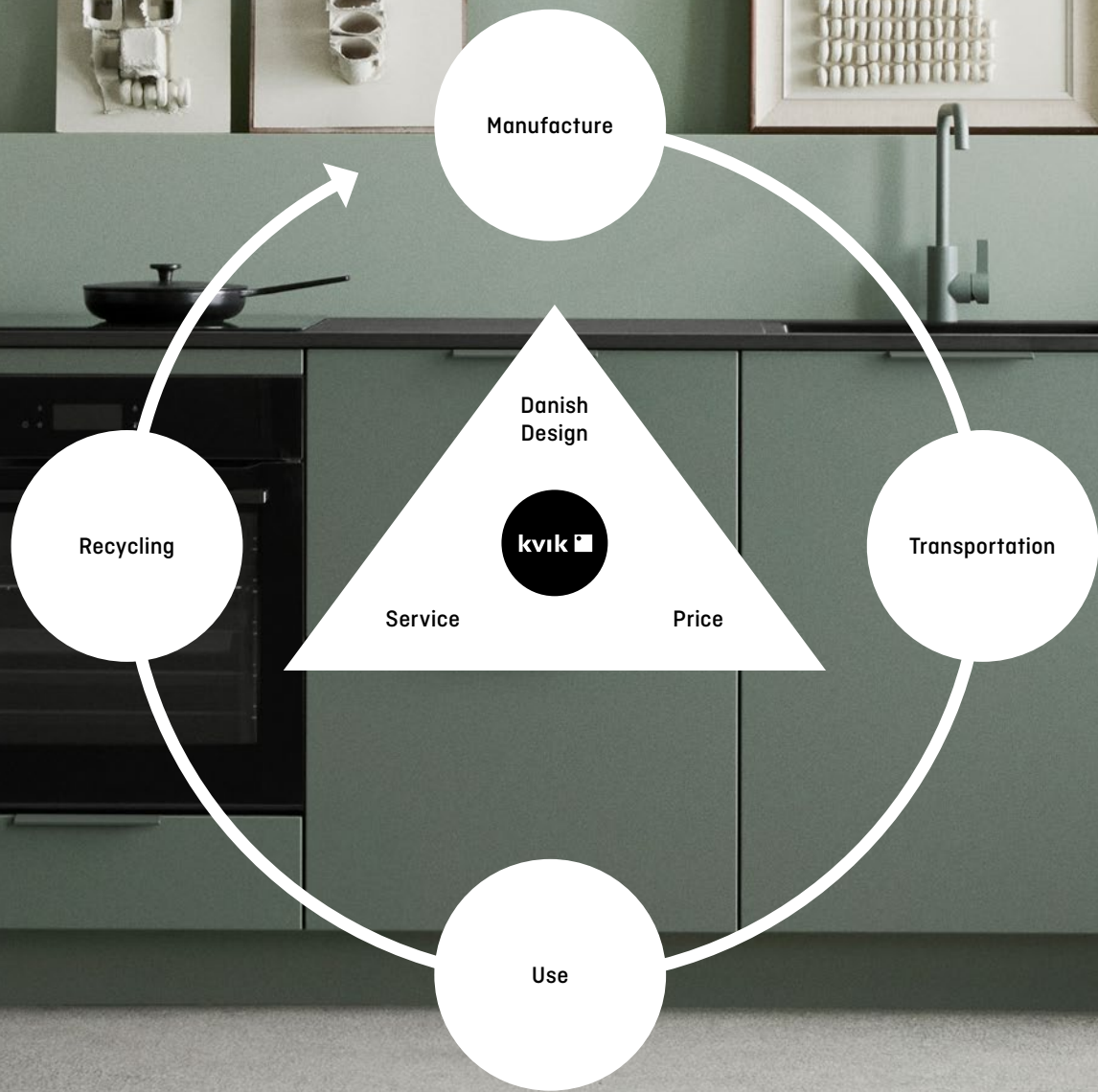
Kvik also strives to use only

sustainable and, preferably, recycled materials. Under the new design principles, all purchased materials have to comprise at least 21 percent recycled material. The aim is to save the Earth’s resources by reducing the extraction of new raw materials.

*Sustainable
kitchens shall
be the norm*

TRANSPORTATION

The transportation chain is another prioritised area. So that products take up as little space as possible, Kvik has created new flat-pack solutions. This saves on packaging materials, fuel and load areas for transportation. The result is reduced CO₂e emissions.

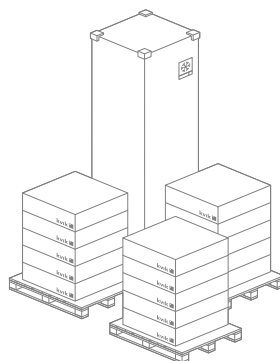


Kvik works on the basis of three fundamental principles: Danish design, pricing where quality and sustainability do not cost extra and three service levels determined by customers' needs. The new design principles focus on manufacture, transportation, use and recycling.

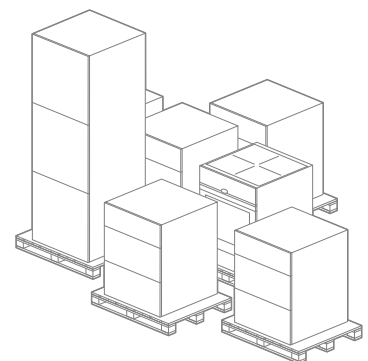
REUSING AND RECYCLING

"That kitchens should last a long time is another must. Good quality is the foundation. Nonetheless, service life is also considerably extended if it's possible to give kitchens a facelift via maintenance and, for example, new fittings, handles or kitchen doors in another colour. When it's time for a kitchen to be recycled, it's also important that all the materials can be separated and correctly recycled," concludes Claus.

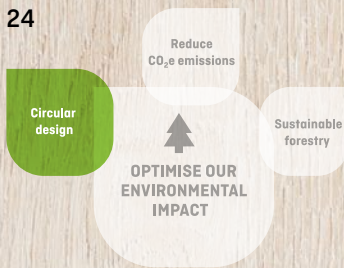
Kvik has created new flat-pack solutions.



Kvik standard



Industry standard



The year saw the launch of “Too good to waste”, DFI-Geisler’s new initiative for further reducing waste and negative environmental impact. Under this concept, worktops screened out owing to minor defects or small aesthetic defects are no longer scrapped. Instead, they are sold at a discounted price via the company’s website.

IMPORTANT STEP TOWARDS LESS MATERIAL WASTE



Ane Vilsgaard, DFI-Geisler’s sustainability manager

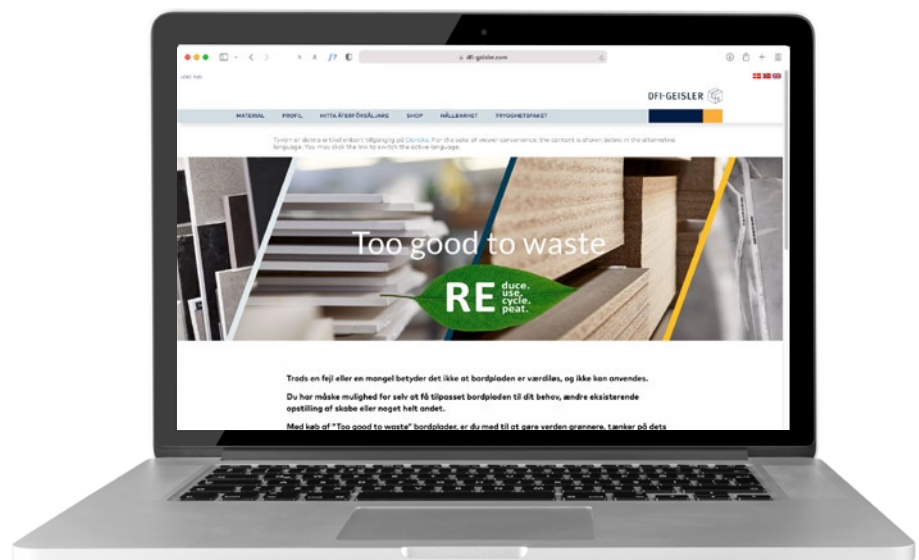
DFI-Geisler is one of Scandinavia’s largest producers of worktops. Sustainability is an integral part of its business strategy. Since the launch of “Too good to waste” in June 2021, DFI-Geisler has offered just over 50 worktops via its website.

“Many environmental gains result from initiatives that may seem small but which, taken together, make a big difference,” says Ane Vilsgaard, sustainability manager.

“Too good to waste” was a natural step for us. Scrapping useable, quality products that have a minor aesthetic

defect is truly a waste of resources. Instead, finding new uses and selling worktops at a discounted price to customers who can use them for many years into the future is entirely in line with our endeavour for all our products to have as long a service life as possible.”

The response has been very positive. Customers appreciate that the company is acting responsibly and transparently. “Too good to waste” is also helping to feed pride and a greater internal engagement of employees.





This kitchen is 37 years old, has just changed owners and is now to be upgraded – to last at least another 37 years!

The longer a kitchen is in use, the better for the environment. For 40 years, Multiform has been specialising in creating hand-crafted, solid wood kitchens of the highest quality and timeless design – kitchens for generations.

KITCHENS FROM 1985 – FOR GENERATIONS AND THE ENVIRONMENT



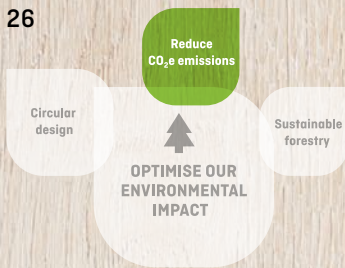
Allan Meyer, CEO of Multiform

“One of my greatest sources of pride is that customers often get in touch saying how fine their kitchens still are and how well they’re still working,” relates Multiform’s CEO Allan Meyer. “Customers also sometimes write asking if we have spare parts for kitchens that are 30 or more years old. Mostly we have,” he continues.

“I was recently contacted by a man in Norway who’d just bought a flat with a Multiform kitchen from 1985 [see picture]. He wanted to modernise the kitchen reusing as much as possible to retain the classic Form1 doors with

their unique Multiform feel. Of course, it makes me incredibly happy when new customers see a kitchen’s value and carry it forward, generation to generation. That’s sustainability and respect for the environment,” opines Allan.





REDUCE CO₂E EMISSIONS

Accepting our responsibility in the initiatives to limit emissions and global warming, we want to contribute to a green and sustainable transformation of the entire kitchen industry. Since 2018, we have annually and meticulously measured the greenhouse gas emissions of all our business units. Measurement covers Greenhouse Gas Protocol (GHGP) scope 1, 2 and, partially, 3. The ambition is to fully calculate scope 3 henceforward.

We have also carried out complete life cycle analyses of our products. We thus know exactly where and how environmental impact arises and what we have to do to reduce it.

THE ROAD TO NET ZERO

Long-term measures to reduce CO₂e emissions are important. However, it is even more important to act here and now. We have switched to 100 percent renewable electricity and prioritise biofuels for our transportation. Most of our investments and shifts target making heating increasingly fossil-free and constantly decreasing any negative climate impact. Compared with 2018, we have reduced our CO₂e emissions by 61 percent (GHGP scope 1 and 2) This is considerably better than the Paris Agreement and our 2022 target (which is to be revised in 2022).

To reach net zero, we are continuing investments and activities that further reduce our CO₂e emissions, e.g. fossil-free heating, improved surface treatments and fossil-free transportation. We are also investing in carbon removal (in the form of biochar). As a result of this, five of our six business units achieved and exceeded the climate-neutral production facilities target in 2021.

SUPPLIER CHAIN AND RENEWABLE ENERGY LEADING TO SUCCESS

Our suppliers' CO₂e emissions are a central part of scope 3. This entails there having to be a close collaboration to reduce our products' CO₂e impact. During the year, we drew up and implemented a number of new procurement principles aimed at a joint push towards a lower negative environmental impact. The ambition is to reduce suppliers' CO₂e emissions by 50 percent over time. There is more about this on page 42.



Ambition 2030
GHG Protocol scope 1 and 2 CO₂e of < 2,350 tonnes (70% down on 2018).

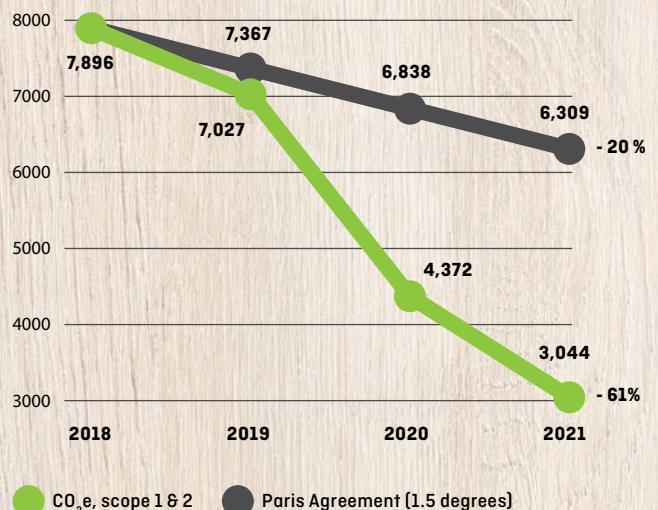
Target 2022
Scope 1 and 2 CO₂e of < 4,700 tonnes (down 40% on 2018).

Status 2021
Scope 1 and 2 CO₂e of 3,044 tonnes (down 61% on 2018).

Status 2020
Scope 1 and 2 CO₂e of 4,372 tonnes (down 45% on 2018).



BALLINGSLÖV INTERNATIONAL GROUP CO₂E EMISSIONS, SCOPE 1 & 2



Since 2018, we have reduced our CO₂e emissions by 61 percent, a fantastic journey that is largely attributable to 100 percent renewable electricity and transitioning to biofuels in our own transportation.

In 2021, we recalculated the greenhouse gas emissions of all our business units for 2018 – 2020. This was because knowledge in this area has improved over the years and more data is now available.

OUR ROAD TO CO₂E REDUCTION

To reduce our CO₂e emissions, we are prioritising the five areas below.



- 1. Renewable electricity** – We choose to use 100 percent renewable electricity and would like to inspire our suppliers, customers and end users to do the same.



- 2. Renewable heating** – We are investing to make the heating of our production facilities as climate-neutral as possible.



- 3. Fossil-free transportation** – We are monitoring transportation developments and, as far as possible, going fossil-free.



- 4. High quality** – Our products are durable and can be repeatedly reused. Lessening the need to manufacture new products reduces environmental impact.

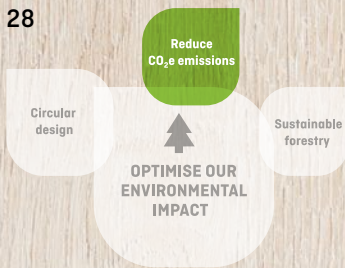


- 5. Wise material selections** – Our deep knowledge of life cycle analyses is a foundation for product development and expanded supplier collaborations.

CARBON REMOVAL WITH LOCALLY PRODUCED BIOCHAR

We are carrying out quite a few activities and investments to continually reduce our CO₂e emissions. Some measures can be speedily implemented. Others take longer. This is why, in parallel, we are choosing to invest in carbon removal via biochar (carbon dioxide is removed from the atmosphere and returned to the ground as a soil improver). Acting here and now is important for us. Climate-neutral production was our ambition for 2021 and we achieved it in five of our six business units. By climate-neutral production, we mean reduction, via a certificate for biochar production, of the Greenhouse Gas Protocol scope 1 and scope 2 CO₂e emissions resulting from our manufacturing operations.

Certificates are purchased by Ecoera, a company based at Skånefrö's facility in Hammenhög in the Österlen area of the Skåne region. This is where biochar is produced via controlled incineration of the biomass that is a residual product of Skånefrö's seed production. The biochar is then sold as a soil improver for agriculture, gardens, flower beds and grassed areas. Here, it acts as a carbon sink for several hundred years. The heat generated in incineration is used to heat the district's homes. Biochar is a well-researched, stable, clean and climate-smart product. It is approved for organic farming and has European Biochar Certification.



Helle Fyllgraf, head of marketing
at JKE Design

FEWER CHEMICALS – REDUCED NEGATIVE CLIMATE IMPACT

By starting to use water-based paints and lacquers, JKE Design has cut its use of solvents by 90 percent without compromising either quality or product service life.

“We investigated various alternatives to reduce the chemical content of our paints. It feels really good that we’ve now managed to find a solution that has significantly less environmental impact and lower CO₂e

emissions,” explains Helle Fyllgraf, JKE Design’s head of marketing.

The paint change creates gains at many levels. Previously, all doors were painted manually in various spray booths. Now, the entire line is automated and has a considerably higher capacity than before. Additionally, the factory’s work environment has improved.



ASTUTE INVESTMENTS – CLIMATE-NEUTRAL PRODUCTION



Lee Golby, SHEQ manager and sustainability lead at Paula Rosa Manhattan

New factory roof, new heating system and new energy mix. A combination of astute decisions and major, long-term investments has resulted in Paula Rosa Manhattan's own production now being, in principle, completely carbon dioxide neutral.

"We started this journey in 2017," declares Lee Golby, SHEQ manager and sustainability lead at the company. "An examination of our operations

ended in a long-term action plan."

Paula Rosa Manhattan's factory is in an old railway engine shed dating from the start of the 20th century. Insulation was poor and the heating devoured energy. In 2019, the 10,000 m² roof was replaced and, in 2020, a new heating system powered by 100 percent renewable electricity was installed.

This dramatically cut production's CO₂e footprint (by 94 percent) and improved the factory's indoor climate. Standing in the way of entirely climate-neutral production are 8 tonnes of CO₂e. This is primarily generated by the oil required for the sprinkler pump system

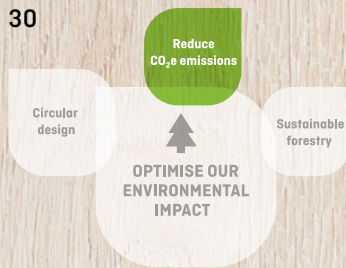
Additionally in 2021, all gas forklifts were changed for electric models and part of the vehicle fleet was replaced with electric cars. The ambition is to use the highest possible percentage of biofuels in own goods transportation. To achieve this, the company recently invested in a special

tank facility for biofuel. Furthermore, in collaboration with a local company, 95 percent of all material waste is used for energy production.

"We also reviewed and optimised our energy use. For example, we upgraded all our lighting to LED. This annually saves us around 150,000 kWh," discloses Lee. "The result of all these initiatives is that our non-electrical energy requirement for production fell by 47 percent compared to the previous year's usage"



Air-to-air heating and cooling system, Paula Rosa Manhattan.



Calculating a kitchen's climate impact is not entirely straightforward. Numbers of carcasses and drawers and the materials used for doors, fronts and worktops are just some examples of the many things have to be taken into account. Even the chosen white goods and electricity mix are of great significance.

In 2021, Ballingslöv Sima Pro implemented a tool for calculating the climate impact. The tool enables customers and company alike to calculate a kitchen's CO₂e impact down to the tiniest detail.

LIFE CYCLE ANALYSES SHOW THE WAY



Fredrik Nyberg, head of development at Ballingslöv

“We have a lot of knowledge and our work is fact-based. This has to be evident in customer meetings. This is why it's important for us that we can give concrete figures and thus crystallise for customers exactly how their various choices affect a kitchen's climate footprint,” affirms Fredrik Nyberg, head of development at Ballingslöv.

On a computer screen, Sima Pro looks a very simple programme. However, the user-friendly interface conceals a complex database that takes over 40,000 kitchen parameters into account. When various choices are entered into the system, climate impact is made clear for each choice and in total.

The data in the database comes from Ballingslöv's detailed analyses

of its products' life cycles. A life cycle analysis is based on product facts and a number of assumptions such as, for example, service life. In its life cycle analyses, Ballingslöv assumes a kitchen service life of 20 years. White goods are estimated to have a service life of 10 – 15 years. This means that a change of white goods is included in each kitchen's life cycle analysis. The climate footprint of white goods is split into two parts, manufacture and electricity consumption throughout the service life.

“Most customers are surprised that choices of white goods and electricity mix have such great CO₂e impact,” divulges Fredrik. “However, they also soon see that more energy-efficient white goods can give great CO₂e





emission savings and thus have a greater impact than many other choices. With wise choices, customers can achieve a kitchen with a small

Calculate a kitchen's CO₂e impact down to the tiniest detail

climate footprint. They also learn how much climate compensation they have to undertake for the kitchen to be entirely climate neutral."

Ballingslöv's life cycle analyses also crystallise which areas should be

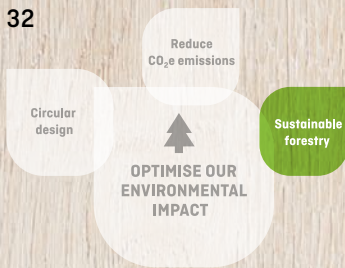
attended to for the greatest environmental benefits.

"It gives us a good map," states Fredrik. "We're working towards climate-neutral production. Investment in a new and far more efficient boiler for the factory is calculated to reduce our CO₂e impact from heating by at least 75 percent. We also know what percentage of total climate impact is attributable to our own transportation. Currently, our lorries are 90 percent powered by fossil-free biofuels and we're working hard to increase this percentage further. Access to various tank stations is crucial."

In 2018, Ballingslöv set the target of reducing its CO₂e emissions by 40 percent no later than the end of 2022. A 65 percent reduction was reached

as early as 2021. Life cycle analyses as per ISO 14040 and carbon dioxide calculations as per the Greenhouse Gas Protocol are an important part of this work. Another success factor is spreading knowledge, responsibility and initiative throughout the organisation. This is achieved partly via a sustainability group with representatives from all parts of the company.

"We believe long-term thinking is important, but we also want to act forcefully here and now. We're doing what we can to reduce our impact and will continue our work, addressing each area in turn. We will thus improve continuously and both we and our customers will be able to make the best choices for the future," concludes Fredrik.



SUSTAINABLE FORESTRY

Sustainable forestry entails managing and using forests in a way that preserves their biological diversity and rejuvenation capacity. Forests must remain robust and productive without damaging other ecosystems. Both locally and globally, they can then continue to fulfil vital ecological, economic and societal functions.

Since 2019, buying wood and wood products solely from forestry that is certified as sustainable and has either FSC or PEFC certifications has been central in Ballingslöv International's sustainability strategy. Our target is to achieve 100 percent certified wood in 2022.

In 2021, 99 percent was attained. As we stood at 47 percent in 2019, this is a clear doubling in the course of two years. In principle, and mainly in two of our business units, only one wood door, an edging strip and some small joinery details are in the way of reaching 100 percent. It goes without saying that the ambition is to achieve the 2022 target!

 **99%**
certified wood



Forest Stewardship Council is an independent member organisation that works for environmentally, socially and economically vibrant use of the world's forests.



The Programme for the Endorsement of Forest Certification guarantees that its certified forests are managed in accordance with Forest Europe's criteria for sustainable forestry adapted to nature conservation. Forest Europe is a European collaboration.



Ambition 2030
100% certified wood in our products.

Target 2022
100% certified wood in our products.

Status 2021
99% certified wood in our products.

Status 2020
96% certified wood in our products.





ENCOURAGE PEOPLE'S WELLBEING

We strive to give our employees opportunities to reach their full potential, as part of a winning team, in a safe and healthy work environment. Being “a great place to work”, accepting our responsibility as a major employer and, at the same time, being a valuable citizen are very important to us.

To encourage people’s wellbeing, we have chosen two strategic initiatives. We have named these: Employee engagement; and, Valuable citizenship.



Employee
engagementENCOURAGE
PEOPLE'S
WELLBEINGValuable
citizenship

EMPLOYEE ENGAGEMENT

Our employees' engagement is entirely crucial for the success of our "We create exciting home environments for everyone" business concept. To create internal engagement, we focus on responsible leadership and building an inspiring and respectful corporate culture in which leadership is characterised by collaboration, management by objectives and a genuine desire for our employees to grow stronger and develop as part of a winning team. That the work environment must be healthy and safe is, for us, self-evident. Just as important in achieving a good balance are equality, fairness and equal opportunities (e.g. ratios of men, women and backgrounds).

Higher engagement
index

76



**Great
Place
To
Work®**

GREAT PLACE TO WORK

Every year, Ballingslöv International conducts Great Place to Work (GPTW), a survey in which all the group's employees are invited to participate. Around 10,000 organisations in 106 countries all around the world carry out the same survey. This provides an excellent opportunity for comparisons with other organisations and with industry averages in the survey's five areas: credibility, respect, fairness, pride and comradeship. The responses are compiled at department, company and group levels. 89 percent of Ballingslöv's employees participated in the 2021 survey (87 percent in 2020). For 2021, the aggregated result was index 76 (compared with index 71 the year before).



Ambition 2030

GPTW engagement index of > 80.

Target 2022

GPTW engagement index of > 80.

Status 2021

GPTW engagement index of 76.

Status 2020

GPTW engagement index of 71.

Kvik's employees have spoken. With a trust index in the high 90s, the company is truly a great place to work. The secret is long-term methodical work, clear expectations of both leaders and employees and a strong corporate culture.

METHODICAL HR INITIATIVES CREATE HIGH EMPLOYEE ENGAGEMENT



Allan Nørgaard, HR & Academy director at Kvik

There are 280 people at Kvik's head office, 100 of these being office staff. The core value is One Team and there is wholehearted investment in creating and nurturing a culture that raises both employee engagement and participation.

"Kvik has a flat organisation with straight and rapid decision paths. We want to create a culture pervaded by selflessness, trust and transparency," proclaims Allan Nørgaard, HR & Academy director.

At Kvik, the Great Place to Work (GPTW) employee survey is seen as a strategic tool. Its results are continuously monitored. Initiatives are partly at an overall level (with prioritisations for the whole company) and partly with various departments. Depending on the results of the employee survey, focus areas are placed in one of three categories: red, yellow or green.

"If something is in the red category, it means the index is under 80. The manager then has to draw up an action plan. This has to be checked with HR and implemented within 60 days. Yellow is an index of 80 – 90. Here too,

action plans are drawn up and have to be implemented and monitored throughout the year," details Allan.

However, that is not enough. Action plans are also drawn up for green areas. Allan points out that the journey never ends and that the overall target is continuous improvement. Suggestions and views come in from all the organisation's different departments and levels. Good examples and successful initiatives are shared between departments and, to

Good examples and successful initiatives are shared

exchange findings and learn from each other, all managers work together in workshops and various groups.

For Kvik, leadership is a high priority. Employees must feel they participate in

the decisions that are taken and receive straightforward information. Managers have to be open, accessible and able to answer questions rapidly. There are regular question sessions and large meetings. KvikInside, a new digital platform for further improvement of internal communication, was launched in 2021.

"The pandemic has been a challenge for us, just as it has been for many other companies. We've worked with various social initiatives online. In particular, for our administrative staff, who often worked from home. For example, our KvikOp staff association has run social activities and training remotely with very good results. Indeed, employee engagement in this category rose over the year.

"We're satisfied with the GPTW results, but also see a couple of clear areas for improvement. For example, we've expanded and grown out of our premises. This is mirrored in the satisfaction index and explains why we're now implementing measures to improve the situation," ends Allan.



Employee
engagementENCOURAGE
PEOPLE'S
WELLBEINGValuable
citizenship

VALUABLE CITIZENSHIP

For us, it is extremely important to act responsibly towards our employees, local communities and the world at large. In small towns, we are major employers. This means we have a significant role as regards job opportunities and societal issues.



Ambition 2030

At least one initiative with positive societal impact per business unit per year.

Target 2022

At least one initiative with a positive social impact per year and business unit.

Status 2021

All business units in Sweden and Denmark ran a number of initiatives. Some of these are set out on these two pages.

Status 2020

Although affected by the pandemic, all business units ran a number of initiatives. These were primarily internships and apprenticeships.

TRAINING & RESEARCH – OUR FUTURE



DFI-Geisler sponsored the local stone mason programme by supplying stone slabs throughout the year.



42

In 2021, 42 students had internships or summer jobs with us.



Contributing to “beating” cancer is important to us.

For example, DFI-Geisler is involved in “Knæk Cancer”, a Danish initiative to collect money for Denmark’s “Cancer Fund”. Through “Team Rynkeby”, a European charity project that has collected over SEK 340 million since 2002, Ballingslöv supports its national childhood cancer fund. JKE Design supports both the Danish cancer fund’s work against breast cancer and the Danish childhood cancer fund.

ACTIVE & SUSTAINABLE COMMUNITIES



22

“Zero tolerance of bullying” – an initiative supported by Ballingslöv.

In 2021, JKE Design employed two people and created work opportunities for 20 more with physical or mental disabilities.

51

Our business units support a total of 51 local associations in their surrounding areas. There is a major focus on children and adolescents. Sponsorship is of music, culture and various sports, e.g. ice hockey, handball, football, gymnastics and golf.

Some wider initiatives are also supported. Kvik, for example, is one of the main sponsors of Herning’s ice hockey team, Blue Fox, and JKE Design sponsors the north Jutland rallycross team, Team Rømer.

CLIMATE & ENVIRONMENT



33k

DFI-Geisler decided to further protect the local environment in Mors, Denmark, and started DFI-Geisler Forest, a project to plant 33,500 trees.



JKE Design established a 20,000 m² biodiversity area at its factory. The aim is to promote biological diversity in the local environment.



PROMOTE RESPECTFUL BUSINESS ETHICS

Promoting respectful business ethics means: safeguarding employees' rights; encouraging honesty and participation; and, working against discrimination, bribery, corruption and child labour. Focused on behaviour that embodies acting correctly, we run continuous checks ensuring compliance with our internal business ethics.

To promote respectful business ethics, we have chosen two strategic initiatives. We have named these: Responsible sourcing; and, Transparent communication.



RESPONSIBLE SOURCING

Ensuring responsible sourcing is extremely important for us. We focus on maintaining a supply chain that, from employee, environmental and societal aspects, is sustainable and transparent. Our code of conduct is a central element, as also in-depth dialogues and our document on sustainability expectations and materials requirements in the supplier chain. This latter was implemented during the year.

ASTUTE WORK OVER TIME

As regards responsible sourcing, the group's overall supplier requirements are declared in our code of conduct, which was first published in 2014 and is an integral part of our supplier agreements. The target for 2022 is that all major suppliers (i.e. suppliers providing over EUR 300,000 in goods/services per business unit) shall have accepted our code of conduct. Our ambition for 2030 is that all medium-sized suppliers (i.e. over EUR 200,000 per business unit) should also have accepted. To our delight, the 2030 ambition was achieved as early as this year.

In 2019, as a natural step in our sustainability management, we initiated in-depth sustainability dialogues with our main suppliers. These were supplemented with a sustainability questionnaire in 2020. Yet a further step in our sustainability management was taken in 2021 when we summarised our more detailed sustainability and material requirements in a single document, "Sustainability and Material Requirements" (SMR). You can read more about this on the next double page.

2019

In 2019, we initiated in-depth sustainability dialogues with our main suppliers. The aim was to identify joint solutions for increased sustainability.

2020

In 2020, we sent out our first sustainability questionnaire. Its focus areas were: good working conditions; increased circularity; and, reduced CO₂e impact.

In 2020, 134 of our suppliers representing 76% of our total direct material sourcing responded to the sustainability questionnaire.

2021

In 2021, we drew up and implemented our "Sustainability and Material Requirements" document (SMR document). This sets out Ballingslöv International's expectations regarding: the environment; the work environment; health and safety; and, choice of raw materials.

The SMR document was sent to 135 of our main suppliers representing 76% of our total direct material sourcing. Thus far, 110 suppliers representing 74% of our total direct material sourcing have signed the document.

In 2021, 124 of our major suppliers representing 75% of our total direct material sourcing responded to the sustainability questionnaire.



Ambition 2030

All medium-sized* suppliers shall have accepted our code of conduct.

Based on completed risk assessments, all relevant suppliers audited.

Target 2022

All major** suppliers shall have accepted our code of conduct.

Based on completed risk assessments, 20 relevant suppliers audited.

Status 2021

100% of our major and medium-sized suppliers have accepted our code of conduct

Status 2020

All our major suppliers have accepted our code of conduct.

* Purchase volume per business unit of > EUR 200,000.

** Purchase volume per business unit of > EUR 300,000.



REDUCE CO₂ EMISSIONS

- Fossil free electricity
- Fossil free transportation
- Climate footprint of the products (LCA and/or EPD)

PRODUCT CIRCULARITY

- Non-virgin raw material

SUSTAINABLE FORESTRY

- Certification FSC or PEFC

HEALTH & SAFETY

- Lost Time Injury Frequency Index

Responsible sourcing

Implementation of the detailed Sustainability and Material Requirements (SMR) document clarifies what we require and expect of our suppliers as regards the environment, the work environment, employees and raw materials.

A SUSTAINABLE SUPPLY CHAIN – A SHARED JOURNEY



Staffan Jönsson, chief sourcing officer at Ballingslöv International

Our Sustainability and Material Requirements document is based on Ballingslöv International Group's sustainability strategy. Its purpose is to get our suppliers to join us on our sustainability journey. Together, we can make a big difference here.

"In the autumn, 135 of our major suppliers representing 76 percent of our direct material sourcing received instruction on the requirements detailed in the SMR document. At the same time, our sustainability strategy was presented. The suppliers were asked to sign the SMR document. Gradually, this will become an integral part of supplier agreements," informs Staffan Jönsson, chief sourcing officer at Ballingslöv International.

"The goals of the SMR document are to: deepen partnerships with our suppliers; and, jointly push towards the same targets, thereby creating better conditions for a supply chain that has long-term sustainability. Rather than imposing statistical requirements, we've chosen a route based on collaboration. This is a process in which

we must take the first step initially, we'd like our suppliers to report their present positions. We'd then like to see continuous improvements. For example, we'd like: electricity consumption to be pushed towards 100 percent fossil-free; all wood to come from certified forests; and, a clearly increased percentage of recycled materials in our purchased components," explains Staffan.

*Together
we make a
difference*

More than 99 percent of all sourcing of direct materials is from European suppliers. Here, Ballingslöv International assesses the risk of human rights and work environment violations as low. In 2022, we will be re-analysing and updating the risk assessments of our suppliers of direct materials. Decisions on activities relevant for the future will be based on this.

Sustainability- and Material Requirements (SMR)

Our Supply Chain Sustainability focus areas

We want you to join our sustainability ambition and want you to focus on the following six key areas that are important to us:

- Reduce CO₂e emissions
 - Fossil free electricity
 - Fossil free transportation
 - Climate footprint of the products (LCA and/or EPD)
- Product Circularity
 - Non-virgin raw material
- Sustainable Forestry
 - Certification FSC or PEFC
- Health & Safety
 - Lost Time Injury Frequency Index

Detailing the Supply Chain Sustainability focus areas

Reduce CO₂e emissions

Fossil free electricity

One step to reduce the CO₂e-impact is to use fossil free electricity (solar, wind, hydropower, biofuel and nuclear power).

Our expectation is that you measure and increase the share of fossil free electricity / total use of electricity. The target is to reach 100% fossil free electricity from all our suppliers.

Fossil free transportation

To reduce the CO₂e-impact from transportation we strive to optimise the efficiency and to increase the usage of fossil free freight methods and fuels.

The target is to reach 100% fossil free transportation from all our suppliers.

Climate footprint of the products (LCA and/or EPD)

A method to know your products climate and CO₂e-impact is Life-Cycle Assessment. We encourage that all your product groups are analysed and documented accordingly.

Our target is to have EPD's (Environmental Product Declaration) or LCA's (Life-Cycle Assessment) on all our bought in products.

Selection of materials is essential for the CO₂e-impact (see appendix 1).

TRANSPARENT COMMUNICATION

For us, transparent communication means that we must continue to communicate in an honest and transparent manner (both internally and externally) and take the lead in sharing knowledge and awareness as regards sustainable choices. Now and for future generations, we want to create the right conditions for sustainable living for all those with whom we have a relationship – employees, associates, suppliers, customers, citizens and all other stakeholders.

OPEN, HONEST AND FACT-BASED



Ane Vilsgaard, DFI-Geisler's
sustainability manager



Martin Lundell, head of marketing
at Ballingslöv

All business units in the Ballingslöv International Group communicate about their operations and products openly, honestly and based on facts. Ballingslöv and DFI-Geisler are two of our business units that have taken the fact-based route all the way out to the customer.

"The product life cycle analyses we carried out provided the basis," says Ane Vilsgaard, DFI-Geisler's sustainability manager. "They're important from two perspectives. Internally, they provide input for continuous improvement of our products' environmental impact. Externally, they enable customers and end users to see how their material choices affect the climate footprint."

The endeavour is to become



both better and clearer all the time. Besides the life cycle analyses, Ballingslöv invested heavily in internal communication in 2021.

“Long-term success is created when everyone pulls in the same direction,” asserts Martin Lundell, head of marketing. “In 2021, via the “Right for me – Respect for others” project, all Ballingslöv employees received training on the company’s values. We have a continuous and living dialogue about how we act, our core values and how we look at customers and living conditions. It’s important that we always encourage a constructive feedback culture in which we speak with each other and welcome, rather than suppress, discussion of problems and challenges.”

All employees must have access to the right information when they need it. Here, a smoothly functioning

We have a continuous and living dialogue about how we act

and easy-to-navigate intranet is a success factor. In 2021, Ballingslöv started work on a new structure that will make internal communication

both better and more precise.

“Via an adapted form of the ‘Right for me – Respect for others’ project, our retailers are also continuously trained in and informed of our company’s values,” relates Martin.

Besides websites, the intranet, newsletters and retailer communication, social media form another important channel. For example, in 2021, DFI-Geisler made three videos on sustainability. These were widely viewed and appreciated by customers, employees and retailers alike.

“Owning your history and being open with knowledge and facts at all points is important. We want to show that we practise what we preach and that what we say is genuine,” concludes Ane.

WORDS FROM OUR CEO



For us, sustainability is a strategic priority for long-term, profitable growth. We have activities throughout the entire value chain, are moving towards 100 percent renewable energy in our production facilities and, in 2021, achieved zero emission of greenhouse gases (scope 1 production and scope 2) in five of our six business units.

*Sustainability
is a strategic
priority*

Our products come largely from a renewable source, can be recycled for their materials, are high quality and have long service lives. With this as a starting point, we have already progressed a fair way on our sustainability journey. However, there are still several areas where we can improve. We stand humbly before them.

We cherish a respectful business culture characterised by responsible leadership and consideration for each other. Further strengthening our employees' health and wellbeing is something we will be working on in 2022.

Our work is fact-based, purpose-oriented and long-term. The sustainability strategy is well established and initiatives are led through good example. Our employees' engagement is critical for our success.

Offering sustainable products and guiding our customers towards sustainable choices and a sustainable kitchen life is both a responsibility and an opportunity that we will continue to relish!

A handwritten signature in black ink, consisting of a stylized 'B' followed by a series of loops and a long horizontal stroke.

Björn Hauber,
Group CEO, Ballingslöv International






OUR PERFORMANCE INDICATORS

At group level, Ballingslöv International has chosen a number of performance indicators (i.e. various key figures in various categories) that we update, analyse and compare year on year. The tables below show the measured results for 2021 (with those for 2019 and 2020 as references). Note, for example: our continued reduction in CO₂e emissions; the percentage of renewable electricity remaining at one hundred; and, at almost 100, the percentage of certified wood in our products being well on its way to our goal.

Unfortunately, sickness absenteeism remained relatively high in 2021. This was due to the global pandemic which,

as in 2020, dominated the year.

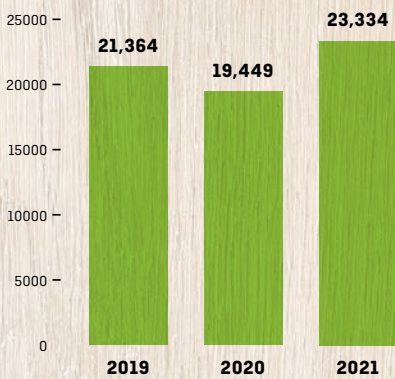
In addition to the performance indicators below, our annual Great Place to Work (GPTW) employee survey is an important tool for us. This survey includes the five areas of credibility, respect, fairness, pride and comradeship. These give us, amongst other things, clear signals of how we are succeeding in our initiatives regarding business ethics issues, not least our endeavour to nurture a fair and open corporate culture in which all employees are respected and listened to. Promoting organisational fairness strengthens employee integrity and reduces the risk of unethical behaviour.

	2019	2020	2021
 OPTIMISE OUR ENVIRONMENTAL IMPACT			
Recyclable products, %	98	98	98
Scope 1 CO ₂ e emissions, tonnes*	5,921	4,372	3,044
Scope 2 CO ₂ e emissions, tonnes*	1,107	0	0
Emissions of solvents, tonnes	32	31	27
Electricity consumption, MWh	21,364	19,449	23,334
of which, renewable, %**	88	100	100
Certified wood, %	47	96	99
 ENCOURAGE PEOPLE'S WELLBEING			
Number of accidents resulting in absence (24 hours or more)	21	24	30
Sickness absenteeism, % (average for business units, excl. office staff)	3.75	5.25	6.68
Board gender distribution (Ballingslöv Int.)	33% FEMALE, 67% MALE	33% FEMALE, 67% MALE	33% FEMALE, 67% MALE
Senior management gender distribution (Ballingslöv Int.)	14% FEMALE, 86% MALE	17% FEMALE, 83% MALE	17% FEMALE, 83% MALE
Senior management gender distribution (subsidiaries)	27% FEMALE, 73% MALE	25% FEMALE, 75% MALE	26% FEMALE, 74% MALE
Gender distribution (all employees)	27% FEMALE, 73% MALE	26% FEMALE, 74% MALE	26% FEMALE, 74% MALE
GPTW engagement index	70	71	76
GPTW response rate, %	88	87	89
 PROMOTE RESPECTFUL BUSINESS ETHICS			
Employees who accepted our code of conduct, %	100	100	100
Major suppliers who accepted our code of conduct, %	100	100	100
Medium-sized suppliers who accepted our code of conduct, %	-	-	100

* In 2021, CO₂e emissions for 2018 2020 were recalculated. This was because knowledge in this area has improved and more data is now available.

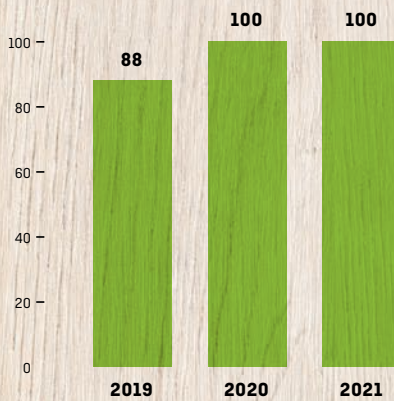
** As of the second half of 2019, all electricity is renewable.

ELECTRICITY CONSUMPTION, MWH



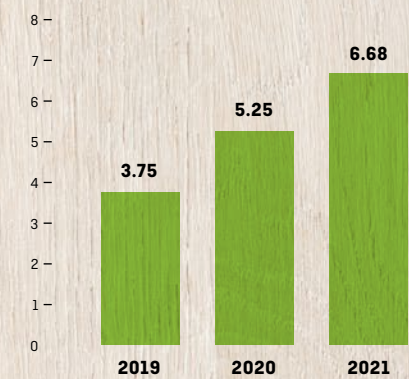
Electricity consumption increased in 2021. This was owing to sales growth (which entailed considerably more hours of production) and the transition to fossil-free solutions (which are electricity-based). The fall in 2020 was mainly due to production shutting down in the UK owing to the pandemic.

RENEWABLE ELECTRICITY, %



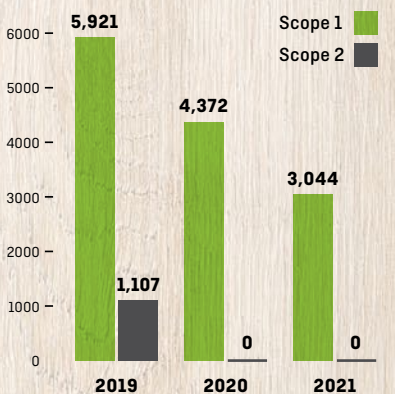
In April 2019, after our first GHG Protocol (GHGP) CO₂e calculation, we understood exactly how important renewable electricity is for the climate. Thus, as early as 1 July 2019, we switched 100% to this power source.

SICKNESS ABSENTEEISM, %



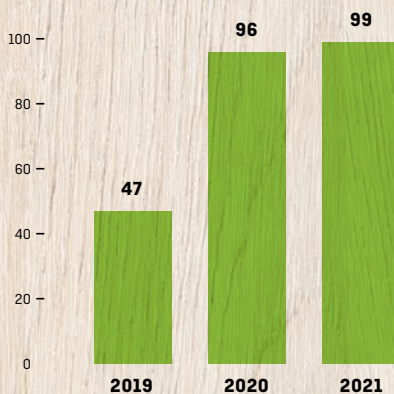
Owing to the pandemic and its restrictions, sickness absenteeism increased in both 2020 and 2021. Special measures were implemented to safeguard employee health and minimise infection as much as possible.

CO₂e EMISSIONS, TONNES*



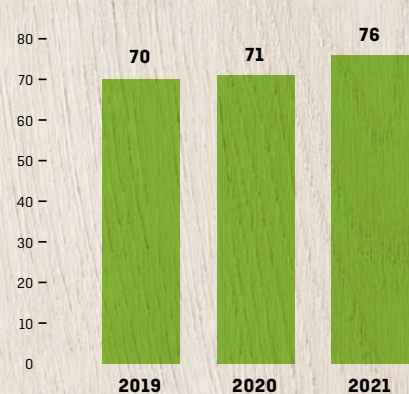
Our CO₂e emissions fell by 30% in 2021. This was mostly due to using HVO fuel in our lorries. However, the shift to fossil-free heating in our production facilities also played a part. Since 2018, our CO₂e emissions have fallen by 61%.

CERTIFIED WOOD, %



Thanks to dedicated work, we almost, but not quite, succeeded in reaching our 2022 target of 100%. A few components remain.

GPTW ENGAGEMENT INDEX



In 2021, the engagement index rose to a new record of 76. This rise was largely due to the continuous improvement initiatives that have been ongoing for many years.

DOUBLE MATERIALITY ASSESSMENT

Environmentally, societally and socially, our operations have an impact on the world, just as the world has an impact on us. Using a double materiality assessment, we examined these two perspectives and, after careful analyses, arrived at what are the most important areas of impact.

FOR BALLINGSLÖV INTERNATIONAL GROUP, THE MAIN IMPACT OF OUR OPERATIONS ON THE WORLD IS VIA:

- CO₂e emissions – As the climate is negatively affected by CO₂e emissions, it is essential that we continuously reduce our climate impact. On page 26, you can read more about our CO₂e journey.
- Resources – Protecting the Earth's resources is a must. The five areas where we have greatest impact and on which we are working are: ensuring sustainable forestry; using renewable energy; continually increasing the percentage of recycled materials in our products; and, ensuring long service lives and wise reuse and recycling of our products. On pages 8, 22, 27 and 32, you can read more about how we work with these.
- Rural areas – As we are major employers in small towns, we have a significant role in the development of communities and creating job opportunities. Read more on page 38.
- Health and safety – Ensuring our employees' health and safety is undoubtedly of utmost importance and one of the top priorities. For more information, see pages 50 and 54.
- Business ethics – Promoting respectful and fair business ethics throughout our value chain is decidedly in our interest and critical for long-term, sustainable operations and business relations. Read more on pages 42 and 46

THE WORLD AFFECTS BALLINGSLÖV INTERNATIONAL GROUP PRIMARILY VIA:

- Climate changes – Extreme weather resulting from climate changes can have far-reaching consequences for our entire value chain (e.g. employees' health, delivery disruptions and cost increases). Even changes in regulations aimed at reducing climate change can impede our climate-positive switches and have major financial consequences.
- Resources – In the short term, shortages of raw materials for our products present challenges to fulfilling customer promises. In the long term, to ensure availability of the necessary resources, product design and material selection need to be analysed along with increased material circularity.
- Pandemic – The Pandemic has many consequences. Those we most noticed in 2021 were shortages of raw materials, higher sourcing prices, delivery delays and manpower shortfalls owing to illness and quarantine rules. Nonetheless, there are also positive effects such as a switch to digital methods, improved risk management and, to a certain extent, a facilitation of employees' everyday lives.
- Legal requirements – Changed legal requirements regarding end products, material content and reporting mean that the conditions for carrying out operations are changing. This demands adaptability and expertise.
- Business ethics – Incidents in the value chain as a result of shortcomings in business ethics processes risk impacting negatively on our brands.



RISK ANALYSES POINT THE WAY

In both strategic and operational areas, we run systematic risk analyses. For example, in respect of health, safety and fire, there are annual analyses of all the group's production facilities. We also conduct risk analyses of our suppliers. These analyses cover, amongst other things, working conditions and ethics.

To identify sustainability risks and which risks have the greatest impact, there are annual, sustainability-based

risk analyses of the group and each business unit.

These analyses include environmental aspects, working conditions and societal issues such as human rights and business ethics. Based on such assessment, we have developed four different methods (accept, reduce, avoid and transfer) of managing the risks. The analyses are also the basis for subsequently implementing measures to address specific risks.

RISK	COMMENT	MEASURE
Environmental aspects		
Emissions to water, air and land	As any shortcomings can have a negative impact on the environment, the risk is assessed as medium-high.	Continuous checks, measures and monitoring. Surveillance of new methods for risk reduction.
Greenhouse gas emissions	As greenhouse gas emissions have a negative environmental impact, the risk is regarded as medium-high.	Continuous measuring as well as activities and monitoring to reduce emissions.
Working conditions & societal issues		
Deficient working conditions in our production facilities	As any shortcomings can have major negative effects on health, the risk is regarded as medium-high.	Continued work to ensure that all facilities satisfy safe workplace requirements.
Business ethics		
Deficient business ethics in the supplier chain	As shortcomings can have serious negative consequences for our business, the risk is assessed as medium-high.	Ensuring that suppliers receive and accept our code of conduct. Implementing in-depth supplier audits and ensuring compliance with the code.

CLEAR GOVERNANCE ENSURES RESULTS

Our six business units develop, produce and sell their products independently and based on their own brands and unique offerings. In the same way, day-to-day sustainability management is run locally in each business unit, all employees being important for its success. Sustainability management is led by an appointed project manager and a dedicated sustainability group comprising employees from various departments (e.g. sourcing, product development, production, HR and marketing). The business units' project managers are part of our central Group Sustainability Council, which is run by Ballingslöv International. Overall sustainability management is run and coordinated at group level by Marie Webrant, director of Group Finance & Sustainability.

We also have an external network of specialists in the sustainability area. We collaborate with these on various issues.

Initiatives and targets for our sustainability management are established at both group and business-unit level. Our business units run their activities alone or in collaboration with others.

The framework for our sustainability management comprises group directives and, at both group level and local to each business unit, policies. All our business units comply

with the relevant legislation on the environment and the work environment. The two business units with operations subject to licence requirements have ISO 14001 environmental certification. Our group-wide environmental policy is an important part of the environmental sustainability management in the group and was implemented in all business units in 2020.

Next to the environmental policy, our most important directive text is the code of conduct. It works as a compass pointing the way in the daily work of everyone in the group. For all employees, the business units give training in, and maintain dialogues on, the code of conduct. Each new employee signs the code of conduct at the start of his/her appointment.

In December 2021, Ballingslöv International implemented a new whistle-blower policy and a new, self-contained and anonymised system for whistle blowing. This further strengthens and formalises the whistle-blower process. The whistle-blower system is provided by an independent, external third party. We build our long-term success on our ethical guidelines. All employees, customers, suppliers and associates have important roles in this. There were no instances of whistle-blowing in 2021.

AUDITOR'S REPORT

To the annual general meeting of Ballingslöv International AB (co. reg. no. 556556-2807)

ASSIGNMENTS AND RESPONSIBILITIES

The board of directors bears responsibility for the 2021 sustainability report and for it being drawn up in accordance with Sweden's Annual Accounts Act.

THE AUDIT'S FOCUS AND SCOPE

Our audit was carried out in accordance with the "RevR 12 The Auditor's report" recommendation from FAR (the institute for the accountancy profession in Sweden). Said recommendation is in respect of statutory sustainability reports. Consequently, our audit of this sustainability

report had a different focus and significantly lesser scope than has an audit carried out in Sweden under the International Standards on Auditing and in accordance with good audit practice. We consider that this audit gives us sufficient grounds for our statement.

STATEMENT

A sustainability report has been drawn up.

Malmö, 20 April 2022
PricewaterhouseCoopers AB

Johan Rippe
Authorised public accountant

In this sustainability report, you can read about: the foundations of Ballingslöv International's sustainability management; the sustainability strategy guiding our yearly initiatives; what we have achieved in the sustainability area over the past twelve months; and, our future investments in sustainability.

Ballingslöv International

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KJÖKKENET

JKE | DFI-GEISLER | paularosa | manhattan

Ballingslöv International AB | Jungmansgatan 12, SE-211 11 Malmö
Telephone +46 (0)40 627 08 00 | ballingslovinternational.se

