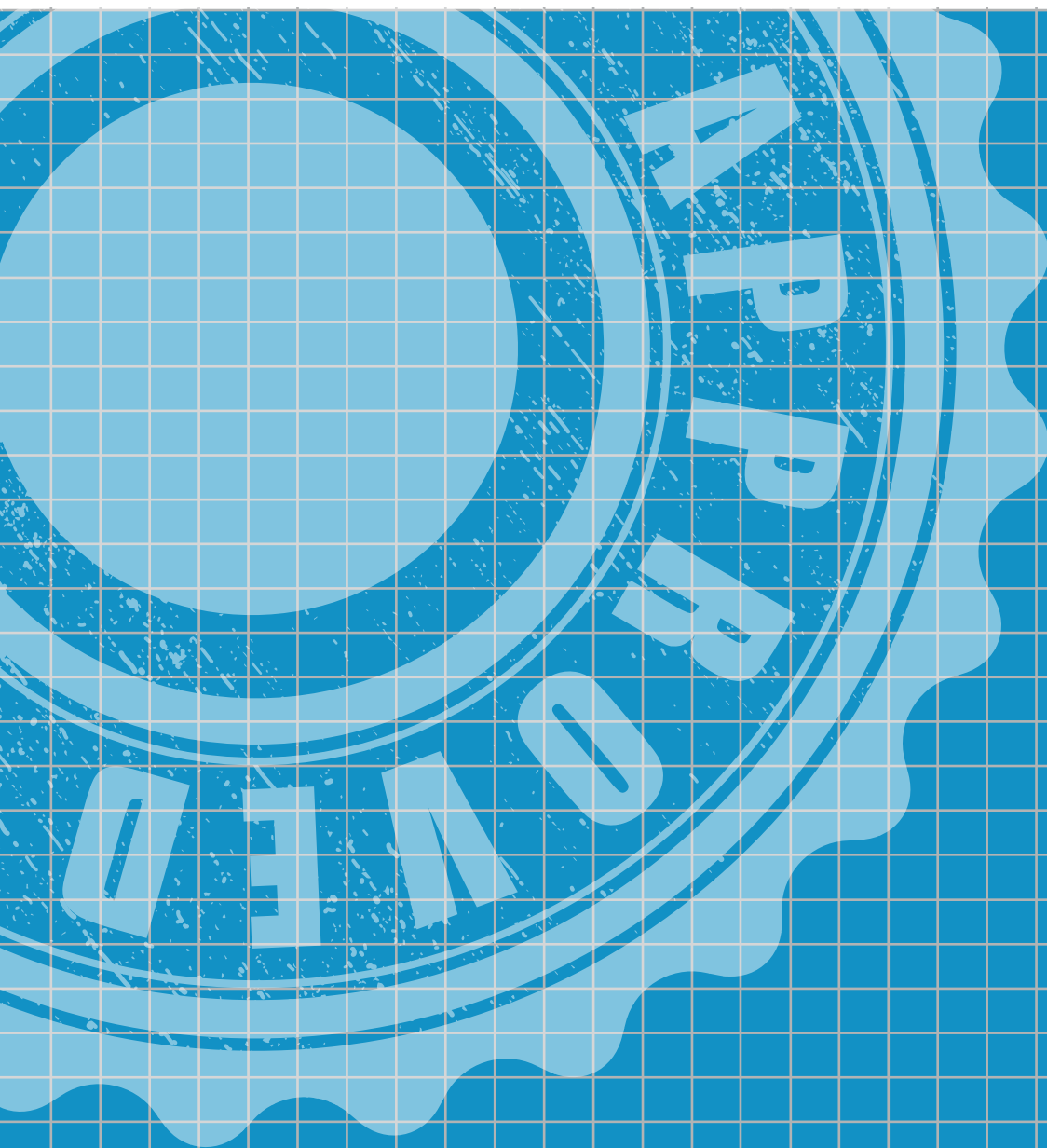


# SUSTAINABILITY REPORT

## 2013



# Beijer Alma

## FOCUS ON **STRONG, PROFITABLE CUSTOMER RELATIONS**

Beijer Alma is an international industrial Group specializing in component manufacturing and industrial trading. Operations are conducted in the subsidiaries Lesjöfors, Habia Cable and Beijer Tech, all of which focus on industrial customers.

Beijer Alma's business concept is to acquire, own and develop small and medium-sized enterprises with strong growth potential. The company's proactive and long-term ownership approach – combined with investments and acquisitions – creates competitiveness in selected market segments. In all segments, the subsidiaries Lesjöfors, Habia Cable and Beijer Tech focus on developing strong, profitable customer relations. The key criteria for this work are:

- Products and concepts with a high customer value.
- International market coverage.
- High market share in relevant segments.
- Diversified customer and supplier base.

Beijer Alma is listed on the NASDAQ OMX Stockholm Mid Cap list (ticker: BEIAb).

## COORDINATED, SYSTEMATIC **SUSTAINABILITY WORK**

In recent years, Beijer Alma's sustainability work has become increasingly coordinated. This allows guidelines to be integrated in the same manner in all Group companies and makes it easier for the various operations to report their performance in the area of sustainability. Key sustainability initiatives include the following:

- Shared Code of Conduct introduced and implemented throughout the Group.
- Group-wide reporting system for sustainability work established. Major units now evaluated on an annual basis.
- Overall sustainability objectives and strategies established. In 2014, the Group's units will establish their own detailed targets in such areas as energy-efficiency enhancement, waste management, and health and safety.
- More in-depth information regarding sustainability included in the annual reports for 2012 and 2013.
- A separate sustainability report published as of 2013.

### LESJÖFORS **FULL-SERVICE SUPPLIER**

Lesjöfors is a full-service supplier of springs, wire and flat strip components. Its products are used in most industrial sectors – in everything from household products to high-tech applications. Lesjöfors also has the market's broadest range of proprietary chassis springs for passenger cars and light trucks. The company's springs are sold in more than 50 markets.



### HABIA CABLE **LEADING CABLE MANUFACTURER**

Habia Cable is a leading manufacturer of custom-designed cables. Many of the company's cables are used in high-tech applications in harsh environments – such as nuclear power plants, military applications and advanced industrial components. Habia is a global market leader in mobile telecom cables. Its products are used for signal transfers in base-station antennas and are sold in 25 markets.

### BEIJER TECH **INDUSTRIAL TRADING SPECIALIST**

Beijer Tech specializes in industrial trading. Its products and services are adapted to improve customer operations, for example, by increasing product quality, improving the results of processes or enabling cost savings. Beijer Tech's largest company is the subsidiary Lundgrens, which specializes in fluid technology and industrial rubber. Lundgrens is the market leader in industrial hoses in Sweden.



# Profitable and long-term sustainable growth

Far-reaching corporate responsibility is a natural component of the Group's efforts to achieve profitable growth. This approach to responsibility is reflected in our Code of Conduct, which provides guidance on such issues as the environment, corporate social responsibility and ethics. To support the practical application of the Code, we have a shared reporting system that helps us analyze our sustainability initiatives, set priorities and provide feedback on our progress in the area.

Beijer Alma's primary objective is to create profitable growth. Our strategy defines the growth criteria that must be met to achieve this objective. The Group companies are expected to deliver high customer value, engage in international sales, hold strong market positions and have a well-diversified customer and supplier base. The strategy also emphasizes the importance of corporate social responsibility, which means that Beijer Alma strives to limit the Group's environmental impact and offer its employees a secure and stimulating work environment.

This broad approach to corporate responsibility has long been a natural component of the Group's work – which, in turn, is delegated to the subsidiaries Lesjöfors, Habia Cable and Beijer Tech. In recent years, Beijer Alma has increasingly opted to coordinate and systematize its

efforts in the area. In addition to allowing us to work in a more resource-efficient manner and to integrate our sustainability principles into all Group companies in the same way, this also enables us to compare and communicate the sustainability performance of our various operations.

## Code of Conduct and expanded reporting

We have prepared a shared Code of Conduct, which provides guidance on issues pertaining to the environment, corporate social responsibility and ethics. The Code explains our rationale and presents well-defined objectives for the Group's operations. It also emphasizes that the rules apply to all employees, managers and Board members at Beijer Alma, regardless of where they are in the world. In 2013, the Code of Conduct was implemen-

## ACTION PLAN FOR SUSTAINABILITY WORK

To gain a Group perspective on sustainability issues, we have conducted a thorough update of our working practices and communications. We have also developed an action plan in which we have compiled our

results, objectives and ambitions. This action plan is updated on regular basis. Going forward, we will continue to responsibly address traditional environmental, ethical and work environment

issues, as well as the efficient use of Group resources – areas where environmental and financial concerns are often closely linked.

## 2012

- Analysis of work pertaining to sustainable development.
- Beijer Alma's Code of Conduct established.
- Sustainability reporting system developed.
- More in-depth information about corporate social responsibility included in the annual report.

## 2013

- Beijer Alma's Code of Conduct introduced throughout the Group.
- Long-term sustainable development strategy and Group-wide targets established.
- Climate impact reporting in accordance with the Carbon Disclosure Project (CDP).

## 2014

- Detailed energy, climate, waste and work environment targets and plans established at Beijer Alma's units.
- Expanded sustainability reporting on the Group's website.
- Continued implementation of ISO 14001 at all manufacturing facilities.
- Sustainability issues incorporated into strategic planning.

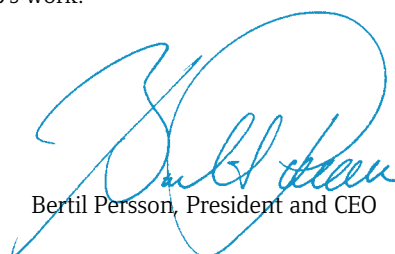
ted throughout the Group, with more than 90 percent of all employees being informed of its contents.

Another important change was the introduction of a Group-wide reporting system for sustainability issues, which is used to monitor the work of all major units each year. The results are used to analyze our sustainability initiatives, set priorities and provide internal and external feedback on our progress. Transparency is – and will remain – a natural part of our structured approach, which is why Beijer Alma has decided to publish a separate sustainability report as of 2013.

### Sound corporate culture

While the Code of Conduct provides us with support, establishing a sound corporate culture will enable us to make social responsibility part of our everyday operations. A sound internal culture requires a secure work environment, where employees feel that they are respected and treated well. Honest interaction is equally important, regardless of whether this takes place with the Board and management, in dialogs between managers and employees, or in our contacts with customers, suppliers or business partners. This honesty allows us to trust one another and have an open, pedagogical attitude. I believe a sound corporate culture also requires access to information. Employees should feel well-informed, which means that managers at all levels in the Group are responsible for ensuring that effective information procedures are in place and used in a forward-thinking manner.

In conclusion, I would like to emphasize that sustainability is about making continuous improvements. We have developed an action plan for the coming years and aim to ensure its success by addressing sustainability issues in a cost-effective and resource-efficient manner and clearly advancing our position. Through continuous improvements – and open reporting – Beijer Alma aims to show that social responsibility is an integrated component of the Group's work.



Bertil Persson, President and CEO

## 2015

- Continued implementation of ISO 14001.
- Assessment of the sustainability strategy and targets.
- Plan to join the UN Global Compact.
- Expanded sustainability reporting in accordance with international guidelines.



# Corporate social responsibility – the cornerstone of our strategy

Along with efficient operational control and long-term ownership, corporate social responsibility forms the basis of our strategy pyramid. As part of this responsibility, we strive to limit Beijer Alma's impact on the environment and offer a secure and stimulating work environment for all employees. At the same time, we want our customers and suppliers to associate Beijer Alma with a sense of credibility and sound values.

## Long-term ownership

Long-term ownership means that the companies in the Beijer Alma Group are not developed with the aim of a future exit. Instead, the goal is to create groups of companies with industrially sound structures in which value is created over time through growth and profitability.

## Corporate social responsibility

To achieve our objective of profitable growth, we must demonstrate corporate social responsibility by striving to limit our impact on the environment and offering a secure and stimulating work environment for all employees. It is equally important that our customers, suppliers and business partners associate Beijer Alma with a sense of credibility and sound values.

## Operational control

We work closely with our Group companies to assist them in setting and following up on goals and exercising long-term control. This work does not generally involve operational activities, but instead focuses on strategic development, acquisitions and investments, thereby providing our companies with access to management resources that are often lacking in small enterprises.

## High customer value

A large portion of the Group companies' products and services are adapted to meet specific customer needs. This creates higher value, for which customers are prepared to pay. As opposed to standardized volume products, unique product concepts also provide greater leverage in sales and marketing.

## International market coverage

Our production companies primarily focus on niche products, which are manufactured in relatively small series and generate higher customer value. To expand and grow with these types of products, the companies must engage in broad international sales.

## Strong market positions

High quality, a broad product range, customization and outstanding service enable strong market positions. This allows the Group companies to compete by offering other forms of added value in addition to low prices, thereby creating the scope for a stronger profitability trend.

## Diversified customer and supplier base

Our companies aim to have a broad customer and supplier base, thereby reducing their risk exposure and dependency on individual markets, industries or customers.





### Organic growth

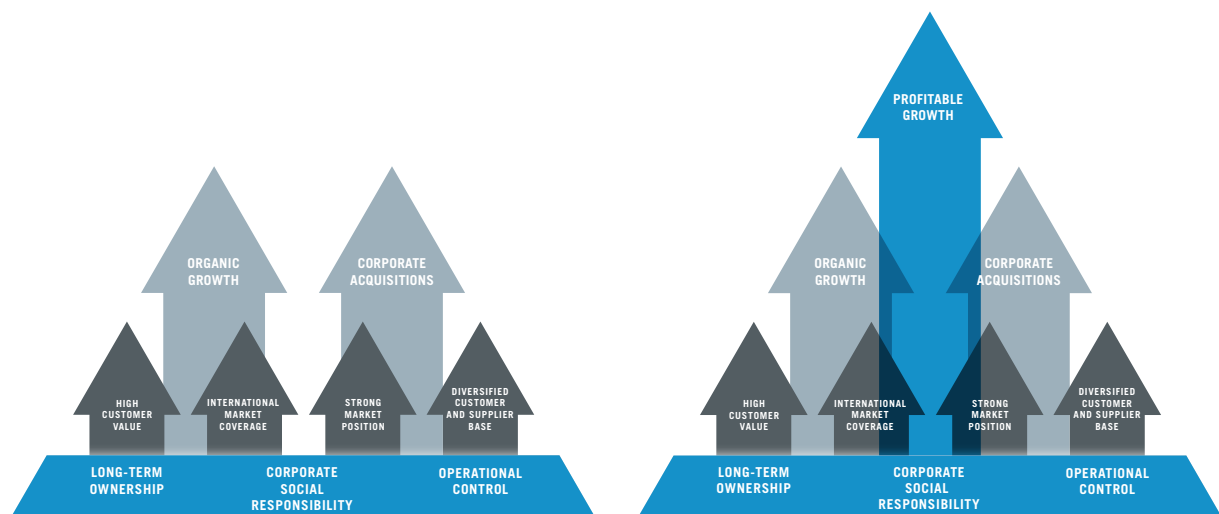
Organic growth refers to the continuous investments our companies make in product and market development. We prioritize this type of growth since it often results in high profitability and low risk. Moreover, this work can be carried out in our existing organizations and allows us to focus on markets and products with which we are already familiar.

### Corporate acquisitions

Corporate acquisitions include the acquisition of new operations, as well as supplementary acquisitions in the Group companies. Supplementary acquisitions can strengthen our position in selected markets or in specific technology or product areas. These types of acquisitions also carry a lower risk since they are conducted in familiar markets or areas.

### Profitable growth

It is crucial that we focus on growth, but to meet the requirements we have set for ourselves, this growth must be linked to sustainable profitability. We accomplish this by ensuring that our companies systematically apply our four criteria as they focus on their own growth and development – high customer value, international market coverage, strong market positions, and a diversified customer and supplier base. Add to this the remaining elements of our strategy pyramid – long-term ownership, responsibility and operational control – and this is what drives the profitable growth of our Group companies.





# Corporate social responsibility



With approximately 45 operations in eight countries, issues pertaining to the environment, work environment and social responsibility are critical to Beijer Alma. Our sustainability initiatives are influenced by the legislation in effect in the countries in which we operate, as well as the requirements and wishes of our customers and other stakeholders.

## Key sustainability issues

- Energy consumption, the emission of climate-changing gases into the atmosphere and waste generation.
- The safety, well-being and development opportunities of our employees.
- The Group's role in society.
- The environmental properties of our products.

## Code of Conduct offers guidance

Beijer Alma's Code of Conduct is based on international conventions, agreements and standards, including the ISO 26000 standard for social responsibility, which is a critical component of the Code. The Code of Conduct focuses on three areas: people, the environment and ethics. The Code describes our approach to each area and the contributions that all employees must make in order to fulfil this vision. Alongside corporate governance regulations and the Group's other guidelines, the Code serves as a framework for us. It applies to all Beijer Alma employees, managers and Board members, regardless of where they are in the world.

As part of its efforts in the area of sustainable development, the company implemented a number of measures in 2013 to establish its Code of Conduct. The Code is available in the five most commonly used languages in Beijer Alma and essentially all units conducted information meetings with their employees during the year, thereby providing more than 90 percent of the Group's employees with information on our approach to corporate social responsibility and what is expected of them.

## Control and strategy

At Beijer Alma, sustainability issues are managed through delegated responsibility, openness, respect for legislation, ethical business principles and respect for stakeholder requirements. Our environmental and quality management systems identify key issues, and we take a systematic approach to making improvements and monitoring results. ISO 9001-certified quality management systems are in place at essentially all of our production facilities, as well as at the largest units in our industrial trading operations. Two-thirds of the Group's companies hold ISO 14001 environmental certification.

All managers are responsible following up on sustainability issues. Most of this follow-up takes place locally using the Group's certified environmental management systems or other tools. At the Group level, performance is assessed

## CODE OF CONDUCT

Our Code of Conduct serves as a guide for our employees and requires us to:

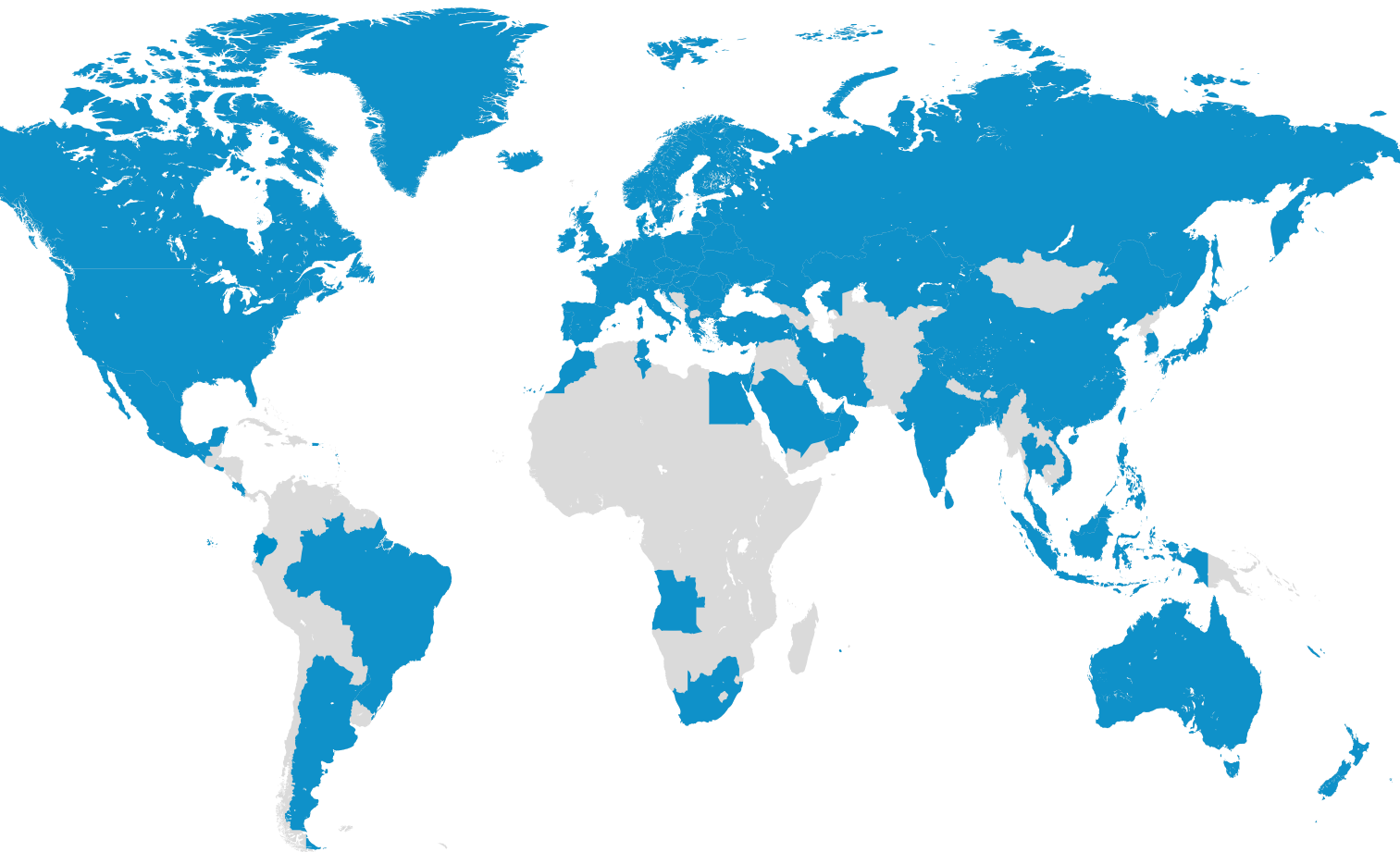
- Show respect for human rights.
- Take a preventive approach to environmental and work environment issues.
- Practice sound business ethics.
- Be straightforward and honest in our communications.

## GROUP-WIDE OBJECTIVES

In 2014, Beijer Alma's Group-wide objectives will be used as the foundation for establishing more detailed targets in the Group's various units. Each unit is responsible for:

- establishing its own targets for energy-efficiency enhancement and the reduction of climate-changing gas emissions, as well as implementing at least one tangible measure.
- establishing its own waste targets, as well as implementing at least one tangible measure to reduce the amount of waste generated and/or improve waste management.
- establishing at least one target pertaining to health and safety. Each unit is to introduce a system for registering incidents occurring in the work environment.





sed through sustainability reporting, with the results presented in the annual report, external reports and assessments, as well as on the Group's website.

Beijer Alma's operations are highly decentralized. The companies in the Group are also responsible for implementing their own preventive measures with respect to environmental and work environment issues. To encourage an increased focus on sustainable development – and to ensure greater clarity in our external communications – a number of general measures were introduced in 2012. This work continued in 2013, resulting in a long-term strategy for sustainable development encompassing our Group-wide objectives and the ongoing implementation of ISO 14001. Sustainability issues will also be incorporated into the Group's strategic planning.

#### Contact with stakeholders

We receive and respond to the requirements and opinions of various stakeholders. While our interactions with our employees, business partners and investors are crucial, we are also impacted by other external groups.

**CUSTOMERS.** Customer requirements include compliance with the customer's code of conduct, a ban on the use of hazardous chemical substances, declarations that the products comply with certain environmental legislation and the introduction of an environmental management system. About 85 percent of our companies report their customers' requirements with respect to sustainable development. Customers follow up on their requirements using questionnaires and audits. In 2013, approximately half of our units underwent follow-up procedures.

**AUTHORITIES.** Beijer Alma's facilities were subject to some 20 visits and inspections by various environmental and work environment authorities during the year, in which a handful of minor deviations were noted. All relevant problems have been rectified and improvement measures have

#### INTERNATIONAL INDUSTRIAL GROUP

Beijer Alma is an international industrial Group, with approximately 70 percent of its sales conducted outside Sweden. The shared Code of Conduct applies to all Beijer Alma employees, managers and Board members in the Group, regardless of where they are in the world.



[Read more](#) about Beijer Alma's CSR initiatives at [beijeralma.se](http://beijeralma.se)

been put into place. During 2013, no violations of environmental or work environment legislation were reported by the Group's companies.

**EMPLOYEES.** A major information campaign regarding the Code of Conduct was carried out in 2013. Approximately half of the companies performed employee surveys, and the overall level of job satisfaction was good.

**SHAREHOLDERS AND INVESTORS.** In 2013, Beijer Alma's sustainability work was evaluated by the Folksam insurance company and Swedbank Robur. Both assessments showed that the Group has made significant progress in the area of sustainable development. At the same time, certain areas require additional work, including the Group's supplier requirements and evaluation.

**SUPPLIERS.** Beijer Alma increased its contact with suppliers regarding sustainability issues. The Group provided information about its Code of Conduct, imposed requirements and monitored compliance with these requirements. Approximately 80 supplier evaluations were performed in 2013 – three times more than in 2012.

**SOCIETY.** In 2013, our production facilities met with various schools and universities to discuss everything from study visits, education and work experience opportunities to more advanced development projects. We also demonstrated our social commitment by providing financial support for sports activities, healthcare and non-profit organizations.

## Environment

### Environmental considerations and management

The Group's key environmental considerations include resource consumption (materials, energy and water), chemical use, air and water emissions, waste generation and indirect concerns associated with the use of products and transport. These indirect concerns are particularly relevant with regard to Beijer Tech's industrial trading operations.

### Environmental management

The ISO 14001 environmental management system has been introduced at many of Beijer Alma's facilities, thereby drawing attention to the most critical environmental issues and establishing the prerequisites for targeted initiatives. Environmental targets have been set for the certified units and focus on such areas as energy, waste, climate impact and transport. We are now working to obtain ISO 14001 certification for the remaining production facilities.

ENVIRONMENT, KEY FIGURES	Lesjöfors	Habia Cable	Beijer Tech
Energy consumption, GWh (% of total Group consumption)	35.5 (72)	11.4 (23)	2.7 (5)
Water consumption, m <sup>3</sup> (% of total Group consumption)	13,800 (49)	15,500 (44)	2,100 (7)
Carbon emissions, tons (% of total Group emissions)	7,090 (65)	3 550 (3)	176 (2)
VOC emissions, tons (% of total Group emissions)	3.5 (4)	89 (96)	0.3 (0)
Waste, tons (% of total amount of waste for the Group)	1,846 (75)	504 (20)	129 (5)
ISO 14001, number of certified units	13	1	2
Workplace accidents, number of cases resulting in absence (cases per employee)	41 (0.03)	7 (0.01)	1 (0.004)
Workplace accidents, number of lost working days (days per employee)	241 (0.2)	45 (0.1)	20 (0.1)

## Environmental legislation

Our operations are influenced by environmental legislation governing both the environmental impact of our production facilities and the environmental properties of our products. In particular, our products are subject, for example, to legislation regarding chemical products (REACH) and electrical waste (WEEE), restrictions on hazardous substances (RoHS) and producer responsibility for packaging. When it comes to our production facilities, seven of the Group's operations in Sweden are subject to permit and registration requirements pursuant to the Swedish Environmental Code. None of these units plan to renew their permits or registrations in 2014. Seven of the Group's units outside Sweden are subject to permit requirements or similar requirements in accordance with the environmental legislation in effect in their country of operation. Routine permit renewals are planned for three of these facilities in 2014. Most units report regularly to their country's environmental authority and inspections are performed by the respective supervisory authority. Nine facilities were inspected in 2013 and only minor deviations were noted.

No violations of environmental legislation, complaints from neighbors or environmental-related accidents were registered in 2013. According to our assessment, no new environmental legislation will be introduced in 2014 that will have a significant impact on the Group's operations

## Environmental performance

**MATERIALS AND CHEMICALS.** During 2013, approximately 21,000 tons (20,000) of metal, 830 tons (800) of plastic and 180 tons (150) of chemicals were used. Stainless steel and iron are the most common raw materials in Lesjöfors's spring manufacturing processes, while Habia Cable's cable manufacturing primarily uses copper and plastics. Habia also uses more than 100 tons solvents in its processes.

The Group's efforts to identify and – wherever possible – replace hazardous substances continued during the year. Some ten chemical substances were replaced by less hazardous alternatives and approximately ten more are scheduled to be phased out.

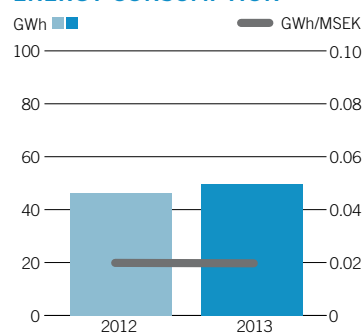
**ENERGY.** In absolute figures, the Group's energy consumption was slightly higher than in the preceding year and amounted to 49.6 GWh (46.2). Approximately 70 percent of this energy comprised indirect energy, primarily electricity. Biofuel and green electricity accounted for just over 10 percent of total consumption. Energy costs for 2013 amounted to MSEK 36.0 (34.6). A number of energy initiatives were carried out during the year:

- Installation of low-energy lighting.
- Replacement of certain equipment, such as compressors, fans and other fixtures and fittings, with more modern, energy-efficient alternatives.
- Better building insulation and more efficient ventilation control contributed to a reduction in energy consumption.

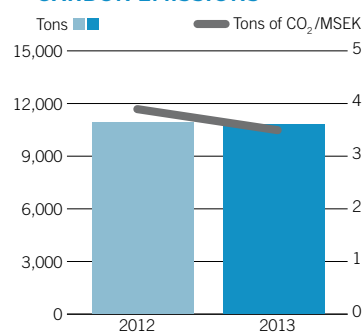
**WATER.** The Group's water consumption totaled 32,000 cubic meters (27,000), corresponding to 10.4 cubic meters (9.7) per MSEK in net revenues. Emissions of pollutants into wastewater were very limited. Essentially all units are connected to municipal wastewater treatment plants. Water costs totaled MSEK 0.7 (0.6).

**EMISSIONS TO THE ATMOSPHERE.** During the year, the Group's facilities released 10,800 tons of carbon dioxide from energy consumption, which is essentially in line with the level of carbon emissions reported in 2012. About 30 percent of carbon emissions resulted from the use of natural gas and fuel oil. Other emissions came from purchased electricity and district heating. As a result of energy-efficiency enhancement initiatives, purchases of green

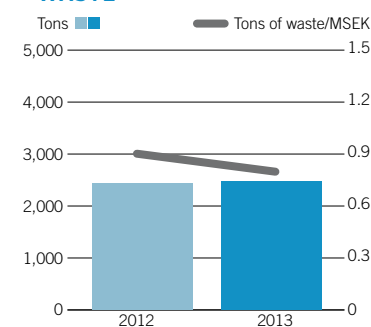
### ENERGY CONSUMPTION



### CARBON EMISSIONS



### WASTE



electricity and other measures, the key performance indicator for climate impact (tons of CO<sub>2</sub> per MSEK in net revenues) showed a positive change.

VOC emissions amounted to 93 tons, compared with 86 tons in 2012. Treatment equipment was installed at the Group's Chinese plant in 2014, which significantly reduced the level of VOC emissions. SO<sub>2</sub> and NO<sub>x</sub> emissions amounted to less than one ton in 2013. No ozone-depleting substances (HCFC) were released.

**WASTE.** In absolute figures, the volume of waste was unchanged compared with earlier years at 2,500 tons. Most of this waste comprised metal, plastic, paper and other recyclable materials. About 5 percent comprised hazardous waste, which was handled by approved waste management companies. Waste management costs amounted to MSEK 2.4 (1.0).

Issues pertaining to waste are a top priority at all Beijer Alma units. Various measures have been taken, including a reduction in scrapping, better sorting at source and increased internal recycling of plastic waste.

**TRANSPORT.** Examples of measures implemented in 2013 include purchases of more fuel-efficient vehicles, transport coordination, greater use of video conferences and increased train transport. Beijer Tech reduced its carbon emissions by more than 100 tons per year by increasing its use of train transport and more fuel-efficient vehicles.

**ENVIRONMENTAL RISKS.** The land at one facility in Sweden is contaminated by metal and oil. Beijer Alma is not financially responsible for any investigations or environmental remediation performed at this facility, and the matter is being administered and financed by the County Administrative Board. Another Swedish unit is included on the government's list of contaminated land, known as the MIFO List, in the lowest risk category. No risks attributable to climate change or other environmental factors were reported within the Group.

**ENVIRONMENT AND FINANCES.** MSEK 3.7 (5.0) was invested in environmental and work environment measures during the year. The most important investments pertained to work environment improvements and equipment to reduce the level of VOC emissions to the atmosphere. Environmental-related costs totaled MSEK 5.5 (4.2) and were mainly attributable to waste handling. The Group's environmental initiatives generated energy savings totaling approximately MSEK 0.5

## People

### International Group

The Group employs approximately 2,000 people who come from a variety of cultures representing different values. Approximately two-thirds of these employees are located outside Sweden. Internationalization provides

<b>EMPLOYEES, KEY FIGURES</b>	<b>2013</b>	2012	2011	2010	2009
Average number of employees	<b>2,110</b>	1,831	1,687	1,397	1,146
Percentage salaried employees (%)	<b>31</b>	32	33	35	32
Percentage production staff (%)	<b>69</b>	68	67	65	68
Percentage women (%)	<b>35</b>	34	32	29	29
Percentage employed in low-cost countries (%)	<b>30</b>	30	28	24	23
Short-term sickness absence (%)	<b>1.9</b>	2.1	2.1	2.5	2.3
Long-term sickness absence (%)	<b>0.9</b>	0.9	1.2	1.2	1.2
Percentage employed in Sweden (%)	<b>33</b>	36	40	47	43

Beijer Alma with a competitive edge, enabling the Group, for example, to combine low-cost production with manufacturing in high-cost countries.

All employees are encompassed by our Code of Conduct, and the same approach is applied worldwide when dealing with environmental, work environment, human rights and ethical issues. Practical work pertaining to personnel issues in the Group is decentralized. All Group companies are responsible for managing these issues in a manner that complies with the Group's guidelines and the legislation and culture of their particular country.

**SETTING OF SALARY RATES AND COLLECTIVE AGREEMENTS.** The same rules and values apply for all units. Salary rates adhere to legislative requirements, exceed minimum wages and are entirely in line with market rates. As a result of cultural and legislative differences, the degree to which employees are covered by collective agreements varies by country. At about half of the Group's units, most employees are covered by collective agreements.

**HUMAN RIGHTS.** We encourage diversity and are opposed to all forms of discrimination. In 2013, most employees received information about Beijer Alma's Code of Conduct and our stance on human rights. Reports from our companies have not revealed any violations by the Group or its suppliers.

Equality issues within Beijer Alma are addressed in a decentralized manner in accordance with the Group companies' equality plans. The total proportion of female employees during the year amounted to 35 percent (34) and the proportion of female Board members to 29 percent (29).

**TRAINING.** Approximately 14,700 hours of training were completed in 2013, corresponding to seven hours per employee. These training courses addressed environmental and work environment issues, and lasted an average of about two hours. Training ensures that employees have the knowledge needed to perform their jobs and gives them an opportunity to develop their skills and gain an understanding of the Group's fundamental values.

## Health and safety

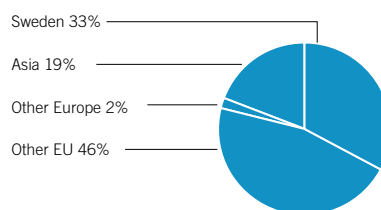
The Group's health and safety objective aims to reduce the number of workplace accidents and work-related illnesses and create a better understanding of the underlying causes of injuries and illnesses. Preventive measures are key and the majority of facilities implemented various types of work environment assessments, safety inspections, risk analyses, health check-ups and training programs during the year. Formal safety committees have been established at about 85 percent of the Group's units.

During the year, 49 (26) workplace accidents resulting in more than one day of absence occurred. Total absence due to accidents amounted to 306 (211) days. A system for registering workplace incidents and near misses is now being introduced in order to establish a greater focus on preventive measures. The rate of short and long-term sickness absence remained low at 2.8 percent (3.0).

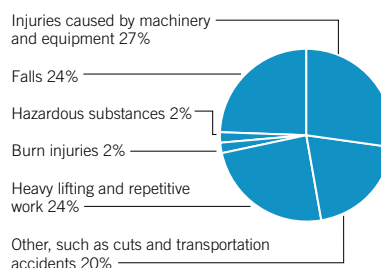
## Ethics

**HIGH LEVEL OF BUSINESS ETHICS.** We demand that our employees behave in an honest and honorable manner – and we expect the same from our business partners. All bribes are prohibited. Gifts and other benefits may be included in customary hospitality, but may not exceed the amounts prescribed by local practices or legislation. It is also important to comply with competition legislation. No violations were noted in 2013. We also reviewed the measures taken by our companies to combat corruption.

## EMPLOYEES, GEOGRAPHIC DISTRIBUTION



## CAUSES OF WORKPLACE ACCIDENTS



## ANTI-CORRUPTION MEASURES

Using questions provided by the UN Global Compact, a survey was conducted in 2013 to determine what steps our units are taking to prevent corruption.

- The level of awareness regarding corruption and preventive activities has increased.
- Beijer Alma's Code of Conduct is being used to provide guidance.
- Several companies have established guidelines concerning gift size and business entertainment.
- The Group's companies have a zero-tolerance policy against bribes and have introduced sanction systems for violations.
- Management systems, information, training and financial monitoring are being used to prevent corruption.

# Sustainability news at a glance



## SOCIAL, ENVIRONMENTAL AND ETHICAL RESPONSIBILITY

In spring 2013, Beijer Alma's Code of Conduct for environmental and social responsibility was introduced throughout the Lesjöfors Group. The Code is based on international guidelines and conventions, including UN regulations and the ISO 26000 standard for social responsibility. The same Code of Conduct applies to all Beijer Alma companies and employees worldwide.

## NEW LUBRICANT IMPROVES WORK ENVIRONMENT

When Preben Z switched the lubricant and coolant used at KM Rustfri, the work environment at the company improved. KM Rustfri specializes in the processing of stainless steel. Many machine operators had experienced problems with skin irritation that disappeared when they were away from work during extended holidays and could therefore be linked to their work environment. After a new lubricant and coolant were introduced, the employees' skin problems disappeared. The operators also noticed that the processing operations became quieter and cleaner.



## ENERGY SAVINGS AND RENEWABLE ELECTRICITY

Lundgrens has invested in new high-speed doors at its Sisjön plant in Gothenburg, Sweden. The new doors save energy, while at the same time improving the work environment since they reduce the amount of dirt that enters the premises. Moreover, the plant now uses exclusively renewable electricity. Compared with the production of regular electricity, the use of green electricity reduces carbon emissions by 98 percent.



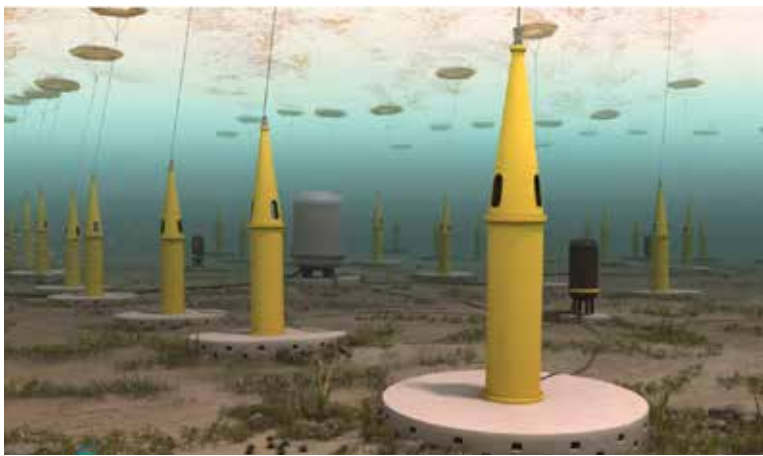
“It is important to our customers and employees that Habia conducts its operations in a responsible manner, complying with legislation and rules and striving to achieve a minimal environmental impact. We are also a global company and must thus ensure that our values and social responsibility apply to all markets.

CARL MODIGH,  
PRESIDENT OF HABIA CABLE



“ CSR issues permeate Beijer Tech’s industrial trading operations in several ways. We emphasize the importance of social responsibility to our employees, addressing such issues as work environment, equal opportunities and business ethics. By working together with transport companies and suppliers, we also have the opportunity to reduce our impact on the environment and to ensure that more environmentally friendly products are launched in our markets.

PETER KOLLERT, PRESIDENT OF BEIJER TECH



### LUNDGRENS PROVIDES SEALING FOR GREEN ELECTRICITY

During the autumn, Lundgrens supplied industrial rubber for a ground-breaking energy project on the west coast of Sweden, where a company called Seabased is delivering a demo facility for electricity production using wave energy. The wave energy generator units are deployed on the sea bed and capture the kinetic energy of the waves, which is then converted into electrical energy. Lundgrens supplied rubber sheeting used for sealing purposes in the wave energy converters located on the ocean floor.

“ Our corporate culture is based on decentralized working practices where great significance is attached to the role of the individual. Through this focus on people, Lesjöfors also emphasizes the importance of CSR issues, such as working conditions, the company’s impact on its external environment and business ethics – areas in which we assume a responsibility and show consideration for the current and future generations.

KJELL-ARNE LINDBÄCK, PRESIDENT OF LESJÖFORS

### FOCUS ON ENERGY SAVINGS

During the year, the energy-saving initiatives under way at Habia’s facility in Söderfors began to gain momentum. These ongoing initiatives encompass the industrial facility itself, as well as the company’s cable manufacturing process. By simply directing the fans in the property in a more efficient manner, the company was able to reduce its energy consumption by 10 to 20 percent – and by implementing better controls and optimizing the technology and machinery used in its cable manufacturing operations, Habia should be able to generate an energy saving of between 20 and 40 percent.





# Definitions

**CARBON DIOXIDE (CO<sub>2</sub>).** Carbon dioxide is produced during all processes involving the combustion of carbon materials – for example, during fossil fuel combustion. It is widely believed that carbon dioxide is a contributing factor to global warming (greenhouse effect). Beijer Alma reports its carbon emissions from direct and indirect energy consumption.

**CODE OF CONDUCT.** Guidelines for employees in the areas of business ethics, the environment, working conditions and social responsibility.

**CSR/CR.** Corporate Social Responsibility and Corporate Responsibility are terms used to describe a company's approach to issues concerning the environment, social responsibility, financial responsibility and business ethics. These terms are often used interchangeably with the term "sustainable development."

**GLOBAL COMPACT.** A UN initiative in the area of corporate social responsibility. Participating organizations agree to adhere to ten principles in the areas of human rights, labor conditions, the environment and anti-corruption.

**ENVIRONMENTAL CONSIDERATIONS.** The areas of an organization's activities, products or services that impact the environment.

**ENVIRONMENTAL-RELATED COSTS.** Costs attributable to measures implemented in order to prevent, reduce or restore the environmental impact caused by an organization's operations. A corresponding term is used for costs related to work environment issues. Environmental-related costs may include administrative costs, in-sourcing of external services, government fees, maintenance of environmental management systems, waste-related costs and costs for external inspections and audits.

**ENVIRONMENTAL-RELATED INVESTMENTS.** Investments aimed at preventing and reducing the environmental impact of the Group's operations. A corresponding term is used for investments in work environment improvements.

**HCFC/HFC.** Hydrochlorofluorocarbons/hydrofluorocarbons. Substances that deplete the atmospheric ozone layer.

**ISO 14001.** International standard for environmental management systems introduced in 1996. Some 300,000 organizations worldwide currently hold ISO 14001 certification. An updated version of the standard will be released in 2015.

**ISO 26000.** International standard providing guidance on how organizations can manage issues pertaining to social responsibility. The standard was introduced in 2010.

**NO<sub>x</sub> (NITROGEN OXIDES).** Gaseous oxides produced from the reaction of nitrogen and oxygen gases in the air during combustion. These substances are hazardous to the environment and people's health and are known to cause acidification and eutrophication.

**REACH.** Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) is an EU regulation adopted to promote safer handling of chemical substances. Chemical substances are to be registered for a particular use and substances of very high concern may be subject to restrictions.

**ROHS.** The Restriction of Hazardous Substances Directive (RoHS) is an EU regulation that limits the use of certain substances that have a negative impact on health and the environment.

**SO<sub>2</sub> (SULPHUR DIOXIDE).** Sulphur dioxide is produced during the combustion of petroleum products and contributes to the acidification of water and land. In high concentrations, sulphur dioxide can be harmful to people's health.

**SUSTAINABLE DEVELOPMENT.** According to the 1987 report *Our Common Future* by the Brundtland Commission, sustainable development is defined as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs." Sustainable development encompasses ecological, social and economic sustainability.

**VOC.** Volatile organic compounds, which have a high vapor pressure at ordinary room temperature. The presence of volatile hydrocarbons in the air has a negative impact on health and the environment and contributes, for example, to the production of ground-level ozone (smog).

**WORK-RELATED ILLNESS.** Work-related illnesses may be caused by prolonged exposure to a particular work environment factor, such as noise, dust or solvents.

**WORK-RELATED INJURY.** The term work-related injury refers to a sudden incident (accident) occurring at the workplace that causes a wound or injury. Typical workplace injuries in the polymer industry include cuts, falls and injuries caused by heavy lifting or repetitive work. Beijer Alma defines the term work-related injury as an accident causing more than one day of absence (Lost Work Case; LWC).

# About the Sustainability Report

Beijer Alma's 2013 Sustainability Report addresses a range of environmental, work environment, social and business ethical issues. The aim of the report is to provide Beijer Alma's employees and external stakeholders with clear information on the company's CSR activities and how they are connected to the company's business operations. All units in the Beijer Alma Group in 2013 are included in the report with the exception of two recently acquired companies. A total of 25 contributed data to the report.

## **Accounting policies**

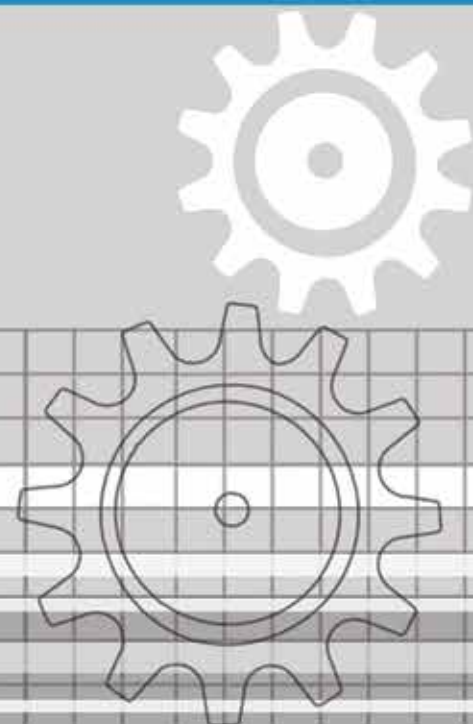
Each production unit has contributed quantitative and qualitative information in accordance with Beijer Alma's sustainability reporting form. The head of each company/unit is responsible for assuring the quality of the information submitted. The Group's performance during the year has been compared and verified against the information from the preceding year. Additional quality control is carried out through interviews and on-site visits.

Emissions of carbon dioxide, sulphur dioxide and nitrogen oxide from direct energy consumption have been measured using conversion factors based on the energy content and quality of the fuel used. Carbon emissions from indirect energy consumption – mainly electricity – are measured based on emissions data from the Greenhouse Gas Protocol Initiative (GHG Protocol) for the countries in which Beijer Alma operates. Information regarding VOC emissions – solvents, paint and lacquer – is primarily based on mass balance calculations.



“ While Beijer Alma's Code of Conduct provides us with support, establishing a sound corporate culture will enable us to make social responsibility part of our everyday operations

*Bertil Persson*  
President and CEO



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