

# 2021

## SUSTAINABILITY REPORT

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## ACCORDING TO SWEDISH LAW AND STANDARD

Bona’s sustainability report for 2021 is in accordance with the Swedish Annual Accounts Act (ÅRL, Ch. 6) and encompasses Bona AB (556017-6488) and its subsidiaries. The sustainability report has been prepared separately from Bona’s annual report and is a separate appendix. The accounting period in the report cover the calendar year of 2021.

### THE SUSTAINABILITY REPORT

The content and the reporting of Bona’s sustainability report is in accordance with Swedish laws and standards and is inspired by reporting aligned with the international standard of Global Reporting Initiative.

The sustainability report highlights Bona’s most significant sustainability milestones for the year of 2021 and covers the four areas of environment, social conditions, personnel, respect for human rights and anticorruption. These areas are clustered and presented under the paragraphs Home, Health, and Humanity.

Bona’s report is based on three of the 17 United Nations Sustainable Development Goals goals. These are; Goal 8, Decent work and economic growth; Goal 9, Industry, innovation and infrastructure; and Goal 12, Responsible consumption and production.

### CHANGES TO 2020 SUSTAINABILITY REPORT

In the Sustainability report of 2021 Bona is reporting goals, results, primary risks, and risk management separately for each area Home, Health, Humanity instead of a summary table.

Bona has revised a few goals in the Sustainability Report 2020, compared to the previous year.

#### THE CHANGES ARE:

1. Three new subgoals Greener Chemistry. Former was: More than 90% of Bona’s raw materials are categorized as green according to Bona’s system for Green Chemistry.

Three new subgoals:

- Goal 1. 100% risk-assessed new raw materials.
- Goal 2. Performed audits of relevant existing raw materials.
- Goal 3. ≥ 80% phase out activities in the plan for 2021 shall be executed.

2. Former goal: Reduce waste by 10% and reduce energy consumption by 5% by 2020 in relation to levels from 2015 has been replaced by two new goals since goal measurement period ended in 2020.

Two new goals:

- Reduce waste by 4% by 2023 in relation to levels from 2020.
- Reduce energy consumption by 4% by 2023 in relation to levels from 2020.

3. Personnel related activities and goals are from 2021 years Sustainability Report described at Bona focus area Humanity. This was previously reported as a focus area Health.





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# BONA IS COMMITTED TO SUSTAINABILITY

*“Our commitment and responsible approach to the environment, people and society does not waiver regardless of new challenges.”*

## KERSTIN LINDELL

*Chair of the Board, Bona*

Bona's long-term strategy is based on a vision of organic growth, creating long-term profitability, and being an innovation leader within the industry which still holds true today. The strategy has served the company well, even in challenging times.

During the past year, supply chain and raw materials shortages presented a number of challenges not just for Bona, but also for the industry at large. Bona's strong reputation, ability to quickly adapt and capacity to work across borders and cross-functionally allowed the company to successfully navigate these unique market dynamics. And none of it would be possible without Bona's employees, who are great ambassadors with a care and concern for our customers and company's best interests. The ability to quickly shift, work together, and develop products and offerings as a result of changing market conditions has been key to our success.

Bona's sustainable business model, with products and systems that maintain and extend the lifespan of floors, is as relevant

today as it was 100 years ago when Bona was founded. As a family-owned company, each investment made must be long-term and sustainable based on people, planet, and healthy business.

To stay relevant and to be a market leader, we must innovate to meet market demands without sacrificing quality. Today's retail and professional environment is driving sustainability at a rapid pace. Bona is working to meet these demands and anticipate future market requirements and regulations to align and help drive global development and environmental goals. At Bona, we are constantly evolving and innovating new products and systems so we can make wise decisions for the future.

During the past year, we have, among other things, developed and launched new products, worked proactively to meet the challenges relative to the raw materials shortage, prepared the transition to more sustainable packaging, and through various initiatives, developed our value chain to be even more sustainable.

Important investments during 2021 include a new electric truck in Germany, a shift to more renewable energy, and an increase of post-consumer recycled materials in our products. We also purchased land to build a new warehouse and logistics facility in Monroe, USA. This \$26 million USD investment is the largest investment Bona has made to date and will create more than 100 new jobs while establishing a platform for long-term, sustainable expansion in the US.

While we have made good strides this year, more work is to be done. With our new sustainability vision that takes effect in 2022, we are ready to continue our journey to be cutting-edge pioneers in the industry and strengthen our position in the market as a long-term player that takes responsibility for sustainable development, which is good for people and the environment.

# ON SOLID GROUND TO MEET OUR SUSTAINABLE FUTURE

*“With increased knowledge and changing mindsets, together we can make a difference. As thought leaders in the industry, here at Bona we want to actively drive development in research, education, and knowledge sharing.”*

## BJÖRN JOHANSSON

*Global Environmental Manager, Bona*

Throughout 2021, the climate has been a key focus. Significant and noticeable climate change around the world, The UN Climate Change Conference - COP26, and a number of new laws and regulations initiated by the EU have ensured that many companies have included sustainable development on their agenda. This has also been the case for Bona.

In 2021, Bona has worked with several structural frameworks that have contributed to our sustainable development. We now have Bona's Sustainability Policy in place and identified Bona's Sustainable Vision, which will serve as a basis for progress and decision-making in 2022. Sharing knowledge and insights about Bona's sustainable path forward creates the best conditions for increased commitment and shared responsibility.

Having an innovative culture that rewards development, Bona encourages new ideas about change and development

initiatives. Large strategic investments in combination with small and continuous improvement measures are initiated where the need arises. The energy efficiency work at Bona Sweden is a good example of how continuous improvements and investments make a big difference over time. Another good example is Bona's ongoing work to increase the proportion of recycled plastic in its packaging.

In 2021, Bona US did a great deal of preparatory work with the aim of increasing the share of recycled plastic to 30 percent in product packaging for consumers. This is now being further developed with the aim of being achieved in 2022.

In 2021, the challenges of raw materials shortages and rising raw materials costs in combination with increased demands from the outside world have resulted in Bona accelerating the work of identifying more sustainable alternatives to the raw materials used by Bona. It is extensive development work, which involves the

supply chain, internally at Bona as well as externally with Bona's suppliers.

Bona has fundamentally a sustainable offering. Instead of replacing the flooring material, Bona encourages care, maintenance, and renovation of the floor to safeguard the earth's finite resources. According to research from the IVL Swedish Environmental Institute we know that renovation impacts the carbon footprint compared to replacing it. In the case of wood floors, the carbon footprint is reduced by 78 percent and for PVC/resilient floors it is reduced by as much as 90 percent.

With increased knowledge and changing mindsets, together we can make a difference. As thought leaders in the industry, here at Bona we want to actively drive development in research, education, and knowledge sharing. We will continue this important work into 2022 and beyond.



# ABOUT

***Bona***<sup>®</sup>

# THIS IS **Bona**®

Bona is a global, family-owned, sustainably driven company that supplies products for installing, renovating, maintaining, and restoring premium floors. Founded in 1919, Bona offers products for most premium floor surfaces including wood, tile, vinyl, resilient, rubber and laminate. The head office is in Malmö, Sweden, and the company is represented globally by its 17 subsidiaries, 70 distributors, more than 600 employees and 4 factories.



Family-owned, led by the third and fourth generation of the Edner family in Sweden.

# SINCE 1919...



**Founded in 1919** in Malmö, Sweden where the headquarters are today



Global company with a presence in **90 countries** in North America, Latin America, APAC & EMEA



**3.1 billion SEK** total revenue in 2021



**4 production units** with distribution centers strategically located to market



**30 sales offices** in North America, Latin America, APAC & EMEA



**17 subsidiaries**



**70 distributors**



**600 employees**



**25 granted patents**



# BONA MARKET & PRODUCTS

With a wide range of products and systems for installing, renovating, maintaining, and restoring premium floors, Bona focuses on the entire lifecycle of a floor. Bona was the first in the industry to offer a waterborne hardwood floor finishing product and was an early leader in other sustainable practices like dust containment, silane-based adhesives, and water-based floor care products. More recently, Bona launched an entire system to renovate rather than replace resilient flooring which offers a significant sustainability impact for large, buildings such as hospitals, schools, and other facilities.

A few of Bona's third party product certifications include:



# THE BONA CUSTOMER



## HOMEOWNERS

Bona’s floor and surface care products include:

- Floor cleaners and polishes
- Surface cleaners
- Mops
- Microfiber pads
- Home DIY products



The Bona Certified Craftsman Program is a network of more than 2,800 trusted hardwood flooring experts across North America, South America, Asia and Europe who are dedicated to providing excellent craftsmanship and customer service. These professionals are trained and certified by Bona to use the complete Bona System. Bona offers multiple opportunities throughout the year to network, connect, offer continuing education, and advise this group of premium craftsman across the word.

## PROFESSIONALS

*Includes facility managers, distributors, building service contractors, & wood floor craftsmen.*

For wood floor professionals Bona offers products and systems to install and refinish floors. These products include:

- |            |           |             |
|------------|-----------|-------------|
| • Finishes | • Sealers | • Adhesives |
| • Machines | • Stains  | • Abrasives |

To renovate a sport or resilient floor, Bona offers products and systems to facility professionals including:

- |             |               |                        |
|-------------|---------------|------------------------|
| • Finishes  | • Sealers     | • Maintenance products |
| • Adhesives | • Sport paint | • Machines             |
| • Stains    | • Abrasives   |                        |



## INDUSTRIAL MANUFACTURERS

Bona Industrial Coatings makes UV-based solutions for coating high quality wood parquet floors including:

- UV coating
- Fire retardant finishes
- Filler
- Color system

# NEW PRODUCTS AND LAUNCHES IN 2021

## HOMEOWNERS

- Launch of Bona® Premium Spray Mop for Wood and Hard-Surface Floors in the EMEA market
- iRobot and Bona partner to deliver the ultimate in robotic mopping with Bona® Hardwood Floor Cleaner Refill and Bona PowerPlus® Microfiber Deep Cleaning Pad custom designed for Braava jet® m6 iRobot® Mop
- Bona UK Expands Retailer Distribution of Bona® Antibacterial Hard-Surface Floor Deep Cleaner nationwide
- Bona US launches an evolution to its Bona® Hardwood Floor Polish and Bona® Hard-Surface Floor Polish with a formula that incorporates an antimicrobial additive to inhibit the growth of bacteria, mold, and mildew
- Bona US launches Hardwood and Hard-Surface Cleaning Solutions for upright floor cleaning machines including Safer Choice Certified formulas available in Cedar Wood and Lemon Mint scents

## PROFESSIONALS

- Launch of the Bona ErgoEdge, a new addition to the Bona FlexiSand Pro System
- Launch of Bona Traffic HD Raw, the newest addition to the Bona Traffic family of lacquers
- Bona US launches new Floor Visualizer, a digital tool to help plan and visualize different floor colors, board widths and layouts

## INDUSTRIAL MANUFACTURERS

- New industrial coating design project by R&D Bona Sweden, that resulted in 11 new designs of various textures, colors, and sheens for the coating



# YEAR IN BRIEF



## OUR CARE FOR EARTH'S RECOURCES

*Saved trees encapsulates 28,917 tonnes of CO<sub>2</sub>*

In 2021, Bona produced finishes, stain, and sealers covering 43,117,980 square meters of wood flooring saving a forest area equal to 32,129,642 square meters. By not cutting down the forest, the same amount of trees encapsulates 28,917 tonnes of CO<sub>2</sub>. Calculated as 9 ton CO<sub>2</sub> by hectare and year.

*Carbon storage and sequestration by habitat: a review of the evidence (second edition), Natural England Research Report NERR094 by R. Gregg, J. Elias, I. Alonso, I. Crosher, P. Muto and M. Morecroft.*



## INNOVATION WITH CARE FOR CONTRACTORS

*1 new machine attachment for healthier contractors*

The launch of Bona's new ErgoEdge Upright Sanding Machine helps contractors stand rather than kneel during the wood floor sanding process. This new attachment to the Bona FlexiSand Pro System offers a more efficient and ergonomic way that also saves time for the contractor.



## SHIFT FOR MORE ENVIRONMENTALLY FRIENDLY MICROFIBER PADS

*90% recycled material*

Bona now includes 90 percent post-consumer recycled (PCR) material in its microfiber pads designed for the Bona Spray Mop and Microfiber Mop. Aligning to the company's goal to use less virgin plastic, this shift is helping divert over 217 tons of plastic waste from being incinerated or going to landfills.



## IMPORTANT RECOGNITION

*13 Safer Choice Certified products*

Bona received Safer Choice Partner of the Year in 2021 from the US Environmental Protection Agency for its work innovating safer ingredients in its floor cleaning solutions. Since becoming a Safer Choice partner in 2020, Bona has certified 13 products, six of which were certified in 2021.



## NEW DISTRIBUTION CENTER

*26,000 new square-meters*

Bona purchased 26,000-square-meters of land to build a new Bona facility in Monroe, North Carolina, USA. The \$26M project, which will be completed in 2022, supports more efficient operations and increased internal capabilities allowing Bona US to operate in a more environmentally friendly way and reduce its carbon footprint.

# YEAR IN BRIEF



## EMISSION FREE E-TRUCK LOWERS DECARBONIZATION

*1st electric truck*

The first electric truck in Bona's transportation fleet was introduced in Limburg, Germany. The battery-electric truck will be fueled by green electricity produced by solar panels from Bona's Limburg facility and act as a city shuttle between Bona facilities in the city. The E-truck is contributing to lower nitrogen dioxide levels in the city of Limburg and to global decarbonization.



## POWERED BY RENEWABLE ENERGY

*795 MWh energy from ground*

An investment of SEK 4.5 million will provide Bona's Malmö, Sweden facility with energy from geothermal systems in the ground within expected 795 MWh per year. Twenty-four reservoirs will be dug 340 meters into the ground and will transport heat from the bedrock. When ready, the expected production from geothermal energy will provide Bona with 20 percent of the yearly use at the Malmö facility.



## DIGITAL TRAINING AND BONA SOCIAL LEARNING

*1.2 million views*

Bona introduced a new eLearning platform in 2021, called Bona(Fuse). Since the launch, Bona added 471 pieces of content resulting in 135,000 views and 3,500 engagements. Bona's Professional YouTube channel, which serves as another avenue for training videos, generated 4.5 million impressions and captured 1.2 million views during 2021. The professional training videos inspired 45k hours of watch time and 1,366 new subscribers were added.



## HAND IN HAND TO FIGHT POVERTY

*3 villages in six years*

Since 2016, Bona has collaborated with Hand in Hand, a non-governmental organization (NGO) that fights poverty with grassroots entrepreneurship, to increase the quality of life for three villages in India. With the organizations Village Upliftment Program Bona's partnership has helped improve living conditions for the village women and children through education and the creation of new jobs.

# GOVERNANCE WITH A PURPOSE

Bona’s corporate governance is a framework in which roles and responsibilities are clarified. We are guided by our core values, business ethics, and the policies described in our Code of Conduct that are founded on the ten principles of the UN Global Compact, the core conventions of the International Labour Organization (ILO), and the OECD Guidelines for Multinational Enterprises. Our Code of Conduct applies to all Bona employees, and we expect suppliers, distributors, and business partners to respect the principles establishes in our Code of Conduct.

## MANAGING OUR BUSINESS RESPONSIBILITY

Bona’s board has the overall responsibility for the company’s sustainability work. The company’s supervision of the sustainability work is managed within the framework of Bona’s regular organization and management. It is the CEO together with Bona’s Group Management who has the overall responsibility for strategies, goals, measures and that the follow-up is carried out.

Bona’s Group Management develops the strategic plan with long-term goals concerning business growth, environment and climate, community and social issues, personnel-related issues, anti-corruption, and ethical issues as well as human rights for Bona Group.

The group management of Bona is represented by those responsible for Product Management, Global Sales, Research & Development, Human Resources, Finance & IT, Marketing and Communications, Strategic Development, and Global Sourcing. Bona’s Group Management meets once a month and reports to Bona’s board of directors four times a year.

Bona’s sustainability work affects the entire Bona Group. A set of Delegation Instructions has been developed for Bona AB and each producing subsidiary within the Bona Group; Bona Sweden, Bona US, and Bona GmbH. These instructions indicate which manager at each legal entity is responsible for ensuring compliance with local regulatory requirements, particularly regarding safety, health, and environment. Each legal entity has the operational responsibility for its sustainability work and must ensure that Bona’s both long-term and short-term sustainability goals are followed

and applied in processes and decision-making situations. They also have the responsibility for quality follow-up and deviations and to measure and report results, at least once a year.

The legal entities receive support from the central sustainability function, Bona Global Environmental Manager, which leads and coordinates the work at the group level. The work is carried out in close collaboration with Bona Group Management.

## ISO CERTIFICATIONS

Bona AB’s systematic quality and environmental work is based on and controlled by ISO certifications. These certifications minimize how operations negatively affect the environment and comply with applicable laws and regulations.

ISO certifications per legal entity:

- Bona Sweden, Malmö: ISO 14001 (2001), ISO 9001 (2016), ISO 45001 (2020)
- Bona GmbH, Limburg: ISO 14001 (2001), ISO 9001 (2015), ISO 50001 (2016)
- Bona USA, Monroe NC: ISO 14001 (2016)
- Bona USA, Pueblo CO: ISO 14001 (2016)

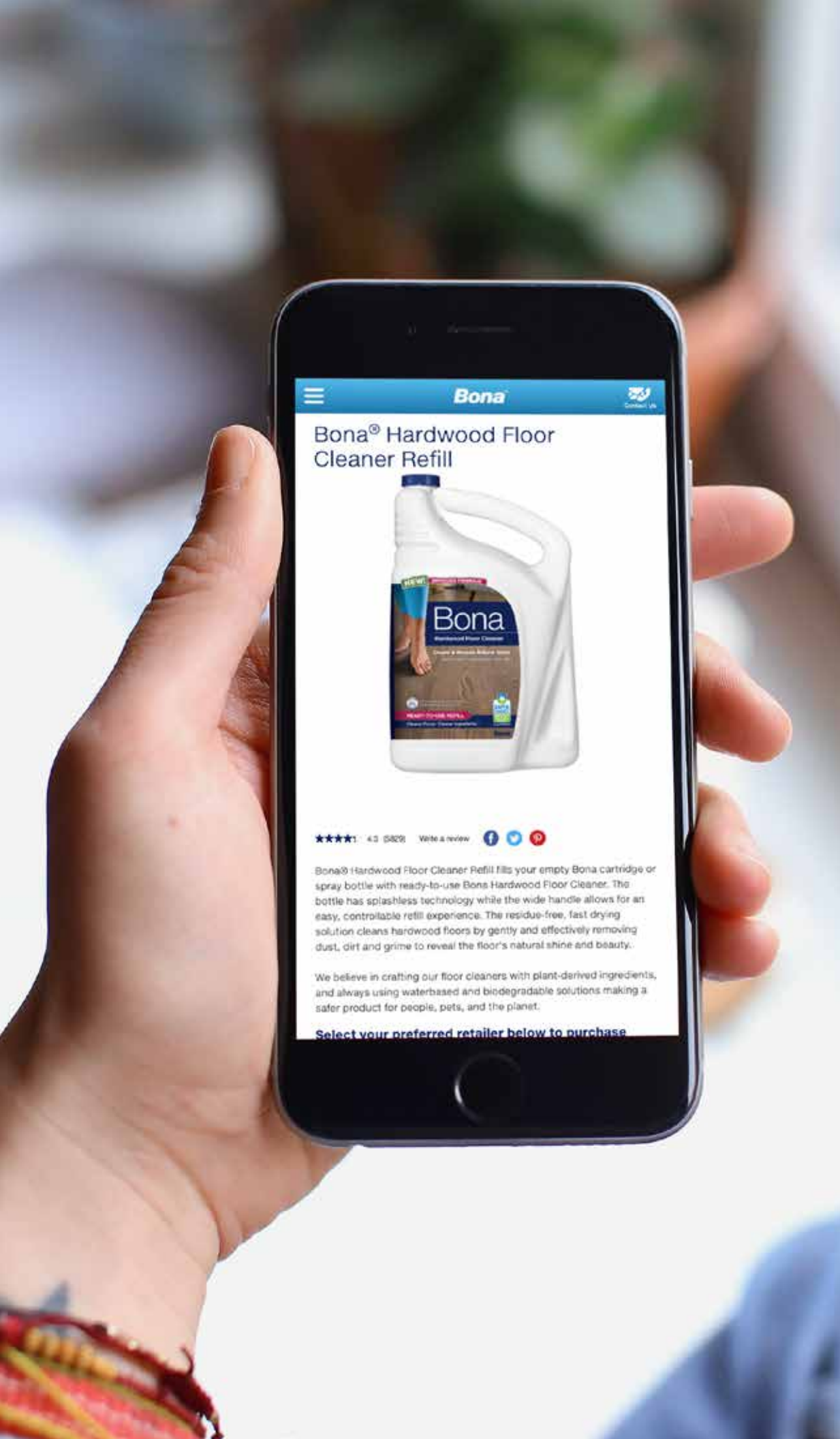
## BONA’S OVERALL POLICIES

The safety, health and environmental (SHE) impact of our products and processes are top priorities for Bona. The overall and most important policy is the Bona SHE policy where we state our commitment towards sustainability aiming to go beyond current regulations in six principals. The principals ensures that Bona always take safety, health, and environmental questions into account in our total value chain and operations.

During 2021 Bona has gone through and developed Bona Group Global policies. They are the guiding principles in important areas and are mandatory to apply for all Bona companies and employees globally. They are annually revised and updated as necessary. Bona Group Global policies includes:

- Sustainability policy
- Innovation policy
- Whistleblowing policy
- Travel policy
- Data privacy policy (GDPR)
- Workplace and Recruitment policy





# OUTLOOK: SUSTAINABILITY FROM A BROADER PERSPECTIVE

To meet tomorrow's demand and needs, it is crucial for Bona to understand the trends that drive development. Here are some of the key trends that affect our industry and Bona's business.

## NEO-ECOLOGY

### *SUSTAINABILITY INSTEAD OF PROFIT MAXIMIZATION*

The neo-economy megatrend is establishing new values that reach into all areas of our everyday lives and politics. The neo-ecology of the future is geared toward new way of consuming.

Increasingly environmental awareness evolves from an individual lifestyle to a social movement and a major economic factor. As a result, the economy is undergoing a fundamental transformation: Instead of growth and profit maximization, tomorrow's economy will focus on the intelligent and sustainable use of resources, resource scarcity, and on the comprehensive common good.

In this megatrend, businesses are challenged to consider sustainability, post-growth, and the common good, rather than focusing solely on maximizing growth and profit. Increasingly, we also see that politics is fueling this trend. For example, the European Commission has adopted the new Circular Economy Action Plan (CEAP) which is tended to initiate the EU's transition to a circular economy.

## THE RISE OF THE CONSCIOUS CONSUMER

More than half of consumers (57 percent) say that they are willing to change their purchasing habits to help reduce negative environmental impact, according to a study of 18,980 consumers in 29 countries. Nearly 8 in 10 respondents indicate sustainability is important for them and are willing to change their shopping habits to reduce environmental impact.\*

Conscious consumers with an increased awareness are growing at an ever-faster pace and are demanding change and transparency. They seek products and brands that align with their values and want to make conscious purchase decisions based on the knowledge of the products impact on the environment.

When consumers today have far more tools at their disposal to research the products, they purchase. This access to information has given informed consumers a voice, empowering them to raise their concerns via social media or write online reviews and hold brands accountable for their actions.

The increasing interest also includes the ethical practices of those they buy from which requires producers to be transparent with the information about supply chains, materials, and processes.

\*Study National Retail Federation with the IBM Institute for Business Value (IBV), 2020

# OUTLOOK: THE NEW CHEMICAL STRATEGY & TAXONOMY DEFINE THE AGENDA

In order to have a rapid pace of change towards a more sustainable world and to achieve the set goals, both global and national, a number of different initiatives are taking place to accelerate this development. Change initiatives are mainly driven by consumers and the market but are also derived from new laws and regulations.

In the US, it is mainly the market that drives the changes and developments. Retailers make demands on their suppliers to initiate and be in control of certifications, standardizations, transparency, and clearly defined sustainability goals. These requirements and regulations are usually not harmonized and may vary and differ.

Unlike the United States, the rapid pace of change in Europe is mainly driven by new laws and regulations initiated by both the EU and domestic policymakers. In 2021, the European Commission presented the new Chemicals Strategy for Sustainability outlining the ambition and objectives for the policy on chemicals in the coming years. The strategy includes, among other things, measures to ban the most dangerous chemicals in consumer products, the phasing out of perfluorinated alkyl substances (PFAS), promoting the concept of safe, non-toxic, and recyclable materials. The aim is to promote the development of safe and sustainable chemicals while phasing out the use of unnecessary problematic substances.

During the year 2021, there has also been a strong focus on the EU's green taxonomy, which entails reporting requirements for climate-related goals that are adapted to various sectors. The companies' increased responsibility for sustainability reporting in accordance with the new taxonomy, will in the first stage contribute to increased transparency in relation to the responsibility and work towards Climate Change Mitigation and Climate Change Adaptation. Bona is closely following the development but according to current guidelines has no reporting requirement in relation to the new taxonomy. However, it is expected that this will change in the near future, and we anticipate to start reporting in 2023.

Björn Johansson, Global Environmental Manager at Bona says,

*“New laws and initiatives to ensure a rapid pace of change are very important and something that we welcome, while it is at the same time posing a major challenge. The new laws, rules, and initiatives that have been introduced are harmonized within the EU, but from a global perspective, there is a great risk that different countries will choose to follow their own regulations and systems, as we have seen previously in regard to various chemical legislation. In order to meet the increased demands of the outside world and the market, Bona, being a global player, will need to require resources, new knowledge, and a new way of organizing and working.”*

Björn Johansson continues,

*“Conflicts of interest can arise among industries and companies when demands for a rapid transition, increased exercise of authorities, interpretations of legislation, and increased administrative burden in relation to the long-term profitability and growth in a global market.”*

Never before has it been this important to cooperate with industries, authorities, and the market to ensure that challenges and obstacles that may arise do not become an obstacle to prioritizing the climate issue.

## UPCOMING TOPICS ON THE PUBLIC AGENDA 2021

- EU Chemicals Strategy for Sustainability towards a toxic-free environment
- Sustainable packaging, systems for collecting and labeling packaging
- The EU Green taxonomy for Climate Change Mitigation and Climate Change Adaptation with goals for different sectors
- Chemical awareness; hormone disturbing, PFAS, preservatives and allergenic substances
- Human Rights due diligence



**BJÖRN JOHANSSON**  
Global Environmental Manager, Bona

# BONA'S SUSTAINABILITY PRIORITIES



Bona's sustainability agenda focuses on three areas:

- Reduce the environmental footprint,
- Sustainable growth through innovation
- Respect for people.

At Bona, future generations are top of mind. It is our responsibility to maintain a sustainable business model that balances the three dimensions of sustainable development: economic, social, and environmental.

Sustainability is not new for Bona. It is part of our history, core to our business model, embedded in our culture and is our foundation for the future.

## BONA'S PERSPECTIVE ON SUSTAINABILITY

At Bona, we structure our sustainability work based on key focus areas of Home, Health, and Humanity. This framework builds on our sustainable priorities and is the foundation of our commitment to a sustainable world, a sustainable business and work life, as well as our commitment to society.

Our three perspectives on sustainability – Home, Health and Humanity – are detailed in the following chapters of this report. We summarize why each area is important to us, how we work with the area, and the progress we made during 2021.



### HOME

Bona's commitment to sustainable development is based on our concern and care for our home—both our planet as well as the home where we live. In this focus area we describe how we take responsible from an environmental perspective.



### HEALTH

Bona's business practices reflect our sustainability commitment. A healthy business means long-term growth including a workplace where employees can thrive. In this focus area we describe how we take responsibility from an economical perspective and our work against corruption.



### HUMANITY

Bona is committed to being a responsible, caring company. We strive to make a difference for communities locally and globally. In this focus area we describe how we take responsibility for social conditions and our employees as well as our work for human rights.

# MATERIALITY AND STAKEHOLDER ENGAGEMENT

The sustainability agenda for Bona takes into account the most important sustainability topics of our business and our different stakeholder groups. By being conscious of the expectations of the outside world, we are mindful of how our journey affects our stakeholders across the globe and enables us to be relevant and continue our sustainable journey.

## BONA’S STAKEHOLDERS AND IMPORTANT QUESTIONS

Bona’s most important stakeholders are customers and consumers, employees, suppliers, authorities, society, and owners.

|                                                                                                              | STAKEHOLDER                                                                                                                                                                                                                                                                                                                          | CHANNELS                                                                                                                                                                                                                                                                                                                              | IMPORTANT QUESTIONS                                                                                                                                                                                                                                                                                    |
|--------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <br>Customers and Consumers | <p>Bona is a global company with customers all over the world. This includes consumers, retailers, distributors, craftsmen, and property managers. Based on our expertise in sustainable floors, we work to strengthen our customers’ business by meeting market demands with innovative and sustainable products and solutions.</p> | <ul style="list-style-type: none"><li>• Relationships</li><li>• Websites</li><li>• Social media</li><li>• Brochures</li><li>• In store</li><li>• Digital technical support</li><li>• E-commerce platforms</li><li>• Training and webinars</li><li>• Third party education and public relations</li><li>• Thought leadership</li></ul> | <ul style="list-style-type: none"><li>• Product quality</li><li>• Safety and Health</li><li>• Solutions</li><li>• Product efficacy, ease-of-use, and reliability</li><li>• Environment</li><li>• Profitability</li><li>• Certifications and validations</li><li>• Human Rights Due Diligence</li></ul> |
| <br>Employees              | <p>Active and committed employees who are involved in the company’s development are a prerequisite for a successful business. We work to create a common set of values and a cohesive culture within Bona.</p>                                                                                                                       | <ul style="list-style-type: none"><li>• ONE Bona dialog</li><li>• Intranet</li><li>• Workplace meetings</li><li>• Development talks</li><li>• Conferences</li><li>• Internal seminars and education</li><li>• Whistleblower system</li><li>• Internal CEO Townhalls</li><li>• Quarterly CEO updates</li></ul>                         | <ul style="list-style-type: none"><li>• Safety and Health</li><li>• Growth Opportunities</li><li>• Environment</li><li>• Labor rights</li><li>• Profitability</li><li>• Common Bona culture</li><li>• Work-Life balance</li><li>• Human Rights Due Diligence</li></ul>                                 |
| <br>Suppliers             | <p>To achieve our ambitious targets, Bona is dependent on good business relationships with our suppliers. By establishing expectations, requirements and engaging in dialog, Bona strives to work with the most innovative and forward-thinking suppliers in the industry.</p>                                                       | <ul style="list-style-type: none"><li>• Conferences</li><li>• Procurements</li><li>• Contract follow-up</li><li>• Collaboration</li><li>• Exhibitions</li><li>• Regular review and assessments</li></ul>                                                                                                                              | <ul style="list-style-type: none"><li>• Quality</li><li>• Safety</li><li>• Health</li><li>• Human Rights Due Diligence</li><li>• Deliveries and delivery security</li><li>• Standardizations and market approval</li></ul>                                                                             |
| <br>Authorities           | <p>Bona collaborates with authorities locally and globally. Authorities of particular importance to Bona are those engaged with the environment, safety, and health of the regions in which we work.</p>                                                                                                                             | <ul style="list-style-type: none"><li>• Trade associations</li><li>• Strategic partnerships</li><li>• Certifications</li></ul>                                                                                                                                                                                                        | <ul style="list-style-type: none"><li>• Regulations</li><li>• Permissions</li><li>• Environment</li></ul>                                                                                                                                                                                              |
| <br>Society               | <p>Bona contributes to society by being involved and engaged in relevant issues. We are also responsive to the changes and needs from our customers audiences, such as property owners, architects, and industry influencers.</p>                                                                                                    | <ul style="list-style-type: none"><li>• Industry organizations</li><li>• Fairs and events</li><li>• Partnerships CEUs, webinars and educational seminars</li></ul>                                                                                                                                                                    | <ul style="list-style-type: none"><li>• Standards</li><li>• Industry standards</li><li>• Attitudes</li><li>• Environment</li><li>• Increased attractiveness for the industry and industry-specific competence</li></ul>                                                                                |
| <br>Owners                | <p>Bona works to create continued value for our owners through responsible business practices and long-term sustainable growth.</p>                                                                                                                                                                                                  | <ul style="list-style-type: none"><li>• Board meeting</li><li>• Annual general meeting</li></ul>                                                                                                                                                                                                                                      | <ul style="list-style-type: none"><li>• Healthy and long-term sustainable company</li><li>• Attract and develop employees</li><li>• Anti-corruption and bribery</li><li>• Digitization</li><li>• Sustainable investments, conversion, efficiency, energy production</li></ul>                          |



## WORK TO SHARE KNOWLEDGE & CREATE ENGAGEMENT

During the year, Bona implemented initiatives to meet stakeholders, create engagement, and share knowledge. The ambition is to contribute to sustainable consumption, through renovation rather than replacement and to create more training session for Bona users.

### ACTIVITIES AND CAMPAIGNS TO MAKE BONA RESILIENT FLOOR OFFERINGS MORE KNOWN

Activities and public relations campaigns in US, Sweden, Denmark, and UK to educate floor owners, customers, authorities, and society on the benefits of Bona's resilient floor offerings.

### SHARE KNOWLEDGE WITH CUSTOMERS AND SUPPLIERS

Continuing Education Unit on hardwood floor installation offered insights for architects and interior designers on the latest adhesive technology, installation techniques, and products - Bona US.

Webinars for the flooring industry across the globe - Bona Global

Seminar at the National Wood Flooring Association presenting the results of the report from Swedish Environmental Research Institute (IVL), that examines on how a circular approach on the Swedish flooring market could contribute to reduced climate impact – Bona US.

Hosting Education and Network Event - Bona Mexico.

### CONTRIBUTION FOR CONSUMERS TO A MORE SUSTAINABLE CONSUMPTION

Launch of floor Visualizer – Bona US.

### SHARE KNOWLEDGE WITH AUTHORITIES AND SOCIETY

Speaking opportunity at FAR by Pontus Cornelius, former President and CEO of Bona., The Swedish Institute for the Accountancy Profession and at The Stockholm Business School – Bona Sweden.

Speaking opportunity at Bioeconomics Parliament 2021 hosted by the Scania Regional Council – Bona Sweden.

# HOW WE CREATE LONG-TERM SUSTAINABLE VALUE

A business model that drives our commitment for a more sustainable world.

Bona's business model is structured to ensure that future growth considers the sustainable perspectives of the environment, economics, and social conditions. It is our responsibility to ensure that Bona's value chain maximizes positive impact and minimizes negative impact. Along the way we implement check points and measurement tools to ensure we are meeting the business goals as well as our sustainability promise.

## WHAT WE DO

Production in-house | Distribution center and warehouses | Distribution waste management in production

Bona's production, distribution and warehousing is largely owned and operated in-house. We have four factories; Malmö, Sweden; Limburg, Germany; Monroe and Pueblo US. Bona distribution centers are in Malmö, Sweden and Limburg, Germany. In the US, Bona use an external distribution center. December 2021 was the launch for a major investment with a new 26,000 square meters/ 280,000 square foot environmental conscious building at Bona facilities in Monroe, North Carolina. The new warehouse building will be completed in autumn 2022.

### HOW WE TAKE RESPONSIBILITY

- Ongoing assessments to reduce negative environmental impacts.
- Training and safety measures to ensure a healthy work environment.
- Streamlining operations and financial management in distribution centers and warehouses for efficiencies.
- Regular review of sustainable transportation alternatives based on each country's infrastructure.
- Reduce waste in own production.
- Investments in sustainable transports with E-trucks.

## THE VALUE WE CREATE

Bona's long-term sustainable business that takes responsibility to create value for different stakeholder groups.

### HOW WE TAKE RESPONSIBILITY

- Bona's approximately 9,800 articles that consider both the environment impact and the user's safety and health.
- Strategic collaborations with industry leaders and the business community regarding the importance of governance issues.
- Strategic partnerships with academia, industry associations, trade groups, and authorities on important industry issues.
- Strategic partnership for third hand validations and certifications.
- Long-term company profit goals without compromising our responsibility for social conditions, personnel, or human rights.
- A drive to be an attractive and engaging workplace.
- Committed to contribute, engage, and strengthen relationships with our communities.
- Engagement with non-profits and NGO organizations to give back.



## RESOURCE INPUTS

Raw material | Water | Energy

At Bona, most of our research and development is conducted in-house. Our approach to innovation means careful selection of raw materials which we then develop and formulate into finished products. This allows us to control the ingredients in our products and inspires the development of more sustainable solutions without sacrificing quality or performance.

### HOW WE TAKE RESPONSIBILITY

- Established and ongoing work striving for more sustainable raw materials with annual internal audits twice a year to ensure progress.
- Reduce the content of volatile organic compounds (VOC) in finished products.
- Regular evaluation of ingredients and raw materials to ensure the most innovative, sustainable formulations are in the market.
- Supplier requirements aligned with Bona Code of Conduct.
- Responsible management of water use.
- Established goals to reduce energy consumption.
- Investments to increase own production of sustainable energy by sun and rock heat for a higher degree of self-sufficiency in renewable electricity.

## OUR OFFERING

Systems | Certification | Training | Service | Support

Bona's system of solutions is a complete range of products, services and support that are offered globally. All Bona's systems and products are developed to be safe and create a minimal environmental impact. As an important part of its business model, Bona offers in-house training and services to ensure those using our products and systems are supported.

### HOW WE TAKE RESPONSIBILITY

- Certification and validation verified by third-party organizations.
- Bona Certified Craftsmen Program ensures the latest knowledge and training is shared with key contractors.
- Training for all professional craftsmen across North America, Latin America, Europe and Asia to ensure that Bona's products and systems are used correctly.
- Reliable and accessible service and support with Bona experts.

# BONA'S CONTRIBUTION TO A SUSTAINABLE DEVELOPMENT

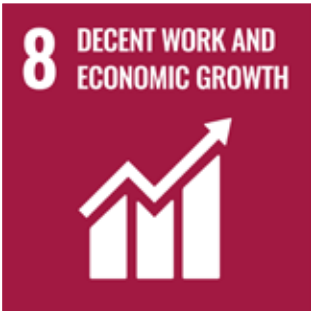
At Bona, we structure our sustainability work based on three key focus areas of Home, Health, and Humanity.

Each focus area is a framework for the sustainable context where we describe our ongoing work and report our overall results on how we contribution to maximize positive impact and minimize negative impact on the sustainable development of the environmental, economic, and social dimensions.

## CONNECTION TO THE GLOBAL GOALS AND THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT

The Sustainable Development Goals provide a common pathway for how we can tackle global challenges and create long-term sustainable development. The goals are largely accepted in society, business, governments, and Non-Government Organizations. As a global company, Bona acknowledges that the best contribution to sustainability is to work where we make the largest impact. Therefore, we have chosen to focus on three of the goals for sustainable development.

## THE SUSTAINABLE DEVELOPMENT GOALS THAT ARE THE MOST RELEVANT AND WHERE BONA CAN MAKE A DIFFERENCE ARE:



### DECENT WORK AND ECONOMIC GROWTH

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.



### INDUSTRY, INNOVATION AND INFRASTRUCTURE

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.



### RESPONSIBLE CONSUMPTION AND PRODUCTION

Ensure sustainable consumption and production patterns.



**HOME**  
Environment



**HEALTH**  
Work against corruption  
Economic



**HUMANITY**  
Social conditions and personnel  
Respect for human rights



A minimalist bedroom with light-colored wood flooring. A child is lying on a bed with a grey duvet, looking towards the camera. To the left, a wooden chair with a light-colored cushion sits on a textured rug. A large window with white curtains is in the background, and a small table with books and a lamp is next to the bed. A potted plant is on a shelf to the right.

# HOME



# BONA'S COMMITMENT TO ENVIRONMENT

Bona's commitment to sustainable development from an environmental point of view is based on our concern and care for our home—both our planet as well as the home where we live.

Bona's most significant contribution to sustainability starts with our lifecycle-based business model that focuses on refinishing rather than replacing hard floor surfaces. We drive change by developing sustainable products and systems that affect the entire value chain.

## CARING FOR OUR PLANET

Based on Bona's long-term goal of minimizing our negative impact on the environment we are constantly assessing the content of our chemical products, our emissions that affect our environment and climate, the life cycle of Bona's products, and the ability to conserve nature's resources.

## CARING FOR OUR SURROUNDINGS

Bona's environmental concerns begin with our products and systems for floor care and maintenance while also extending to those who engage with us. Bona is constantly reviewing the ingredients in our products with a priority for safety and the indoor environment. Bona's pursuit for a more environmentally friendly home is a journey that constantly takes new paths affected by the technological development, innovations, and cultural changes.

## BONA CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS

For the focus area Home, Bona's most relevant contribution is in line with the Sustainable Development Goals 9 and 12.



### INDUSTRY, INNOVATION AND INFRASTRUCTURE

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.



### RESPONSIBLE CONSUMPTION AND PRODUCTION

Ensure sustainable consumption and production patterns.



# BONA'S COMMITMENT TO ENVIRONMENT – PERFORMANCE

| GOAL                                                                                                                                                                                                                                                                             | 2021 RESULTS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | GOAL FULFILLMENT AND COMPARISON TO LAST YEAR'S RESULTS                                                                                                                                                                                                                                                                                                                                                                                                    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>New Goal:</b> Reduce waste by 4% by 2023 in relation to levels from 2020.                                                                                                                                                                                                     | In 2021, Bona's waste reduced by 3,8% compared to 2020 from 75 to 72 kg waste/ton produced.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>Goal on Track to be Fulfilled</b><br>Goal updated 2021 since last measurement period ended 2020. The waste reduction is almost on par with the long-term goal which is due to a large reduction in the factory in Malmö. Production units in Germany and US have during the year increased their waste and actions for improvement needs to be done in 2022 and 2023.                                                                                  |
| <b>New Goal:</b> Reduce energy consumption by 4% by 2023 in relation to levels from 2020.                                                                                                                                                                                        | In 2021, energy consumption increased with 0,3% compared to 2020. From 410 to 412 kWh/ton produced.                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>Goal on Track to be Fulfilled</b><br>Goal updated 2021 since last measurement period ended 2020. The trend for energy consumption is going the wrong way during 2021. It is mainly the production unit in Germany that have used more energy than calculated while the production units in Sweden and US have reduced their numbers. Action for improvement needs to be done. As it is not yet 2023 there is still time to improve to meet the target. |
| Contribute to sustainable consumption, through renovation rather than replacement of: Wood and parquet floors Hard surface floors like resilient, linoleum, PVC, and rubber.                                                                                                     | In 2021 Bona produced finishes, stain and sealers covering 43,117,980 square meters of wood flooring, which is 4,361,004 square meters more than previous year.                                                                                                                                                                                                                                                                                                                                                                                                              | <b>Goal Fulfilled</b><br>2021 production saved 32,129,642 square meters of a 125-year-old forest which is equivalent to 76,713 trees that remain undisturbed. By not cutting down the forest, the same amount trees encapsulates 28,917 tonnes of CO <sub>2</sub> .                                                                                                                                                                                       |
| Continuous evaluation of effective sustainable transport alternatives.                                                                                                                                                                                                           | As part of Bona's development work, we continuously leverage opportunities to streamline even more sustainable transport. In 2021, Bona reduced the transports with 5%. It derives to a project at Distribution Center in Limburg, Germany, to reduce unnecessary transports by streamline process to handle orders to the same customer. As an important part of Bona's broader sustainability journey Bona invested in E-trucks at facility in Limburg, Germany and moved to emission-free vehicles for the transports between two Bona production units in the same city. | <b>Goal Fulfilled</b>                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| The share of recycled, renewable and other non-virgin plastic solutions should be more than 50% of the total plastic usage for packaging by 2025. This would include reduction of amount of plastic used in a package and use of non-plastic materials as a part of the package. | In 2021, the replaced portion of petroleum based virgin plastic was 4,8% for Bona's plastic packaging. The replaced part consisted in all cases but one by recycled plastic. In the separate case the savings was made by reduced packaging weight.                                                                                                                                                                                                                                                                                                                          | <b>Goal on Track to be Fulfilled</b><br>Improvement with 1,4 percentage points from last year's result that was 3,4%. Large increase is expected during 2022 as preparatory work have been done during 2021.                                                                                                                                                                                                                                              |
| Internal audit twice a year to evaluate and ensure that Bona strives towards more sustainable raw materials.                                                                                                                                                                     | In 2021, four internal audits were performed; <ul style="list-style-type: none"><li>• 2 in Sweden</li><li>• 1 in Germany</li><li>• 1 in US</li></ul> The audits include the topics raw material approvals, phasing in/out chemicals, work environment and possibilities for sustainability improvements.                                                                                                                                                                                                                                                                     | <b>Goal Fulfilled</b><br>Improvement with two internal audits in 2021 compared with 2020.                                                                                                                                                                                                                                                                                                                                                                 |
| <b>New Subgoals 2021: Greener Chemistry</b><br>1. 100% risk-assessed new raw materials<br>2. Performed audits of relevant existing raw materials; 2 in Sweden, 1 in Germany, 1 in US<br>3. ≥ 80% phase out activities in the plan for 2021 shall be executed                     | <b>Outcome in 2021</b><br>1. <b>Fulfilled</b> - 100% risk-assessed new raw materials<br>2. <b>Fulfilled</b> - Performed audits of relevant existing raw materials; 2 in Sweden, 1 in Germany, 1 in US<br>3. <b>Not Fulfilled</b> - The phase out activities in 2021 was 25% (1 out of 4). Phase-out activities were delayed due to issues with raw materials availability.                                                                                                                                                                                                   | <b>Goals Partially Fulfilled</b><br>Goal updated 2021. With three new sub-goals. Comparison of goal development therefore not possible.                                                                                                                                                                                                                                                                                                                   |



# PRIMARY RISKS, RISK MANAGEMENT AND RELATED POLICIES

## PRIMARY RISKS

The primary environmental risk for our work are identified to:

- Excessive use of the Earth's resources.
- Hazardous chemicals in products, environment, and work environment.
- Accidents related to facilities.
- Emissions from fossil fuels during transport.
- Emissions from of our supply chain.
- Packaging and use of plastic.
- Pollution of our environment both local and global.
- Raw materials with possible negative impact on environment and biodiversity.

## RISK MANAGEMENT

Risk management to handle risks are governed by:

- The Safety, Health and Environmental (SHE) impacts of our products and processes are top priorities for Bona. The Safety, Health and Environment (SHE) policy stipulates how SHE impacts always must be prioritized in all Bona processes and in our in our product development.
- Closed production system and specific contingency plans for each production unit. Annual risk evaluation.
- In the US, membership in Smart-Way prioritizes more efficient transports when possible.
- Bona's strategic initiative for 2023, with goals to strengthen our leadership and premium brand position in all markets and target groups where we operate.

## BONA POLICY RELATED TO GOALS

- Bona Group Code of Conduct describes expected behavior for all employees regarding environmental aspects.
- Research and development policy with guidelines that prioritize sustainability and life-cycle aspects in the development of new products and raw materials.
- Product labeling and safety data sheets.
- Bona Group Global Policy, which for instance includes Bona Sustainability Policy. They are all mandatory and apply to all Bona companies and employees globally.



# INITIATIVES & CONTRIBUTIONS DURING 2021

## FOR A SUSTAINABLE DEVELOPMENT ON ENVIRONMENT



### OUR CARE FOR EARTH'S RECOURCES

In 2021 Bona produced finishes, stain and sealers covering 43,117,980 square meters of wood flooring, which is 4,361,004 square meters more than previous year. 2021 production saved 32,129,642 square meters of a 125-year-old forest which is equivalent to 76,713 trees that remain undisturbed. By not cutting down the forest, the same amount trees encapsulates 28,917 tonnes of CO<sub>2</sub>.

### INVESTMENT IN GEO-ENERGY

Geo-energy is a renewable energy method where energy stored in the ground is used to heat a facility. In 2021 Bona invested SEK 4.5 million in a geo-energy system for the production unit in Malmö, Sweden. Twenty-four reservoirs will be dug 340 meters into the ground where a collection pipe that contains a coolant will transport heat from the bedrock to a heat pump where it is converted into heat and hot water. The new collector system is expected to provide 795 MWh of the total 3,700 MWh of electricity, district heating, and biogas used by the Malmö facility in one year. With the new investment, Bona Sweden will operate at an estimated 25 percent exclusively on solar and geo-energy, reducing the company's vulnerability to fluctuations in the energy market and contributing to a reduced climate footprint.

### FIRST ELECTRIC TRUCK IN GERMANY

In 2021 Bona purchased an electric truck (or E-truck) for its facility in Germany offering an emission-free transport system. The battery-electric truck, which was purchased from the Scania P series, will act as a city shuttle, making multiple trips a day from the production plant in the south of the city to the distribution center in the north, just under six kilometers away. Approximately 21 euro-pallets can be accommodated in the loading area on each tour. Because Bona's Limburg facility is equipped with solar panels, the new Scania truck will be fueled by green electricity generated by a powerful photovoltaic system on the roof of the large hall. With Bona's new emission-free truck it can make a valuable contribution in Limburg to lower nitrogen dioxide levels and to global decarbonization.

# INITIATIVES & CONTRIBUTIONS DURING 2021

## SUSTAINABILITY DEVELOPMENT FOR THE ENVIRONMENT



### SAFER CHOICE CERTIFICATION AND WINNER OF THE SAFER CHOICE PARTNER OF THE YEAR AWARD

Bona achieved a milestone in its quest for safer ingredients in its floor maintenance products when the company received Safer Choice Certification from the Environmental Protection Agency. Six of Bona’s cleaning products available in North America received the certification which is widely recognized as one of the premier certifications to ensure that the products contain ingredients that are safer for both human and environmental health while also lowering the risk to children and adults from hazards like cancer, neurotoxic and developmental effects.

Since becoming a Safer Choice partner in 2020, Bona has certified 13 products and reformulated more than 90 percent of its current line of floor cleaning and maintenance products for Safer Choice certification. In 2021 Bona was recognized as Safer Choice Partner of the Year a designation that recognizes companies that have shown a commitment to pollution prevention by reducing, eliminating, or preventing pollution at its source prior to recycling, treatment, or disposal.

### SHIFT TO 90 PERCENT PCR IN MICROFIBER PADS

In 2008 Bona introduced its Bona Spray Mop and Microfiber Mop. Since this launch, Bona has innovated more sustainable elements like refillable cartridges and machine washable microfiber pads. Part of Bona’s goal in evolving this product is to use less virgin plastic and more post-consumer recycled (PCR) material. This year, Bona made an important change to the microfiber pads by including 90 percent PCR material. Bona is helping divert over 434,000 lbs. (217 tons) of plastic waste from being incinerated or going to landfills by making the pads out of 90 percent post-consumer resins. The new pads will have the same quality, function, and durability as the previous Bona pads. Additionally, Bona has begun to offer replacement parts for the mop. On occasion, the head of the mop can break. Rather than replace the entire mop, Bona can now replace only that part of the mop saving broken mops from ending up in landfill.

# INITIATIVES & CONTRIBUTIONS DURING 2021

## SUSTAINABLE DEVELOPMENT FOR THE ENVIRONMENT



### MAJOR SAVINGS WHEN CHANGING PACKAGING

When it comes to packaging, there are several challenges to consider in regards to development and proactive decision-making. Various parameters must be evaluated - from user requirements and market requirements to aspects that safeguard quality, safety, and the environment.

Five years ago Bona moved its adhesive product from buckets to a tube packaging called “sausages”. In 2021 Bona saved CO<sub>2</sub> by using sausages rather than buckets and over the past five years Bona has avoided using 258,810 buckets which is a CO<sub>2</sub> savings of 243,281 kg. Additionally, moving to the sausage packaging saves waste. While a bucket can mean dried, unusable, or leftover adhesive (up to 1 kg per bucket) a sausage uses almost all of the product. A savings of 776,430 € for the years 2016-2021.



### INITIATIVES TOWARDS GREENER CHEMISTRY

In the 1970s Bona innovated the first waterborne finish, a revolutionary product for the industry. Since then, the company has continuously worked to phase out unsuitable chemicals. A systematic work according to Bona’s concept called Greener Chemistry.

The goal is for more than 90 percent of Bona’s raw materials to be categorized as green according to Bona’s system for Greener Chemistry, and for Bona Sweden this goal has been met. But the Greener Chemistry concept needs to be further strengthened and has therefore been upgraded with new goals in 2021.

All Bona’s products on the global market are safe for the intended use, taking into account the environment and user, and meet all existing legal requirements and standards. But the work continues for Bona with work to improve our formulas and products. In 2021, Bona worked extensively from a global perspective to develop a phase-out plan with a priority list that includes unwanted raw materials in products that Bona buys or that Bona manufactures. This phase-out plan has initiated several projects with timed objectives for listed raw materials and products. New requirements from the EU’s new Chemical Strategy and Bona high ambition drives the development work which consider both a chemical- and business assessment. Work is done cross boarder as well as cross functional and involve Research and Development, Product Management and Environmental Department reporting to Bona General Management.

The prioritized projects will continue in 2022 and will contribute to goal fulfillment for Bona’s three sub-goals, which means that Bona will work annually to achieve 100% risk-assessed new raw materials, in four audits of relevant existing raw materials (two in Sweden, one in the US, one in Germany) and ≥ 80% phase out activities in the plan for 2021 will be executed.



# A CLEAR AGENDA FOR LOWER CLIMATE FOOTPRINT DELIVERS RESULTS

## ANDERS KARSTENSSON

Managing Director – Bona Sweden AB

In Sweden, there is a legal requirement for large companies to carry out an energy audit at least every four years. It forms the basis for optimizing and streamlining the company's energy consumption and contributes to achieving national energy and climate goals. Bona Sweden conducted its first energy audit in December 2015, which also became an incentive for the company to initiate several different projects to improve energy efficiency and to integrate a larger share of renewable energy.

As early as 2010 Bona instituted a systematic and long-term focus to reduce the overall climate footprint from production units in Malmö. The company set clear goals with the aim of reducing energy use and waste in production. Since then, Bona has invested in a number of different energy efficiency measures, implemented initiatives to reduce energy consumption in production and properties, and invested infrastructure improvement. Bona has also made major investments to produce renewable energy with solar and geo-energy.

### STREAMLINING MEASURES THAT SHOW RESULTS

The various energy efficiency measures implemented at Bona Sweden has led to a result exceeding the set goals. Between 2015 and 2020, the total energy

consumption per ton produced (kWh/ton produced) decreased by 17 percent compared to 5 percent target for Bona Sweden. The 2023 goal for Bona Sweden is to reduce its energy consumption per ton by another 5 percentage points. Bona Sweden is at the forefront and has set its own individual national goals that are higher than for Bona as a whole.

From an industry perspective, Bona meets high standards for its energy-efficient manufacturing process. When SVEFF, the industry association for Sweden's Paint and Adhesive Entrepreneurs, conducts annual measurements, Bona's energy consumption in kWh per ton produced is below the industry average. In the production of intermediate goods, such as paints and adhesives, the industry has fallen by 10 percent in the survey in 2020 compared with 2015. Bona has reduced energy consumption by as much as 18 percent during the same time period.

Anders Karstensson, Managing Director, Bona Sweden, responsible for the energy efficiency work, says, *"At Bona, we have an innovative and open-minded culture. Our employees contribute with suggestions and ideas for improvement, which helps us get better and more efficient. Bona's ability to make these significant changes to energy savings is possible thanks to Bona's*

*commitment to sustainability and the board and leaderships team's willingness to invest long-term."*

### MEASURES BONA SWEDEN

- Conscious choice with purchase green electricity, district heating and biogas with a total of 3,700 MWh in 2021.
- Investment (2021-2022) in geo-energy with 24 collectors that are expected to generate 795 MWh when in operation. This corresponds to 20 percent of Bona Sweden's annual energy consumption of 3,700 MWh.
- Investment (2018-2019) in 921 solar panels to an area of 1515 square meters that during 2021 produced 188 MWh green electricity. This corresponds to a self sufficiency rate of approximately 8%.
- Installation of heat pumps.
- Control of lighting.
- Switching to LED lighting in warehouses and office areas.
- Additional insulation of properties and replacement of windows.
- Charging stations for electric cars.
- Fractionation / sorting of waste.
- Continuous review of other packaging options.



HEALTH



**BONA’S COMMITMENT TO A HEALTHY BUSINESS WITH HIGH ETHICAL STANDARDS AND RESPECT FOR HUMAN RIGHTS**

Bona’s commitment to sustainable development regarding our business is based on our financial and ethical responsibility with respect for human rights.

**CARE FOR SUSTAINABLE BUSINESS GROWTH WITH HIGH ETHICAL STANDARDS AND RESPECT FOR HUMAN RIGHTS**

Bona maintains a commitment for long-term success and growth without compromising our responsibility for social conditions, ethical standards, and human rights. By keeping our business healthy, it enables the company to move in the right direction.

Bona is working towards Vision 2023, a plan based on 10 strategic initiatives to holistically grow our business based on sustainability, innovation, and customer-driven development. The vision states ambitious annual goals with 10 percent organic growth, 10 percent profit, and 10 percent dedicated to new initiatives. Maintaining a robust business ensures that we meet financial goals and adapt to a changing world. With a strong business foundation, we can make investments in research, education, and technology.

Bona’s Code of Conduct are the ethical business principles that ensure our growth occurs in a responsible and ethical manner adhering to social and ethical standards. We believe that respect for human rights starts with us. Therefore, we have zero tolerance for harassment or discrimination. The Code of Conduct set the standard for evaluation of the supply chain on major suppliers on the basis of number of objective factors including Safety, Health and Environmental aspects and respect for fundamental human rights.

**BONA CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS**

For the focus area Health, Bona’s most relevant contribution is in line with the Sustainable Development Goals 8 and 9.



**DECENT WORK AND ECONOMIC GROWTH**

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.



**INDUSTRY, INNOVATION AND INFRASTRUCTURE**

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.



## BONA'S COMMITMENT TO A HEALTHY BUSINESS WITH HIGH ETHICAL STANDARDS AND RESPECT FOR HUMAN RIGHTS – PERFORMANCE

| GOAL |                                                                                               | 2021 RESULTS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | GOAL FULFILLMENT AND COMPARISON TO LAST YEAR'S RESULTS                                                                                                                                                                                                                                                                                                                                                                                                       |
|------|-----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|      | All employees shall undergo training in business ethics and anti-corruption every third year. | <p>All new employees have received training over a three-year period. In 2021, Bona ONE Dialogues where business ethics and anti- corruption is part of the format, were performed by:</p> <ul style="list-style-type: none"><li>• 100% EMEA</li><li>• 0% US</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <p><b>Goals Partially Fulfilled</b></p> <p>Ambition level set in 2020 that all Bona employees will participate in Bona ONE Dialogues is not fulfilled in US. This is due to corona restrictions in US.</p>                                                                                                                                                                                                                                                   |
|      | Continuous evaluation of Bona suppliers.                                                      | <p>All Bona's current suppliers are evaluated continuously every third year. Documentation is stored in Framework. During 2021, 128 suppliers were evaluated.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <p><b>Goal Fulfilled</b></p> <p>The goal fulfillment is on same level as last year.</p>                                                                                                                                                                                                                                                                                                                                                                      |
|      | More than 50% of Bona's gross margin is to come from new products.                            | <p>In 2021 43% of Bona's gross margin came from new products, as meant here, commercialized products during the past 5 years (2017-2021). During 2021 there were three product categories that achieved higher than 50% gross margin from new products: Consumer Care products, Do-It-Yourself renovation products, and Industrial Coatings. Development in 2021 for following product categories was as follows:</p> <ul style="list-style-type: none"><li>• Consumer Care products, increase with 7% from 72% in 2020 to 79% in 2021.</li><li>• Adhesives, increase with 15% from 34% in 2020 to 49% in 2021.</li><li>• Fastening, increase with 34% from 15% in 2020 to 49% in 2021.</li><li>• Finishing decreased with 1% from 20% in 2020 to 19% in 2021.</li></ul> | <p><b>Goal Not Fulfilled</b></p> <p>Despite the increase of 1% in 2021 compared to previous year, the target has not been fulfilled.</p>                                                                                                                                                                                                                                                                                                                     |
|      | Costs related to problems with quality must not exceed 0.5% of sales.                         | <p>In 2021 cost related problems with quality was 1% of sales.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <p><b>Goal Not Fulfilled</b></p> <p>The quality control increased with 0,5% from last year's result.</p>                                                                                                                                                                                                                                                                                                                                                     |
|      | Increase sales of Bona Dust Containment System                                                | <p>This is an increase of 12,5% compared to previous 10-year period. Of the 8,490 units 53% are high-performance units that filters 98,8% of the airborne dust from hardwood floor sanding. In 2021 Sales of the high-performance units decreased by 1,9% from previous year. Between 2012 and 2021 Bona sold 8,490 Dust Containment units.</p>                                                                                                                                                                                                                                                                                                                                                                                                                          | <p><b>Goal Fulfilled</b></p> <p>In 2021 Bona had an increased sale of the complete Bona Dust Containment fleet with 11,6% compared to year before. And during a 10-year period Bona increased sales in this category with 12,5%. This shows that there is an increased awareness amongst contractors for airborne dust contamination. However, compared to last year's result, sales of the high-performance units decreased by 1,9% from previous year.</p> |



# PRIMARY RISKS, RISK MANAGEMENT AND RELATED POLICIES

## PRIMARY RISKS

The primary risks from a financial point of view with respect for business ethics and human rights are identified to:

- Improper business ethics with behavior such as bribery or incident of corruptions.
- Improper use of products.
- Damage during the production process or in other parts of the value chain.
- Unhealthy working environment, exposure to dust or toxic chemicals.
- Discrimination or harassment at the workplace.
- Not adequately fulfilling laws and regulations as for instance the coming Human Rights due Diligence directive or the EU Taxonomy regulation.

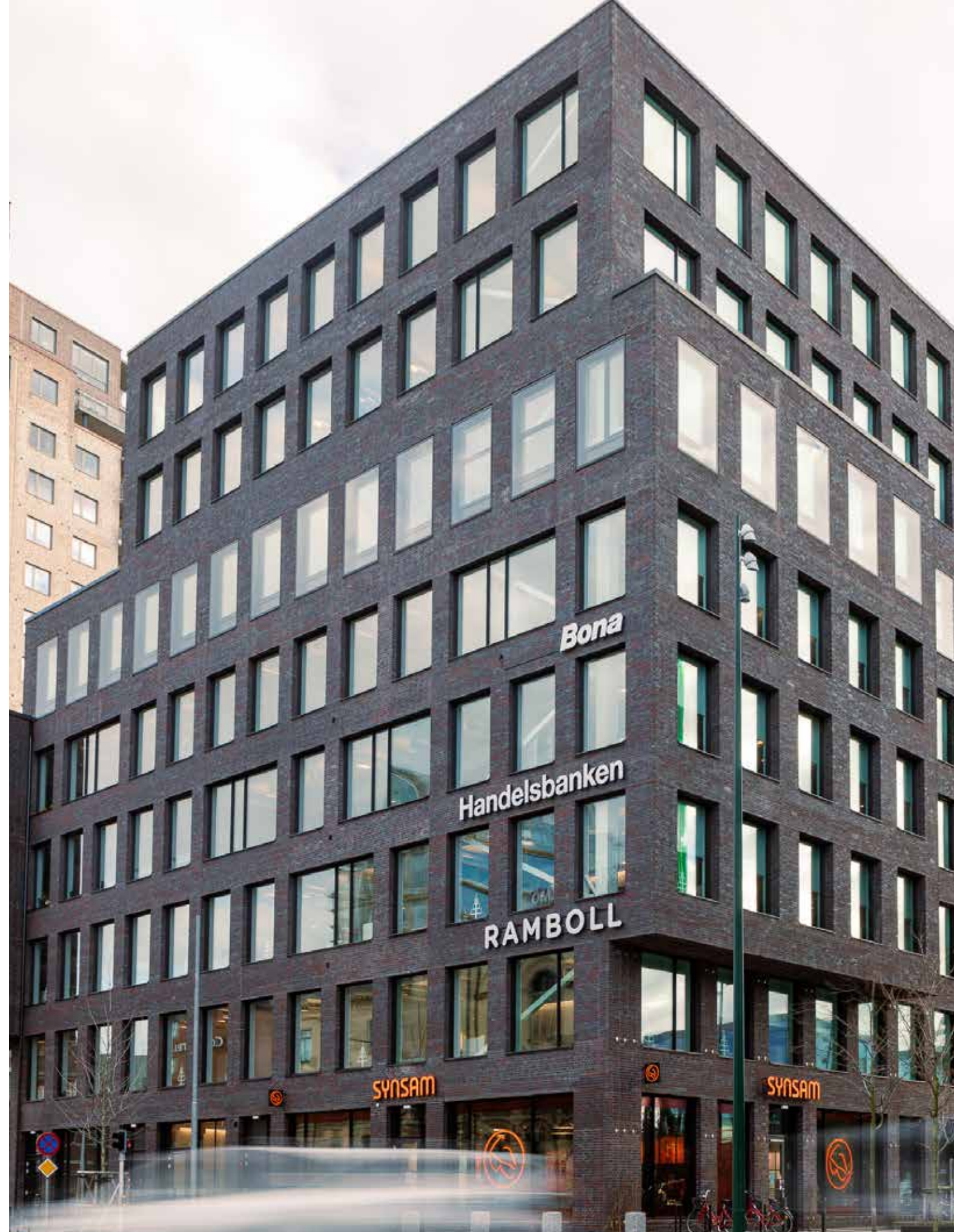
## RISK MANAGEMENT

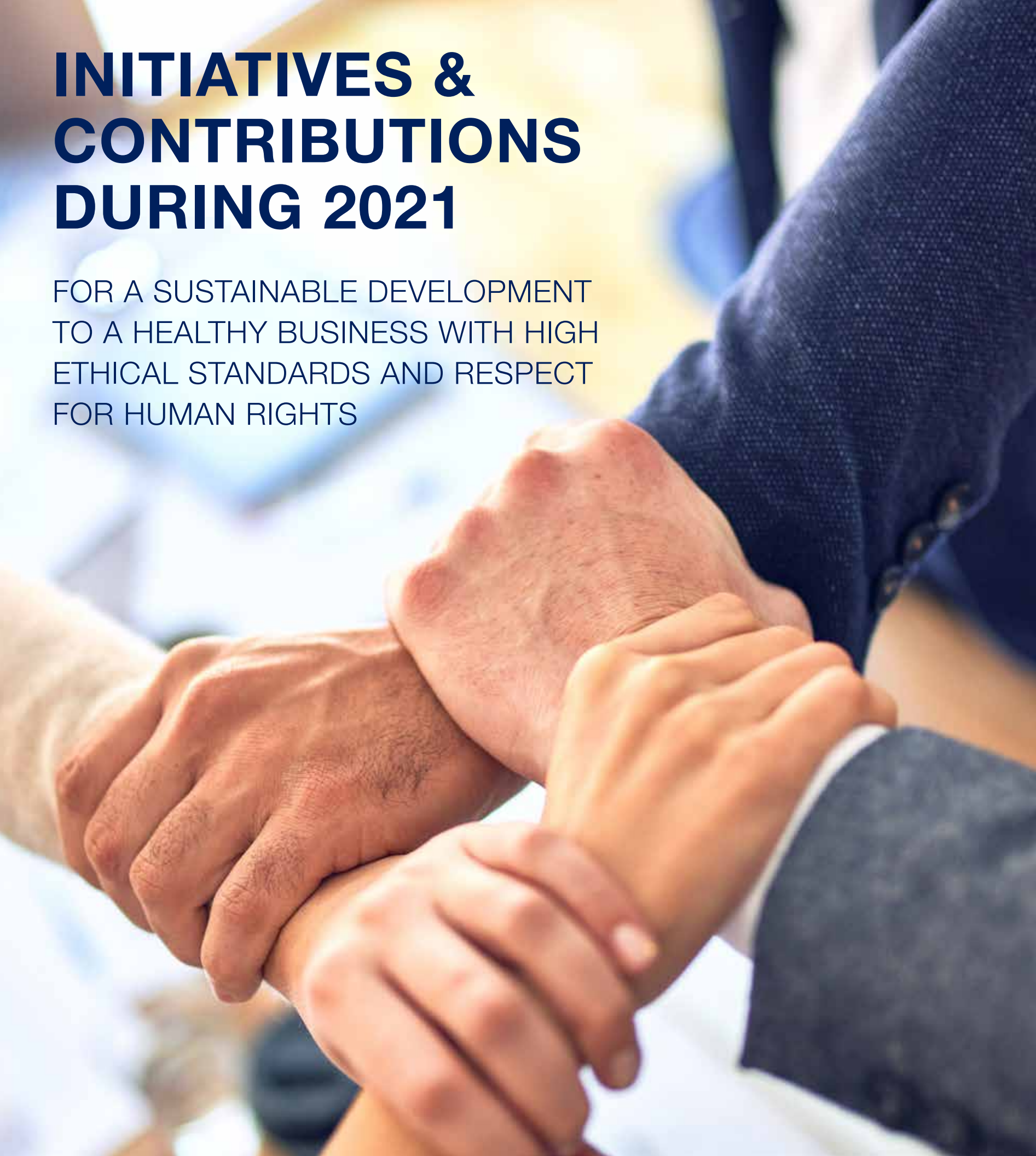
Risk management to handle risks are governed by:

- The Safety, Health and Environmental (SHE) impacts of our products and processes are top priorities for Bona. The Safety, Health and Environment (SHE) policy stipulates how SHE impacts always must be prioritized in all Bona processes and in our in our product development.
- Bona's strategic initiative for 2023, with goals to strengthen our leadership and premium brand position in all markets and target groups where we operate.
- Bona Group Code of Conducts with guidelines for business ethics in operational management and stakeholder relationships.
- External whistleblower function for reporting serious incidents. All reported cases are handled according to established process.

## BONA POLICY RELATED TO GOALS

- The Bona Group Code of Conduct describes expected behavior for all Bona employees in all positions, in all markets and at all times. We expect suppliers, sales agents, and other business partners to respect the principles set out in our Code of Conduct and encourage them to adopt similar business principles.
- Research and development policy with guidelines that prioritize sustainability and life-cycle aspects in the development of new products and raw materials.
- Product labeling and safety data sheets.
- Bona Group Global Policy, which for instance includes Bona Sustainability Policy, Pricing Policy, Innovation Policy, Gift and Entertainment Policy, Whistleblowing Policy and Data Privacy Policy. They are all mandatory and apply to all Bona companies and employees globally.





# INITIATIVES & CONTRIBUTIONS DURING 2021

FOR A SUSTAINABLE DEVELOPMENT TO A HEALTHY BUSINESS WITH HIGH ETHICAL STANDARDS AND RESPECT FOR HUMAN RIGHTS

## RAPID DECISION TO REDUCE PRODUCT RANGE HAS PROVEN SUCCESSFUL

When the shortage of goods and raw materials became apparent in 2021, Bona made a quick strategic decision to reorganize and temporarily reduce the number of products in its offering based on demand and profitability. During the year, Bona reduced its product portfolio from 10,400 to 9,800 products. The ability to quickly act and adjust proved successful, as Bona has been able to maintain the production of the most sought-after products and meet market demand. Entering year of 2022, the problem with raw material shortage and lack in supply chain is still a challenge to deal with.

## INITIATIVES FOR SUSTAINABLE ECONOMIC DEVELOPMENT

Bona aims to be a long-term and profitable company, without compromising the company's responsibility for the environment, personnel, social conditions, or human rights. Bona has established a 10-point strategic initiative, Vision 2023, that strives for holistic growth based on sustainability, innovations, employee growth, and customer-driven development. The vision has ambitious annual goals with 10 percent organic growth, 10 percent profit, and 10 percent growth through new initiatives.

In 2021, Bona had organic growth of +2,6 percent measured in nominal SEK. Measured at comparable exchange rates, on the other hand, growth is +10.9 percent. Bona's net sales in 2021 were SEK 3.2 billion, compared with SEK 3.1 billion the previous year. Bona's total sales through new initiatives reached 15.6 percent in 2021.

## BONA INVESTS IN NEW DISTRIBUTION CENTER

Bona invested approximately \$26M to purchase 35 acres adjacent to the existing facility in Monroe, North Carolina and build a new, 26,000-square-meters/ 280,000-square-foot building as a add on to its existing facility. The new in-house warehouse operation supports the company vision to create more efficient operations and increase internal capabilities. It will also allow Bona US to operate in a more environmentally friendly way by reducing its carbon footprint. The building will use environmentally conscious elements including the installation of Thermoplastic Polyolefin (TPO) roofing material that is heat reflective, energy efficient and will lower cooling costs due to UV resistance. It will also use energy efficient LED lighting, and equipment, such as forklifts, will run on lithium batteries. The building will also be primed for electric charging stations. Bona expects the building to be completed in autumn 2022 and is planning to hire approximately 100 employees to staff the new facility.

**LAUNCH OF NEW ERGOEDGE UPRIGHT SANDING MACHINE ATTACHMENT**

During 2021 an innovative ergonomic tool was launched as a new addition to the Bona FlexiSand Pro System. The Bona ErgoEdge is a machine attachment that allows flooring contractors to achieve smooth, efficient sanding in corners and edges of a floor without kneeling or bending by attaching to an existing, standing machine. This innovation saves time and offers a more ergonomic experience for the contractor all while providing a premium floor sanding experience.



**LAUNCH OF NEW PRODUCTS SAFE FOR BOTH PLANET AND PEOPLE**

In 2021 Bona released several new products all of which were formulated with Bona’s commitment to greener chemistry and are safe for people and the planet.

In October, Bona US launched Bona Hardwood Floor Cleaner -- Hard-Floor Cleaning Formulation features with two different scents, Cedar Wood and Lemon Mint. Both formulations are waterbased, biodegradable and meet the U.S. EPA product standards and is Safer Choice Certified for containing ingredients that are safer for people, pets, and the planet.

Another launch was Bona Traffic HD Raw that creates an easy-to-apply, highly durable, and ultra-matte topcoat meeting contemporary trends. Bona Traffic HD Raw has an excellent natural look showing great durability in terms of wear, scuff, and chemical resistance. Even if the lacquer is almost invisible, it’s there, assuring long-lasting protection of the wood floor. Like all Bona Traffic HD products, Bona Traffic HD Raw is a two-component waterborne lacquer that is EC1 PLUS and GREENGUARD Gold certified for indoor air quality.

**PREPARATIONS FOR A DIGITAL SHIFT**

As more of the world shifts to be digital we know the future will rely on a strong strategy and foundation. In order to prepare Bona’s digital transformation, in 2021 Bona appointed a Digital Board that will oversee all IT and digital projects such as hardware and software platforms, web and e-commerce projects and IT security.

**INTERNAL WORK FOR STREAMLINED GLOBAL PROCESSES**

Bona strives to leverage the best internal processes and streamline the way to work. In Project Clarity, Bona analyzed the company’s processes and the ways collaboration was occurring within the global structure. Important aspects to analyze was the organizational affiliation for different projects, responsibilities and key owners, best team composition based on roles, responsibility, and competence in a global context. The result showed that in many areas Bona was working productively and efficiently but some areas need more examination or review. Project Clarity’s second phase has now started where Bona will dive deeper in purpose to bring forward streamlined globally processes with aligned policies, responsibility, mandate, and new team members for different Bona global projects. With this overview, Bona strives to be a sustainable workplace where employees thrive and develop and to Bona ensure business efficiency and growth.

**BONA ONE DIALOG FOR AWARENESS OF BUSINESS ETHICS AND ANTICORRUPTION**

The ONE Bona dialogues started in a new format in 2020 as a systematic way to ensure a common value and culture with employees around the world. All new employees have received training over a three-year period. Since the ONE Bona dialogues began in 2020, business ethics and anti-corruption is part of the format. During the past two pandemic years the dialogues have mostly been digital and since they started most, but not all Bona employees participated in the dialogue.

In 2021 Bona Code of Conduct was updated. The new version was communicated on the company Intranet and managers were encouraged to have employee conversations and ensure compliance.





# THE ABILITY TO **ACT FAST** IS A SUCCESS FACTOR

## **BJÖRN SAALBACH**

*Senior Vice President – Product Management, Bona*

In 2021, the effects of the pandemic were extensive on the global market and had a major impact on Bona. Global value chains were broken, suppliers disappeared, and shortages of raw materials made it harder to develop products and meet market demands. The year was also marked by global shipping problems with a lack of transport container availability, mainly from Asia. This led to companies having problems with the supply of input goods that lead to production stoppages and longer delivery times. The global raw materials shortage also had a major impact on product prices.

Bona worked to navigate these unprecedented supply challenges. In order to reduce vulnerability, Bona made an early strategic choice to temporarily reduce the number of products in the product portfolio based on demand and profitability. This ensured Bona only produced its most in-demand products on the market. The quick shift was possible because of Bona's close control of the entire value chain, exceptional cross-functional co-operation, and in-house R&D. It also allowed the company to quickly deal with chemical reformulations and new assessments of Bona's products. At the end of 2021, when access to raw materials

improved, Bona was once again quick to adjust and reintroduce a number of items to the market and restock the warehouses to reduce vulnerability in the future.

Björn Saalbach, Senior Vice President - Product Management at Bona says, *"The ability to make quick changes and filter our large range of products made a big difference in our ability to streamline our processes. This was a big shift within the company and it took the entire team to make it happen including our committed employees and our long-term, strong relationships with suppliers, distributors, and partners."*

Due to the significant increase in the cost of goods and transport, Bona raises prices in 2021 across all market segments; homeowners, professionals and industrial manufacturers. Despite this, Bona has not lost any significant market shares but remains competitive in the global market. Entering year of 2022, the problem with raw material shortage and lack in supply chain is still a challenge to deal with.



HUMANITY



## BONA'S COMMITMENT TO **PERSONNEL & SOCIAL CONDITIONS**

Bona's commitment to our employees and for a sustainable societal development is based on our commitment to be a responsible, caring company.

### **CARING FOR OUR EMPLOYEE'S HEALTH AND WELLBEING**

Bona's most important and significant resource is our employees, and we strive to be a sustainable workplace where employees thrive and develop. One of our most important responsibilities as an employer is to ensure that everyone is safe, secure, and healthy. Another important effort for increased security and safety is Bona's digital training, which educates both employees and craftsmen. The digital trainings open opportunities for education in different areas and ensure that Bona's products are used correctly and safely.

We believe that respect for human rights starts with us. Therefore, we have zero tolerance for harassment or discrimination. We are committed to equal pay for equal work and offer the opportunity to negotiate salaries. In addition to competitive benefits for employees including salary, health benefits, retirement planning, and more, Bona's employees are given the opportunity for professional development. Bona's ability to attract skilled and committed employees is crucial to driving development in accordance with strategic plans and achieving our goals.

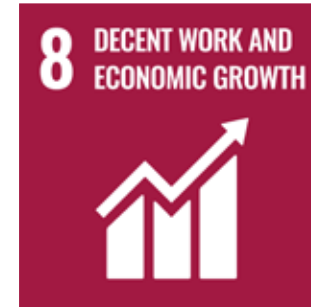
### **COMMITMENT TO SOCIETY AND CARING FOR OUR COMMUNITIES, LOCALLY AND GLOBALLY**

Bona's most significant contribution to society is the local job opportunities we create as well as the tax revenues we contribute. However, Bona strives for more. We hope to impact our communities in a positive way by engaging and giving back. That's why we are involved in various community initiatives and charity projects where we hope even the small initiatives make a greater impact to fight poverty and contribute to a better world.

Bona believes that sustainable social development takes place in collaboration with others, including the academic and research sectors. Our goal is to take a clearer role in raising awareness and influence through the dissemination of knowledge and expertise. Bona is also anticipating the future gap between the skills needed in the flooring market and the demand for these skills. To inspire and encourage higher education within technology and chemistry.

### **BONA CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS**

For the focus area Humanity, Bona's most relevant contribution is in line with the Sustainable Development Goals 8 and 9.



#### **DECENT WORK AND ECONOMIC GROWTH**

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.



#### **INDUSTRY, INNOVATION AND INFRASTRUCTURE**

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.



BONA'S COMMITMENT

TO **PERSONNEL & SOCIAL CONDITIONS – PERFORMANCE**

| GOAL |                                                            | 2021 RESULTS                                                                                                                                                                                                                               | GOAL FULFILLMENT AND COMPARISON TO LAST YEAR'S RESULTS                                                                                                                                                                                                        |
|------|------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|      | Continuously create more training session for Bona users.  | In 2021 Bona moved training to a new more dynamic platform. During the year, Bona added 471 pieces of that resulted in 135,000 views and 3,500 engagements from users, which include Bona Global colleagues and U.S. BCCP contractors.     | <b>Goal Fulfilled</b><br>Comparison to last year's result is not possible due to a new implemented platform during 2021.                                                                                                                                      |
|      | Zero work-related accidents.                               | In 2021, 14 work-related incidents were reported: <ul style="list-style-type: none"> <li>2 in Sweden</li> <li>6 in Germany</li> <li>6 in US</li> </ul>                                                                                     | <b>Goal Not Fulfilled</b><br>Since 2020 the work-related incidents have reduced with five incidents. From 19 reported cases in 2020 to 14 reported incidents in 2021.                                                                                         |
|      | All employees shall have an annual development discussion. | In 2021, goal partially met. annual development discussion was performed as follows: <ul style="list-style-type: none"> <li>100% in Sweden</li> <li>93% in Germany</li> <li>100% in North America</li> <li>98% in Latin America</li> </ul> | <b>Goals Partially Fulfilled</b><br>Compared to last year's result: <ul style="list-style-type: none"> <li>Sweden, same level</li> <li>Germany, decrease with 4%</li> <li>North America, increase with 3%</li> <li>Latin America, increase with 1%</li> </ul> |
|      | Zero conflict-related incidents.                           | In 2021, one conflict-related incident was reported in Bona US.<br><br>In 2021, Bona received one call to whistleblower function. The incident was reviewed by a third party and deemed a non-issue.                                       | <b>Goal Not Fulfilled</b><br>The reported conflict-related incident is at the same level as last year.<br>Bona increased the received whistleblower case with one call in comparison with last year when Bona received zero calls.                            |

# PRIMARY RISKS, RISK MANAGEMENT AND RELATED POLICIES

## PRIMARY RISKS

The primary risks concerning personnel and social responsibility are identified to:

- Improper use of products and mandatory personal protection equipment.
- Damage during the production process or in other parts of the value chain.
- Unhealthy working environment, exposure to dust or toxic chemicals.
- Unequal pay structure and opportunity for career development.
- Discrimination of any type or harassment at the workplace.
- Bona as a trustworthy and reliable employer.
- Company values in-line with staff expectations.

## RISK MANAGEMENT

Risk management to handle risks are governed by:

- External whistleblower function for reporting serious incidents. All reported cases are handled according to established process.
- The Bona Group Code of Conduct that describes expected behavior between all employees and Bona's zero tolerance for harassment or discrimination.
- The Safety, Health and Environment policy that stipulates how safety, health and environmental sustainability must always be prioritized in all Bona processes.
- Bona certifications with training for professional craftsmen with the Bona Certified Craftsman Program (BCCP).
- External training material online via Bona Training Platform as well as 22 training centers in 17 countries with continuous training in conjunction with sales meetings.
- Safe driver training in the US is intended to reduce the number of driving accidents.

## BONA POLICY RELATED TO GOALS

- Bona's Group HR policy with guidelines for recruiting, pay discussions, job descriptions, and the introduction process.
- Bona Group Global Policy, which includes 11 policies including Bona Sustainability Policy, Travel Policy, Gift and Entertainment Policy, Whistleblowing Policy and Data Privacy Policy, Communications and Social Media Policy. They are all mandatory and apply to all Bona companies and employees globally.
- Bona's policy with zero tolerance for harassment or discrimination.





# INITIATIVES & CONTRIBUTIONS DURING 2021

## SUSTAINABLE DEVELOPMENT FOR BONA PERSONNEL AND OUR RESPONSIBILITY FOR SOCIAL DEVELOPMENT

### **BONA FOR AN EQUAL DIVISION OF POWER AND INFLUENCE**

Work to achieve an equal division of power and influence and ensure that women and men have the same rights and opportunities are an important statement. At Bona, the General Management team which leads the strategic direction of the company is comprised of 40% female leadership. Bona's chair of the board is also female.

### **WITH RESPECT AND CARE FOR THE BONA EMPLOYEE**

Equal pay for equal work and the opportunity to negotiate salaries is an area where Bona as an employer can have a direct impact and make a difference. Our goal is that all our employees receive an annual performance appraisal and have a clear job description. In 2021, 100 percent of Bona employees had an annual development discussion in APAC and EMEA, except of Germany which had 93 percent. In North America and Latin America 98 percent of employees had an annual development discussion.

Bona also strives to create a workplace that is characterized by respect, tolerance, and equality. Bona does not allow abusive discrimination on the grounds of gender, age, religion, sexual orientation, or ethnicity, which is regulated by policy.

All new employees have received training over a three-year period. As reported in the 2020 Sustainability Report, Bona ONE Dialogues began that year where business ethics and anti-corruption is part of the format. While most of these discussions took place in 2020 the dialogues continued in 2021. Most but not all Bona employees participated.

Additionally, Bona updated the company Code of Conduct in 2021. This document was posted to employees on the company Intranet and managers were encouraged to have employee conversations and ensure compliance.

In 2021 Bona received one call to whistleblower function. The incident was thoroughly reviewed by an independent third party and deemed a non-issue.

# INITIATIVES & CONTRIBUTIONS DURING 2021



## BONA CERTIFIED CRAFTSMAN PROGRAM

The Bona Certified Craftsman Program (BCCP) is in its eleventh year working to educate and connect flooring craftsmen. In EMEA and APAC Bona has 926 BCC's while in North and South America Bona has 993. While 2021 presented some challenges for in-person trainings and meetings, Bona conducted four EMEA webinars. In North America Bona conducted 12 webinars, which garnered over 21,000 views on the Bona Professional YouTube page as well as 17 2-day trainings for 85 attendees. In October of 2021 Bona Latin America hosted an event in Mexico that showcased best practices in wood and resilient floor care and renovation.



## DIGITAL TRAINING AND BONA SOCIAL LEARNING

The world of eLearning technology (and customer experience) is changing rapidly; and thus why Bona changed eLearning platforms in 2021. New platform is called Bona(Fuse), a site that mimics the two places that people go to learn the most on social media – YouTube and Facebook. It didn't take long for this new platform to prove its attraction by providing easy-to-digest content along with value-added translation functionality. Since launching in April, Bona added 471 pieces of content that have resulted in 135,000 views (55k via the web and 80k via the Fuse mobile app) and 3,500 engagements from users, which include Bona Global colleagues and U.S. BCCP contractors.

Our Bona Professional YouTube channel also continues to be an important channel for our social training efforts, generating 4.5 million impressions and capturing 1.2 million views in total; while our professional training videos inspired 45,000 hours of watch time (equal to one hundred and twenty-four 3-Day Schools with 15 students each), and adding 1,366 subscribers.



## THIS YEAR'S TRIBUTED TECHNICIANS

Technician of the Year and Technology Promise of the Year is an annual award supported by Bona. The prize is awarded annually by the South Swedish Chamber of Industry and Commerce in partnership with local companies. The award recognizes technologies and young technology talents that, through their work, contribute to development and new innovations. The Technician of the Year 2021 is Daniel Martinez Molina, co-founder and head of research at the company Pelago Bioscience. Daniel has developed the patented measurement method Cellular Thermal Shift Assay, CETSA, which makes it possible to determine whether a new drug has arrived at its target protein, which is a prerequisite for the drug to have an effect. This year's Technology Promise 2021 is Allen Mohammadi, for the development of a technology that transforms agricultural waste and plants into a 100% biodegradable biomaterial. The innovation that Allen developed together with his brother in the company PlasticFri is an example of circular thinking when a residual product is turned into an asset. The biomaterial is an alternative to environmentally friendly petroleum-based plastics and has a promising potential in the local and global market.



# INITIATIVES & CONTRIBUTIONS DURING 2021

## PARTNERSHIP WITH HAND IN HAND TO FIGHT POVERTY

Since 2016, Bona has collaborated with Hand in Hand, a development organization that fights poverty through grassroots entrepreneurship to increase the quality of life and health of vulnerable people in the world. In 2021 a new two-year Village Upliftment Program started in the village of Mazhuvankaranai Village in India. This is the third village Bona has supported through the Village Upliftment Program which as shown good results in improving the living conditions of the village women and children through education and the creation of new jobs.

In 2021 Bona also supported the project BEE – for honey and money in Kenya through Hand in Hand. The state of ecosystems has deteriorated, and the effects of the climate change are very significant in Kenya, which is not only threatening biodiversity, but also people's livelihoods similarities. By diversifying farms and engaging in beekeeping, these farmers create more sources of income, they have a more varied diet, and they contribute to preserving or increasing the area's biodiversity.

## BONA PAYS BACK TO LOCAL COMMUNITIES

For eight years Bona have supported St. Jude Children's Research Hospital is the only National Cancer Center dedicated to children in the US where no one is denied treatment based on race, religion, or family's ability to pay. In 2021 Bona employees at facility in Monroe, fundraised US \$ 8,770 on the St.Jude walk/run for 2021. In total Bona raised US \$ 133,614 witch which was donated to St. Jude Children's Research Hospital.

## A GROWING BONA FOREST

Bona plants 600 new trees every year in the Bona forest located in Hjortserud, southwestern Sweden. Each tree is a symbol for each employee at Bona. Since the start in 2018, Bona has planted 2,400 new trees to repopulate the old forest type of trees previously common in the Swedish landscape such as bird berries, oxel, linden, maple, oak, and hazel.

## THE IMPACT OF IDA HURRICANE IN US

In late August and early September, the deadly and destructive hurricane Ida made landfall in the U.S. state of Louisiana. The hurricane left a devastating path of destruction across the US and made impacts on Bona North America customers. With quite a few of Bona distribution partners in it's path, some damage was inevitable. Local Bona managers were there to help in New Orleans and KRB Distributors in Mamaroneck NY who spent a weekend helping to vacuum up remains of nearly five feet of water at KRB.

# INITIATIVES & CONTRIBUTIONS DURING 2021

“ I KNEW WE WERE DOING SOMETHING THAT HAD NEVER BEEN DONE BEFORE ”

## BONA UK WINS INDUSTRY AWARDS

Bona UK won the 2021 Contract Flooring Journal (CFJ) manufacturer award for ‘Floor Finishes Manufacturer of the Year’ and ‘Flooring in International Venues’ for a partnership project with Dutch Wood Artist - Jakko Woudenberg and a close runner up for the ‘Installation of the Year Award.’ The finalists are nominated through the magazine by flooring contractors and the award is judged by an independent panel of experts from the flooring and facility management industries. Bona Finishes and Adhesives were used to install and protect a unique wood floor at the HQ of Dutch Landscaping firm, Krinkels. A member of Bona’s Certified Craftsman network, Jakko Woudenberg was invited by an architect to create a floor that looked like the annual growth rings on a tree. With no drawing and working totally from free hand, Jakko said ‘we knew we were doing something that had never been done before’.



Fotographer:Robbert Vogtländer, TailorMade Visions

# MALMÖ 2022-03-17

**Bertil Edner**  
Member of the Board

**Britt-Marie Forsberg**  
Member of the Board

**Kerstin Lindell**  
Chair of the Board  
Interim President and CEO

**Gustaf Edner**  
Member of the Board

**Elinor Forsberg**  
Member of the Board

## AUDITOR'S REPORT ON THE STATUTORY SUSTAINABILITY STATEMENT

To the general meeting of the shareholders of Bona AB, corporate identity number 556017-6488

## ENGAGEMENT AND RESPONSIBILITY

It is the Board of Directors who is responsible for the statutory sustainability statement for the year 2021 and that it has been prepared in accordance with the Annual Accounts Act.

## THE SCOPE OF THE AUDIT

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

## OPINIONS

A statutory sustainability statement has been prepared.

**Malmö, March 17, 2022**  
Ernst & Young AB

**Karoline Tedevall**  
Authorized Public Accountant