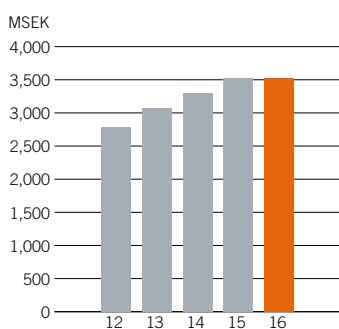
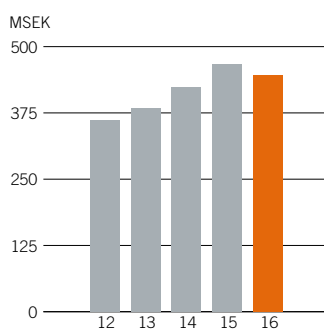
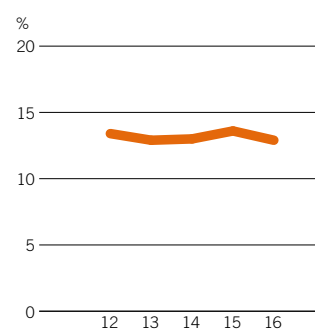




Beijer Alma's ultimate objective is to create added value for its customers, shareholders, business partners and employees. We must create this added value without compromising our aspirations concerning quality and sustainable development. Accordingly, environmental responsibility, social responsibility and a high level of business ethics are natural elements of our daily operations and of the Group's long-term strategy.

**INVOICING****PROFIT AFTER NET FINANCIAL ITEMS****OPERATING MARGIN**

1	About Beijer Alma	22	Interview: Habia Cable
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# GROUP OBJECTIVES

**LINK TO GLOBAL GOALS.** Work on the Group's long-term objectives continued. The objectives are linked to the UN global sustainable development goals.

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## GLOBAL COMPACT

**TEN PRINCIPALS FOR SUSTAINABLE DEVELOPMENT.** Beijer Alma joined the UN Global Compact in 2015. This year's Sustainability Report includes a Communication on Progress (COP), which describes the Group's ongoing work related to the principals for sustainable development.

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## ENERGY AND CLIMATE

**ENERGY-EFFICIENCY ENHANCEMENT.** Focus on energy and climate through energy audits and investments in LED lighting and energy-efficient equipment.

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80%

**ENVIRONMENTAL MANAGEMENT SYSTEM.** Work to implement ISO 14001 continued. 80 percent of the Group's units now hold environmental certification. The update to ISO 14001:2015 began.

339

**INCREASED RESPONSIBILITY IN THE VALUE CHAIN.** More than 330 evaluations of suppliers' quality and sustainability work were carried out, an increase from the preceding year.

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## RISK ANALYSES

**RISK MANAGEMENT.** Risk analyses have been conducted at many of the Group's facilities, focusing on such areas as fire, climate impact and the environment.

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## COMMUNITY INVOLVEMENT

**FOCUS ON EDUCATION AND SOCIAL RESPONSIBILITY.** The Beijer Alma Group shows its commitment at the local and national level by supporting such initiatives as Teach for Sweden, the City Mission and other non-profit organizations as well as through its contacts with local schools and universities.





# Sustainability integrated into strategies

*During 2016, all of our Group companies integrated corporate social responsibility (CSR) into their long-term planning. This meant that the Code of Conduct also served as a pillar for strategic decision-making. Our CSR work is progressing according to our established plan, with a focus on energy, climate, waste and work environment.*

Every year, greater attention is devoted to sustainability issues within both Beijer Alma and society as a whole. A tangible example of this is the fact that CSR work is increasingly being integrated into our strategic planning. Today, the Code of Conduct also serves as a pillar for strategic decision-making. One of our aims is to avoid establishing operations in geographic areas where conflicts with the Group's values may arise. Another strategic priority is to be able to meet customers' and society's increasing demands with respect to CSR with an ample margin. This allows us to contribute to sustainable development while at the same time creating business opportunities.

The Code of Conduct serves as a guide for the Group's internal work. The Code applies to everyone working at Beijer Alma, regardless of where they are in the world. It summarizes our approach and sets clear objectives in various areas, such as business ethics, transparency and tolerance. We emphasize the importance of creating a workplace where people are not discriminated against or bullied but rather are treated with respect and consideration. This respect and consideration helps to build a sound corporate culture, with secure employees who enjoy their work and are able to develop professionally.

## Focus on the Global Compact

In terms of guidelines, we base our work on the UN Global Compact and the new UN global sustainable development goals. The UN goals focus on such areas as sustainable consumption and production, labor conditions and growth, and thus impact the business community. One of the 17 goals pertains to sustainable energy, an area that is also important to Beijer Alma. We are already feeling the impact of the transition to sustainable energy, which will ultimately result in fossil fuels increasingly being phased out. These changes will also create new business opportunities for industrial groups such as ours.

Our companies make continuous environmental improvements within their own organizations. Several of these improvements are presented here in our Sustainability Report. The report also shows how our Group companies help customers to reduce their

environmental impact or develop products with a greener profile. The development of new, less environmentally harmful products is one example of how environmental benefits can create business advantages.

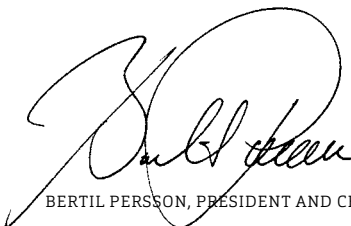
## Importance of cooperation

This report also provides information about our social commitment. The support we provide to non-profit organizations makes a difference – from the work of the City Mission to local sports clubs. We work together with various schools, colleges and universities in order to meet the significant demand for know-how and future talent.

Our CSR work is progressing according to our established plan, including the ongoing implementation of ISO 14001. During 2016, more units achieved certification for their environmental management systems. In parallel with this, all areas of the Group continued to adapt to the new version of the environmental management standard.

## Guiding sustainability objectives

During 2017, we will continue our efforts to achieve our Group energy, climate, waste and work environment objectives. Alongside these environmental improvements, we will also devote greater focus to the link between environmental and business benefits. As I've said, the transition currently facing society is also creating business opportunities. And Beijer Alma's Group companies can help make many of these a reality.



BERTIL PERSSON, PRESIDENT AND CEO

# Strategy

## – ensure profitable growth

*Beijer Alma aims to grow profitably. The strategy pyramid shows how this is to be accomplished in practical terms. The pyramid is based on long-term ownership, responsibility and efficient governance as well as four growth criteria combined with corporate acquisitions and organic development.*

### Long-term ownership

We create successful and industrially sound corporate groups that generate high growth and profitability over time.

### Corporate social responsibility

We limit our impact on the environment, assume social responsibility, and offer a secure and stimulating work environment.

### Operational control

We work closely with our Group companies when it comes to setting goals and exercising control, mainly with respect to strategic development, acquisitions and investments.

### High customer value

Products and services are adapted to meet specific needs or are based on unique product concepts. This creates higher value, which customers are prepared to pay for, and thereby contributes to our profitability.

### International market coverage

We work with niche products with a limited total market. To create growth, the companies must therefore engage in broad international sales.

### Strong market position

We establish strong market positions by focusing on quality, a broad product range, customization and service.

### Diversified customer and supplier base

The Group companies aim to have a broad customer and supplier base. This reduces their risk exposure and dependency on individual markets, industries or companies.

### Organic growth

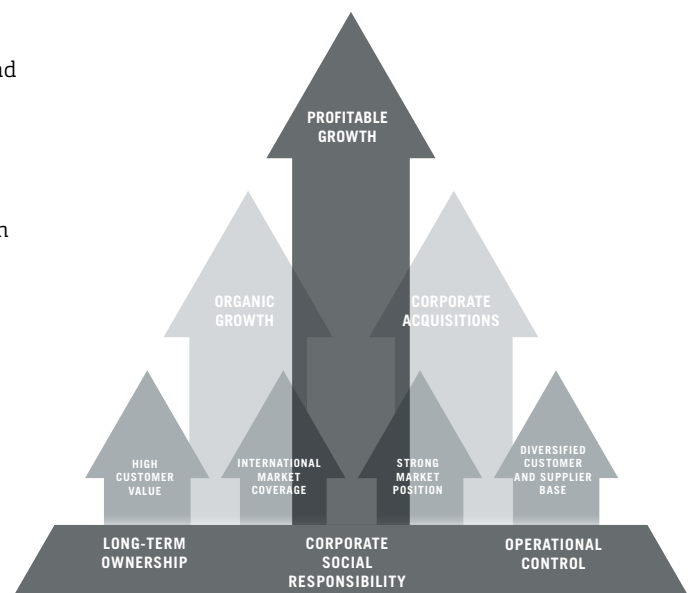
We grow organically through investments in product and market development. This results in higher quality and lower risk in the operations.

### Corporate acquisitions

We conduct supplementary acquisitions and purchase entirely new operations. This strengthens our position in selected markets and specific product areas or provides Beijer Alma with a broader foundation.

### Profitable growth

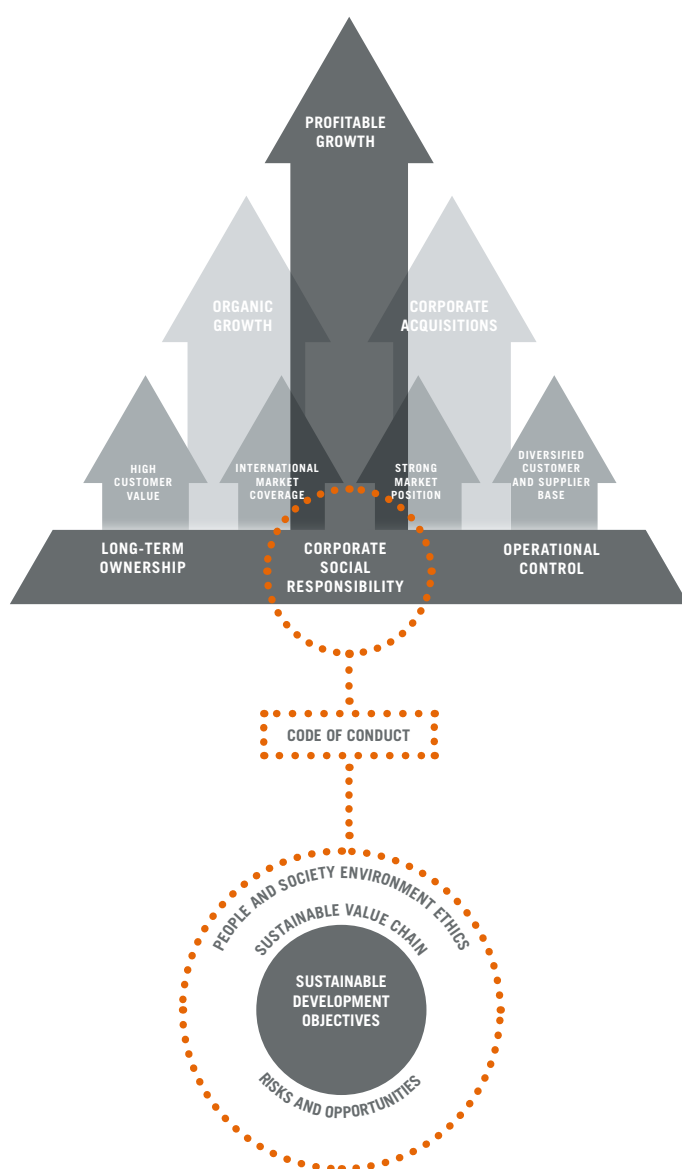
At Beijer Alma, growth must be linked to sustainable profitability. We achieve this by focusing on the growth criteria in the strategy pyramid.



# Sustainability strategy

## – conditions for profitable growth

*Sustainability is an integral part of Beijer Alma's business strategy. This is evident in the fact that CSR is part of the foundation of our strategy pyramid. Our sustainability work contributes to a better world, creates new business opportunities, cuts costs, reduces risks and allows us meet the demands and expectations of various stakeholders.*



### Strategy, targets and follow-up

Beijer Alma's strategy for sustainable development supplements the overall Group strategy and includes the following components:

- **Code of Conduct.** Provides our employees and stakeholders with guidance on how the company manages issues pertaining to people, society, the environment and ethics. The Code of Conduct applies to everyone working at Beijer Alma, regardless of where they are in the world. The Code is based on international conventions and the ISO 26000 standard for social responsibility.
- **Key issues.** Focus on sustainability issues that are important to the Group's business strategy and significant to our stakeholders.
- **Sustainable value chain.** A life cycle perspective on Beijer Alma's activities, products and services.
- **Risks and opportunities.** Identifying, managing and minimizing risks. Capitalizing on sustainable development opportunities that create business advantages.
- **Sustainable development objectives.** Long-term Group-wide objectives in key areas. These are supplemented with detailed objectives and action plans in the various Group units.
- **Responsibility.** Delegated responsibility, which entails that operational sustainability work is structured and executed by the subsidiaries' units.
- **ISO 14001.** Systematic approach to making improvements, particularly within the framework of the ISO 14001 environmental management system.
- **Follow-up and communication.** Regular follow-up of sustainability work and transparent communication with the Group's stakeholders.





## FT-IR (Fourier Transform Infrared Spectroscopy)

Every molecule in a material will absorb a unique pattern of wavelengths of infrared radiation. Every chemical structure absorbs energy at given wavelengths. The chemical bonds in a material can be identified.

### Applications:

- polymer identification
- identify unknown chemicals in a sample
- verify the presence of additives in polymers
- analysis of polymer blends



# Corporate social responsibility

*Environmental responsibility, social responsibility and a high level of business ethics are natural elements of Beijer Alma's long-term strategy and help us to achieve our ultimate objective – to create added value for our customers, shareholders, business partners and employees. Our sustainability work is based in part on the UN Global Compact, an initiative to promote CSR.*

## Based on the Global Compact

Regardless of where we operate, considerations pertaining to environmental impact, social conditions and business ethics are important. It is vital that we operate in areas where we can contribute to sustainable development and meet the demands and expectations of various stakeholders. Beijer Alma's sustainability work is based on the Ten Principles of the UN Global Compact, an initiative to promote CSR. We devote particular focus to the following areas:

- Applying sound business principles and high ethical standards. Preventing corruption is an important part of this work.
- Creating a safe, positive and stimulating work environment.
- Using natural resources as efficiently as possible and minimizing environmental impact. Energy and climate issues create challenges for Beijer Alma and for society as a whole.
- Approaching our operations from a life cycle perspective – raw materials, suppliers, products, services and customers. Customers and other stakeholders are showing a growing interest in environmental and social responsibility. Linking environmental benefits to business advantage contributes to the development of the Group.
- Involvement in the communities in which Beijer Alma operates. We work at both the Group level on large-scale projects and the local level by supporting schools, associations and healthcare.

## Code of Conduct – guiding principles

Beijer Alma's Code of Conduct serves as a guide for the Group's employees and partners. By applying the Code, we ensure that:

- We comply with legislation, the UN Global Compact, the UN Convention on the Rights of the Child and other international agreements and guidelines.
- We take the financial expectations of our stakeholders into consideration, and create customer and shareholder value.
- CSR is integrated into the Group and practiced in relation to employees, customers, suppliers, owners and other stakeholders.
- We contribute to sustainable development, including health and social welfare.

The Code of Conduct states that we expect our employees to behave in an honest and honorable manner. We demand the same from the Group's business partners. Bribes are prohibited. Gifts and other benefits may not exceed the

## ACTION PLAN – SUSTAINABILITY WORK

### 2014

- Detailed Group-wide energy, climate, waste, work environment and social commitment objectives set.
- Expanded sustainability reporting on website. Continued CDP reporting.
- Continued implementation of ISO 14001 at manufacturing facilities.
- Proposal for incorporating sustainability issues into strategic planning.

### 2015

- Participation in UN Global Compact and report on how the Group applies the Ten Principles. Assessment of how Group sustainability objectives relate to new UN global goals.
- Continued work on Group energy, climate, waste, work environment and social commitment objectives.
- Expanded sustainability reporting and continued CDP reporting.

### 2016

- Sustainability issues incorporated into strategic planning.
- Updated Code of Conduct.
- Continued focus on energy issues and the EU Energy Efficiency Directive.
- Sustainability, CDP and COP reporting expanded. Clearer connection to UN global sustainable development goals.
- Continued implementation of ISO 14001. Adaptation to ISO 14001:2015 begins.

amounts prescribed by local practices or legislation. We comply with competition legislation and apply sound marketing principles.

#### Whistleblower system

The whistleblower system allows employees to report any suspected improprieties without a risk of harassment or reprisal. All reports are handled by an external recipient, who ensures that the reports are investigated and that appropriate action is taken.

#### Integration with Group strategies

During the year, the Group expanded its strategic sustainability work and the Code of Conduct served as a pillar when strategic decisions were made. In 2016, Lesjöfors, Habia Cable and Beijer Tech identified a number of areas where the Code of Conduct has a direct impact on their decision-making. This information is highly important and helps to facilitate efforts to combat corruption as well as paving the way for further investments in new products and environmentally adapted technology.

#### Long-term objectives

Beijer Alma's strategies are made more tangible through long-term objectives established at Group level. At the local level, the companies work toward detailed objectives, mainly within the framework of ISO 14001. The recently introduced UN global sustainable development goals are used as a compass for this work, and clearer connections between the Group's objectives and the global goals were established during the year.

#### Management and follow-up

Sustainability issues impact Beijer Alma's operations in many ways – for example, in connection with the introduction of new technology, internal and external communications, corporate acquisitions, crisis and risk management, financial report and training. The overall focus of the Group's sustainability work is stated in the Code of Conduct. Issues pertaining to the long-term strategy, overall objectives, contacts with the media and investors, and financial reporting are handled at Group level. The Group's Board of Directors receives regular updates on the status of sustainability work.

Environmental (ISO 14001) and quality (ISO 9001) management systems are important tools in this work. Other initiatives that support sustainable development include 5S, Six Sigma and Lean Manufacturing (refer to the glossary). Operational responsibility is delegated to the presidents of the individual Group companies. Follow-up of local objectives and plans is part of the managers' responsibilities. This work is followed up through dialogs with the management groups of the various companies and through internal and external audits. In conjunction with the preparation of the annual sustainability report, an in-depth analysis is conducted of the companies' compliance with legislation, fulfillment of the Group-wide objectives and development in terms of key performance indicators (KPI).

The results of the Group's work pertaining to sustainable development are presented in the Annual Report and a separate Sustainability Report. The Group's climate performance is presented in a detailed report in accordance with the guidelines of the CDP. An annual report summarizing the Group's work related to the Global Compact is submitted to the UN (refer to page 33).

## 2017

- Assessment of sustainability strategy and targets.
- Update to ISO 14001:2015 continues and is to be concluded by 2018.
- Energy audits in accordance with the EU Energy Efficiency Directive.
- Continued work on energy, climate, waste, work environment and social commitment objectives.
- Sustainability reporting according to new mandatory reporting law. CDP and COP reporting.

## 2018

- Adaptation to ISO 14001:2015 completed.
- Updated sustainable development objective developed. Review of Group strategy for sustainable development.
- Continued sustainability, CDP and UN reporting.

## 2019

- Continued work on energy, climate, waste, work environment and social commitment.
- Updated objective for sustainable development introduced in the Group.
- Sustainability, CDP and UN reporting.

# Responding to demands and expectations

*The Group's sustainability work is influenced by a number of stakeholders, who impose demands and have expectations of Beijer Alma. Meeting and exceeding these expectations – and planning for anticipated future demands – is an important part of our sustainable development strategy.*

We have identified customers, employees, suppliers, investors and authorities as key stakeholder groups. Given our social commitment, society is also regarded as an important stakeholder.

We engage in various forms of dialog with these stakeholders, including development talks with employees, regular contact with customers, meetings with investors and collaboration with suppliers.

STAKEHOLDER GROUP	KEY ISSUES, DEMANDS AND EXPECTATIONS	VALUE CREATION
Customers	Customer demands pertain to such areas as certified management systems, prohibited chemical substances, environmental product declarations, product labeling, codes of conduct and specific legislation that must be fulfilled.	Customers have become increasingly concerned with sustainable development in recent years and essentially all Group companies are now expected to comply with various requirements in the area. Customer requirements are followed up through questionnaires and audits. During 2016, follow-ups were conducted at 17 (10) of the Group's companies. The outcome was positive and the results of the assessments were used to further advance the Group's sustainability work and create customer confidence.
Employees	Health, safety, salaries, benefits, social conditions, job satisfaction and development opportunities.	We conduct employee performance reviews and offer training, professional development and preventive care opportunities. Preventive work environment measures, such as incident (near miss) reporting, are considered a top priority. During 2016, Beijer Alma paid MSEK 952 in salary to its employees.
Suppliers	Suppliers expect Beijer Alma to impose clear, consistent demands with respect to sustainable development and to follow up these demands.	The Group companies provide their suppliers with information about Beijer Alma's Code of Conduct and expect their suppliers to share this approach. The Group also assesses the sustainability work of its suppliers. In 2016, 314 (227) surveys and 25 (31) audits were performed. These suppliers all demonstrated an acceptable level of compliance with the Group's demands. During 2016, Beijer Alma paid MSEK 1,475 to its suppliers.
Investors	Minimizing risks, creating business opportunities and engaging in credible, forward-thinking sustainability work.	The integration of sustainable development into strategies and day-to-day operations reduces risks and creates business opportunities. Beijer Alma regularly communicates with its owners and investors through its sustainability reporting, CDP reporting, meetings and evaluations. Beijer Alma's share price rose 9 percent in 2016.
Authorities	Beijer Alma is subject to extensive environmental and work environment legislation. The introduction of new or amended legislation impacts the Group's operations.	Compliance with legislation is monitored through reports to various authorities and by way of internal and external inspections and audits. No significant violations of environmental or work environment legislation occurred in 2016.
Society	Expectations that Beijer Alma should be involved in society at both the local and national level.	Social commitment creates a sense of trust and interest in Beijer Alma. Providing support for non-profit organizations and establishing contacts with schools and universities helps to attract future employees.





#### KEY ISSUES

An important part of the strategy for sustainable development involves focusing on issues that are important to the Group's business strategy and to its stakeholders. Analyzing and reporting on issues deemed to be of key significance is part of the Group's strategic work. This is done both at the Group level and within Lesjöfors, Habia Cable and Beijer Tech. These materiality analyses are based on the guidelines of the Global

Reporting Initiative (GRI) and cover a number of sustainability issues that are relevant to the Group's products and services.

The analysis for 2016 showed that Beijer Alma should primarily focus on energy efficiency, reduction of climate impact, increased resource efficiency (waste), creating a safe and stimulating workplace, social commitment and

sound business ethics. Other key areas include environmentally adapted product development and risk management as well as the potential impact of future legislative developments on Beijer Alma.





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TORBJÖRN BRORSON, CSR ADVISOR AND ADJUNCT PROFESSOR :

## »Sustainable development impacts companies' ability to make money«

### **What are the most important trends affecting Beijer Alma's CSR work?**

One clear trend is that climate change is now generally regarded as one of the biggest challenges facing humanity. As a result, people are realizing that we must reduce our climate impact and adapt to the changes that lie ahead. This applies to society as a whole – including companies, of course.

Legal requirements and customer requirements along the value chain have long had an impact on companies' CSR work. Now we are entering a new phase – investors and the financial market have woken up and started making demands. People have realized that the environment, CSR and ethics aren't just "hygiene factors" and that sustainable development has a major impact on companies' ability to make money. As a result, we are seeing greater demand for integrated reporting that combines financial, environmental and social responsibility. This is clear in the surveys and interviews the companies receive from investors and other financial players. At the same time, it can be difficult to assess a sustainability issue using traditional, financial performance indicators, but we will undoubtedly see more integration in this area. Beijer Alma has reporting systems and procedures in place that will enable this type of reporting.

### **How has Beijer Alma been impacted by the UN development goals?**

The global goals were established in dialog with companies. The companies were involved in formulating the goals and will also play a role in ensuring they are actually achieved. Now the business community is expected to be involved – not only by following laws but also by using innovation, technology and transparency to show that they are working toward the goals. This is evident in Beijer Alma's Sustainability Report, which links the Group's objectives to the UN global goals.

### **What will be the most important areas in the coming years?**

Mandatory sustainability reporting according to the new EU legislation is one example of an issue that must be addressed. Beijer Alma is already ahead in this area. Updating the Group companies' environmental management systems to meet the new ISO 14001 standard is another important issue. The new standard is more modern and places greater emphasis on environmental aspects from a life cycle perspective. This will involve identifying key environmental issues in the value chain – from suppliers to customers. There is also a clear stakeholder perspective based on the understanding that sustainability issues are to be an integrated part of companies' strategic work. Companies have three years to carry out the transition, which is to be completed by 2018 at the latest.

The EU Energy Efficiency Directive is another issue affecting Beijer Alma. Large companies are legally required to track their energy consumption, take a systematic approach to the energy issue, make improvements, enhance efficiency, etc. This work is already under way in the Group – for example, at Habia Cable's plant in Söderfors. The results must then be reported to the Swedish Energy Agency.



TORBJÖRN BRORSON  
CSR Advisor and Adjunct Professor at Lund University







## SUBSIDIARY OPERATIONS

## Lesjöfors

*Lesjöfors is a global supplier of springs, wire and flat strip components. The company offers a comprehensive range including both standard products and customized components. Lesjöfors holds a leading position in the Nordic region and is one of the largest spring companies in Europe.*

Lesjöfors has a comprehensive offering of springs, wire and flat strip components. Its products are used by customer companies in most industrial sectors – in everything from household products to high-tech applications. Lesjöfors boasts extensive spring expertise, including design, structure, material selection and manufacturing.

Lesjöfors's operations are organized into two business areas: Industry and Chassis Springs. Industry offers a broad range of products and manufactures specially adapted components to meet a wide variety of customer needs. Chassis Springs specializes in vehicle springs for the spare parts market. Its standard range is based on proprietary and in-stock products. Lesjöfors is currently the market leader in Europe in this area.

#### Spring expertise and a high service level

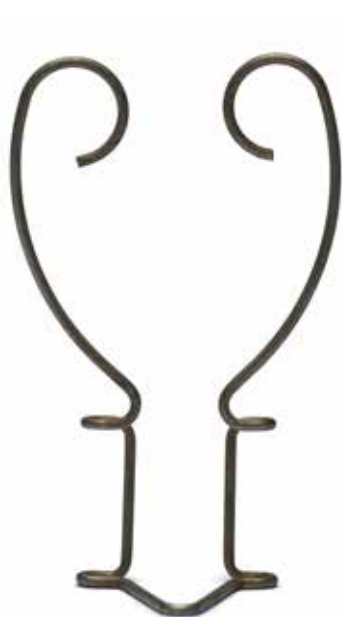
Lesjöfors's main competitive advantages within Industry are its spring expertise and problem-solving ability. Within the Chassis Springs business area, Lesjöfors competes on the strength of its broad product range, high service level and efficient logistics. Other competitive advantages include:

- High level of expertise in technology/materials.
- Cost-effective manufacturing.
- Efficient customer service.
- Excellent product quality.

Lesjöfors conducts manufacturing operations at 24 production units in 12 countries. Two of these plants specialize in chassis spring manufacturing. Lesjöfors also conducts low-cost manufacturing in Latvia, Slovakia, Mexico and several countries in Asia.

#### Lesjöfors worldwide

- Sales in about 60 markets.
- More than 80 percent of sales are conducted outside Sweden.
- The largest markets are Germany, Sweden, the UK and China.
- Delivery precision rate of approximately 99 percent within Chassis Springs for many years.
- Some 2,000 new items are developed within Industrial Springs each year.







## SUBSIDIARY OPERATIONS

## Habia Cable

*Habia Cable is one of Europe's largest manufacturers of customized cables and cable harnesses. Most of its products are used in various high-tech applications in harsh environments.*

Habia Cable develops, manufactures and sells custom-designed cables and cable harnesses. The company is the leading player in Europe in these areas. Its products are used in demanding, high-tech applications in harsh environments. Most of its cables are customer-specific and feature unique properties that enable them to withstand extremely high or low temperatures, radioactivity, pressure, fire, bending or vibrations.

Habia has two business areas: Telecom and Other Industry. Within Telecom, the company's cables are mainly used in base-station antennas for mobile telecom, an area where Habia is currently the global leader. Within Other Industry, the company's cables are adapted to meet customer needs and are delivered to various industries, including the nuclear power, defense, transport, offshore and manufacturing industries.

#### Comprehensive cable expertise

Habia offers comprehensive cable expertise, covering everything from design, product development and manufacturing to sales, distribution and customer support. Other competitive advantages include:

- Global production and delivery capacity.
- High product quality.
- Cutting-edge expertise in high-performance materials.
- Flexible production and logistics.
- Ability to deliver complete cable harnesses.
- A high degree of customization.

Habia Cable's products are manufactured in China, Sweden, Germany and Poland. The plant in China is the largest and specializes in the production of telecom cables. In Sweden, the company manufactures customized industrial cables. The German plant produces equipment wire and cables, while the facility in Poland focuses on cable harnesses.

#### Habia worldwide

- Sales in approximately 50 countries. More than 90 percent of sales are conducted outside Sweden.
- Key markets include Scandinavia, Germany, the UK, France, China, India and South Korea.
- The single largest market is Germany.
- Specially adapted cables account for about 80 percent of the manufacturing volume.



## SUBSIDIARY OPERATIONS

## Beijer Tech

*As a specialist in industrial trading and manufacturing, Beijer Tech helps Nordic companies boost their productivity and competitiveness. The company's offering comprises components, consumables, input goods and machinery from leading suppliers.*

Beijer tech's quality products and expertise are combined to create unique solutions that reduce the customer's total cost – for example, by improving the outcome of production processes, increasing the quality of products or improving the work environment.

The operations are based on several different product concepts that are organized into two business areas: Fluid Technology and Industrial Products. Customers include companies in the engineering industry, foundries, steel-works, maintenance companies in the offshore sector and retailers. Fluid Technology is operated under the Lundgrens concept, with its main market in Sweden. The other six concepts – Beijers, Karlebo, Tebeco, PMU, Norspray and Preben Z – operate in Sweden, Norway, Finland and Denmark.

The product range is broad and covers the areas of fluid technology (such as hoses and couplings), industrial rubber (such as gaskets and rubber products) and surface treatment (such as blasting and grinding). The range also includes industry-specific solutions for foundries, steel-works and the offshore sector.

#### Product expertise that makes a difference

The company's knowledge about how products are used in customer production and maintenance processes represents a strong competitive advantage. Other competitive advantages include:

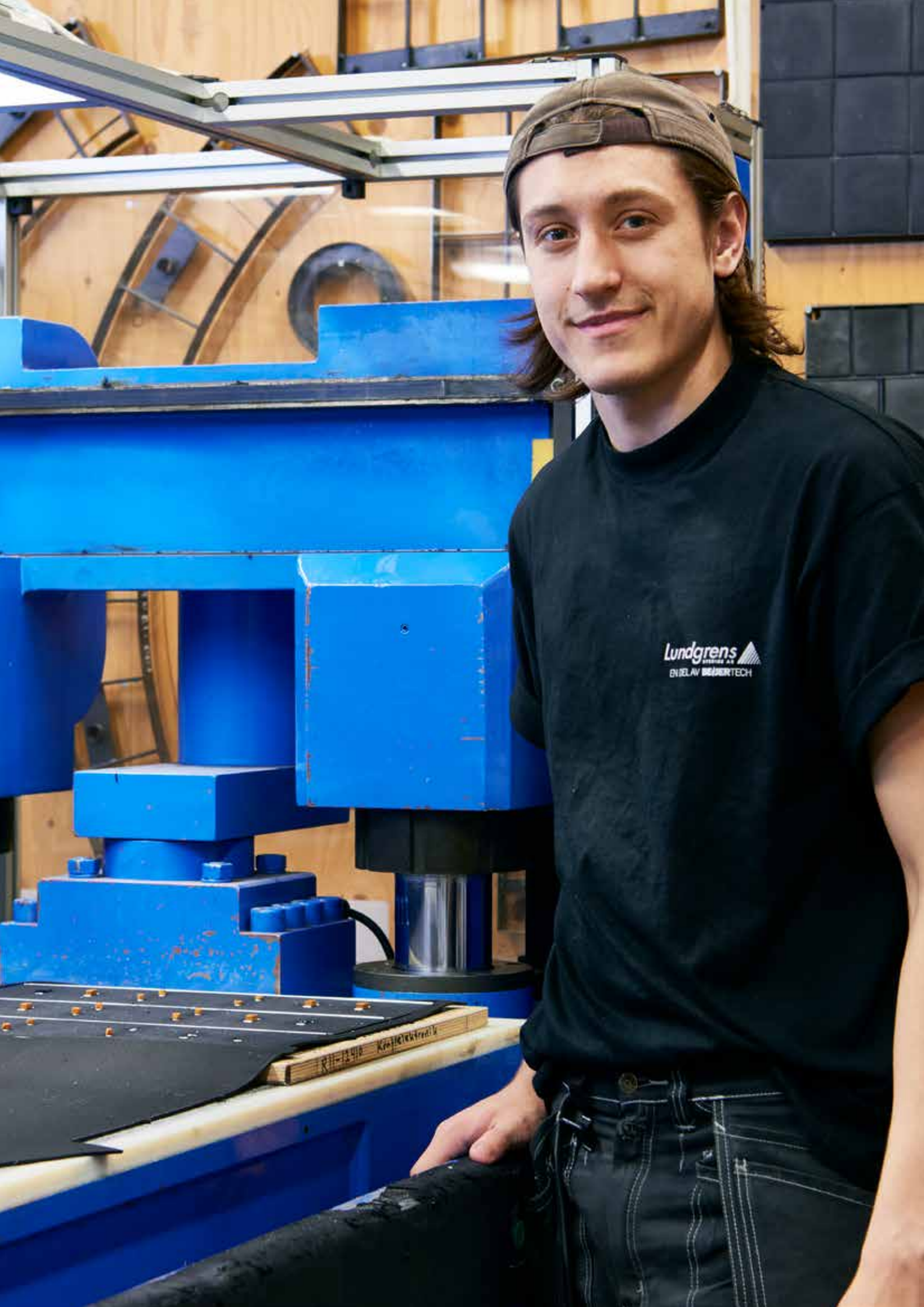
- Broad range.
- High delivery precision.
- Broad supplier base.
- Purchasing partnerships with world-leading manufacturers.
- Customization and refinement of products and services.

#### Beijer Tech in the Nordic region

- The main market is the Nordic region, where Beijer Tech operates in 15 locations.
- Sweden is the largest market and accounts for approximately two-thirds of sales.
- Sales are made directly to the end customer or through retailers.
- Leading market positions in industrial rubber in Sweden and surface treatment – for example, blasting and precision grinding – in the Nordic region.







Lundgrens  
ENVIK AV BILBORTTECH

R11-12410 Kraftteknologi

## TREATMENT EQUIPMENT

New and improved treatment equipment has helped to reduce the discharge of contaminated water at Lesjöfors's German spring business S & P. In 2016, the company's environmental management system was also recertified according to ISO 14001:2015.

## NOISE REDUCTION

Velleuer made several work environment improvements during the year. Its shipping department was remodeled. New walls were built and a new type of door was installed, creating a quieter, more comfortable work environment. The company also continued investing in technical devices to alleviate the strain of heavy lifting.



## THE CITY MISSION

The Uppsala City Mission helps socially disadvantaged and underprivileged individuals find a better life. By offering meeting places and activities, the organization creates a sense of solidarity and connection for people who are homeless, living with addiction or facing mental illness or other social problems. Beijer Alma has provided monetary support for the organization's activities for several years. This type of support is crucial since social disadvantage is on the rise and organizations such as the City Mission play an increasingly important role when government assistance is simply not enough.

## ENVIRONMENTAL TECHNOLOGY

In 2016, Habia obtained environmental certification for the expansion of its telecom operations in Changzhou. As part of this expansion, investments are also being made in new environmental technology, mainly for the treatment of solvents from production. Habia is also introducing a new treatment technique at its other plant in Changzhou, which produces industrial cables.



## WORK ENVIRONMENT

Lundgrens has made work environment improvements at several of its facilities, including a reduction in noise and improved lighting. At its main warehouse, the company has replaced all lighting with modern solutions that are both fireproof and energy efficient. To help its employees feel more secure, Lundgrens no longer handles cash. All payments are now made using credit card machines, which have been installed at all stores.

## SHAREHOLDER MEETINGS

The Swedish Shareholders' Association organizes shareholder meetings across Sweden. Companies are also invited to present their businesses at these meetings. Beijer Alma's President and CEO, Bertil Persson, participates in several of these events every year, helping to increase people's knowledge about the Group



and encouraging them to become shareholders. Beijer Alma also sponsors the association's golf tournament, known as "Aktieslaget." The tournament consists of some 20 local competitions and concludes with a Swedish final, where contestants compete for the Beijer Alma Trophy and other awards.

## BONUS FOR IDEAS

Employees at Habia's plant in Lubieszyn are being rewarded for submitting ideas for improving the plant's production. Several such suggestions have already been implemented and the employees who submitted them have received an extra bonus.



## CERTIFICATION

In China, Lesjöfors has been certified according to TS16949 – a standard for quality management systems for suppliers to the automotive industry. The aim of the standard is to achieve continuous improvements, prevent faults and reduce the number of variations and losses in the supply chain. Under the TS16949 standard, customers can also impose specific requirements related to environmental management.



PETER ROSENQVIST, ENVIRONMENTAL AND QUALITY MANAGER, LESJÖFORS:

»For us, environmental issues must be part of our day-to-day business focus«

**What are the most important environmental issues for Lesjöfors?**

We are focusing on energy consumption, an area where most of our plants have already established targets for reduction. To achieve such reductions, we must also improve our production efficiency. This will allow us to manufacture more products from the energy consumed. For us, it's important that environmental issues are a clear part of our day-to-day business focus and not treated as separate activities. We are improving our processes to keep up with the competition. This is allowing us to earn more money while also reducing our environmental impact.

**Can you give a few examples of specific environmental initiatives in 2016?**

Our operations are generally strong when it comes to environmental issues. We are continuing our systematic efforts to implement improvements, which often go hand in hand with ongoing efficiency enhancement.

**Have you received any feedback from customers or suppliers about your CSR work?**

We receive questions during customers' supplier assessments – for example, about the Code of Conduct and our regulatory compliance. These are addressed by the individual units. CSR issues are also often included in customer audits of the plants.

**Have your employees expressed any demands or feedback about your CSR work?**

The units conduct safety inspections, during which work environment issues are identified. The feedback we receive is discussed and may be used as the basis for improvement measures. We also conduct employee surveys, in which employees have the opportunity to express their views on CSR-related issues. And many people speak directly with their managers if they have questions.

**Are there any environmental initiatives you are particularly satisfied with?**

We're seeing many positive trends. Things are moving in the right direction, with increased energy efficiency and less waste. VOC emissions have decreased most. This is a result of the investments in our Chinese plant.

**CSR also includes social responsibility. What are you doing in this area?**

Our companies are small with short, rapid decision-making channels. This allows information to be passed along. We put our employees first and strive to create a better work environment and social responsibility. We support local initiatives that promote sports and other social issues. For us, social responsibility means being a good employer with an open environment where employees feel they have an influence. We also expect our suppliers to assume a social responsibility.

**What will be the main focus of the company's CSR work in 2017?**

During 2017 and 2018, we will focus on adapting to the new ISO standard. Much of this work will be centered on achieving the new certificates. We will focus on recertification under ISO/TS, a special standard for the automotive industry.



PETER ROSENQVIST  
*Environmental and Quality Manager,  
Lesjöfors*

MARIE GREN, ENVIRONMENTAL AND QUALITY MANAGER, HABIA CABLE SÖDERFORS:

## »We are focuising on waste and have reduced the volumes of waste produced«

### **What are the most important environmental issues for Habia Cable?**

Plastic and metal waste and electricity consumption are key issues for us. Another important environmental aspect is the treatment of solvents at our Chinese plant, which manufactures telecom cables. We have made significant environmental investments at this plant in recent years.

### **Can you give a few examples of specific environmental initiatives in 2016?**

We devoted considerable focus to waste with the goal of reducing the volumes of waste produced. We've made major improvements compared with the past. We measure the value of our scrap and have targets for the maximum value in relation to our invoiced products. Part of the reason we were able to achieve our goals was that we introduced a night shift during which production technicians are on site. They support the operators in their work, which has helped to reduce the volume of scrap.

### **Have you received any feedback from customers or suppliers about your CSR work?**

Our products have to comply with the Restriction of Hazardous Substances Directive (RoHS) as well as the Registration, Evaluation, Authorization and Restriction of Chemicals Directive (REACH). Another issue is conflict minerals – minerals whose extraction perpetuates conflicts. We must guarantee that no metals originating from the Congo or its neighboring countries are used in our supply chain.

### **Have your employees expressed any demands or feedback about your CSR work?**

Our employees play an active role when it comes to work environment issues. We've had a reporting system in place for a few years now that encourages all of our employees to report any occurrences that could result in an injury. This works well and enables us to follow up and rectify many problems.

### **Are there any environmental initiatives you are particularly satisfied with?**

Our cables are covered in plastic and a few years ago, we started sorting the waste that is produced – for example, when production starts. We can reuse the waste, but there is also a market for certain types of plastic. So now we sell this plastic to companies that recycle it.

### **CSR also includes social responsibility. What are you doing in this area?**

We sponsor women's and girls' soccer teams. We also support the Running for Life project, which collects money for the Swedish Cancer Society. We also welcome various study visits.

### **What will be the main focus of the company's CSR work in 2017?**

We are going to perform an energy audit in accordance with the new legislation introduced in Sweden. Habia has conducted audits before, but could receive new suggestions for improvements – particularly given that electricity consumption is an important environmental aspect for us.



MARIE GREN  
*Environmental and Quality Manager,  
Habia's plant in Söderfors*



## ISO 14001

The Lesjöfors company European Springs has been certified according to the ISO 14001 environmental standard. This certification will enable the company's London facility, located in the Beckenham district, to further advance its environmental efforts. It will also contribute to increased resource efficiency at the plant as well as a reduction in waste and enable other environmental requirements to be managed in a more comprehensive manner.

## ENTREPRENEURSHIP

Beijer Alma is the main sponsor of the Anders Wall Lecture in Entrepreneurship, one of Sweden's largest events for entrepreneurs. The program includes a combination of experiences from established businesspeople and ideas from new entrepreneurs. The Anders Wall Lecture attracts some 2,000 guests to Uppsala each year – from both the business community and the academic world – thereby helping to establish Beijer Alma's profile.



## ANDERS WALLS PROFESSUR i ENTREPRENÖRSKAP

## LED LIGHTING

Lesjöfors's Swedish plant in Nordmarkshyttan has switched to LED lighting. LED bulbs use approximately 75 percent less energy than traditional bulbs, resulting in an energy saving. Moreover, the light-emitting diodes in LED bulbs contain no heavy metals, such as mercury. This means that the company's investment in new lighting will have a twofold positive environmental impact.



## WORK ENVIRONMENT INITIATIVES IN CHINA

Habia has identified the work environment risks at its telecom plant in Changzhou. The goal is to prevent problems and protect the health and well-being of its employees. The identification process looked at everything from air quality and lighting to noise and temperature conditions. Habia has also made technical investments that will improve the work environment.

## ENVIRONMENTAL FOCUS IN LATVIA

Lesjöfors has also implemented energy-efficiency enhancements in Latvia. Better insulation in the company's properties has resulted in more efficient heating and reduced the need for fuel. Ultimately, this will also lead to lower CO<sub>2</sub> emissions. A switch to LED lighting has also resulted in major improvements in energy efficiency. At the same time, the company has improved its sorting at source and invested in less environmentally harmful transportation, partly through the use of electric forklifts.



## SCHOOL PARTNERSHIPS

In Söderfors, Habia is working together with the municipality and other businesses to attract more students and improve the quality of technology programs at the secondary and post-secondary level. This work is focused on Högbergsskolan

Upper-Secondary School, which offers a technology program. In 2016, Högbergsskolan applied for a permit to offer a training program for production technicians. Habia and other companies in the region have a major need for this type of technician and are participating in the program.

## ACCESSIBILITY

Lesjöfors America's new premises in Pittston meet the requirements of the Americans with Disability Act (ADA). This means that the premises are fully accessible, including wheelchair accessibility to kitchen facilities, toilets and other public spaces.



## EFFICIENCY ENHANCEMENT

Centrum B has successfully reduced its air emissions by investing in a new gas purification technique. The company has also implemented measures to optimize its energy efficiency. In the past, the plant in Slovakia was heated using a combustion facility. Now, the facility has been replaced and the plant is instead heated using a heat pump.

## ELECTRIC CARS

Velleuer supplied components for the Streetscooter electric car. A small, compact vehicle mainly intended for city driving, Streetscooter is used, for example, by the German postal service. The long-term aim is to further develop the concept and launch additional Streetscooter models.



ELISABETH KRUTH, CHIEF FINANCIAL OFFICER, BEIJER TECH:

## »Transport and energy consumption are the biggest environmental issues for us«

### **What are the most important environmental issues for Beijer Tech?**

Supplier transport and our own energy consumption are the biggest issues for us. We don't conduct manufacturing operations ourselves, which means that goods transport is very important for us. When it comes to our own operations, we are focusing on energy consumption at our facilities – lighting and so forth. This is also a work environment issue, since we want to have lighting that is healthy and suitable for our employees but that also saves energy.

### **Can you give a few examples of specific environmental initiatives in 2016?**

A great deal of transport is carried out using trucks. Following a dialog with our suppliers, we were able to transition to rail transport, which reduces CO<sub>2</sub> emissions. We use this alternative whenever possible and hope to make other similar changes in the future. Another issue is the company cars used by our sales personnel, which are being replaced by less environmentally harmful models. A final example is business travel, which is increasingly being replaced by Skype meetings.

### **Have you received any feedback from customers or suppliers about your CSR work?**

Our customers – especially our major customers – evaluate us as a supplier, often through surveys that address sustainability issues. To meet their requirements, we must demonstrate our approach to these issues.

### **Have your employees expressed any demands or feedback about your CSR work?**

The work environment is an issue that arises – areas such as lighting, noise and ergonomics, where our companies are making improvements. Beijer Tech also has a foundation where employees can apply for grants to help them improve in areas outside their normal duties, such as culture, preventive care or travel. The foundation can also support associations in the areas where we operate.

### **Are there any environmental initiatives you are particularly satisfied with?**

In terms of energy consumption, Lundgrens has invested in larger, but fewer, light fittings that give better light and use less electricity. Many units are also switching to LED lighting. Beijer Industri has broadened its range to include several environmentally friendly products, including grinding equipment that allows customer companies to improve their work environment.

### **CSR also includes social responsibility. What are you doing in this area?**

Once again, the work of our foundation, which supports various initiatives.

### **What will be the main focus of the company's CSR work in 2017?**

As part of its quality and environmental work, Lundgrens will conduct employee surveys in 2017. Beijer Industri will continue to introduce better, more environmentally friendly products in its proprietary range.



ELISABETH KRUTH  
Chief Financial Officer, Beijer Tech

# Group-wide objectives

Under the ISO 14001 environmental management standard, companies are required to implement specific environmental objectives. Accordingly, the Group's certified units have their own local environmental objectives. In order to coordinate these local activities, long-term Group-wide objectives for key areas pertaining to sustainable development were established in 2013. The objectives have since become more ambitious. All units are able to establish their own detailed objectives and add additional areas.

The Group-wide objectives encompass areas that are important for our internal sustainability work and for our stakeholders. In 2015, the UN introduced 17 new global sustainable development goals that impose ambitious

expectations on the business world. These goals pertain to responsible conduct as well as the development of products and services that promote sustainable development. As a participant in the UN Global Compact, it is only natural that Beijer Alma will strive to meet these new goals. At present, the Group's objectives are in line with a handful of the UN's global goals. The long-term aim is to further advance the Group's work in the area of sustainable development and thereby contribute to achieving Sweden's environmental quality objectives.

The table below shows the Group's progress in relation to these objectives and its potential to achieve them. Detailed information about emissions data and KPIs is presented elsewhere in the Sustainability Report.

## OUR SUSTAINABLE DEVELOPMENT OBJECTIVES

## CONNECTION TO GLOBAL GOALS\*\*

## PROGRESS\*\*\*

By 2018, energy consumption is to be reduced by 10 percent (GWh/MSEK in net revenues).*	Goal 7: Sustainable energy for all.	● More units and increased production resulted in a slightly higher energy use. A number of energy efficiency projects were carried out.
By 2018, CO <sub>2</sub> emissions are to be reduced by 10 percent (tons/MSEK in net revenues).*	Goal 13: Combat climate change.	● Increased production in countries with fossil-dependent energy systems resulted in increased emissions. Partly offset by energy-efficiency enhancements, the use of biofuel and purchases of green electricity.
By 2018, the amount of waste generated by the Group is to be reduced by 10 percent (tons/MSEK in net revenues).*	Goal 9: Sustainable industry, innovation and infrastructure. Goal 12: Sustainable consumption and production.	● Increased production resulted in increased waste. Improved waste management through a reduction in scrapping, better sorting at source and expanded recycling.
We have a vision of zero tolerance when it comes to workplace accidents and aim to reduce our accident frequency rate. A system for registering near misses related to the work environment is to be introduced.	Goal 8: Decent work and economic growth.	● No clear downward trend was seen in terms of the number of accidents and lost working days. On a positive note, systems for reporting near misses are now in place at 90 percent of the Group's units.
Certified management systems are to be in place at all production units and wherever ISO 14001 is relevant.	Goal 9: Sustainable industry, innovation and infrastructure.	● Three units were certified in 2016 and 80 percent of the units are now certified. Four units plan to achieve certification within six to 18 months.
From 2015 to 2018, we will increase our social commitment.	Goal 4: Quality education for all. Goal 17: Action and global partnerships.	● Cooperation with schools and universities, and social commitment in the form of financial support for education, non-profit organizations, sports activities, healthcare and cultural events.

\* The average figures for 2012-2013 serve as the baseline.

\*\* The UN has established 17 global sustainable development goals. The business community is expected to participate actively in the achievement of these goals.

\*\*\* Refer to the Group's 2016 Sustainability Report for more details.

● Objective achieved. ● Unchanged situation. ● Positive trend, good potential to achieve objective. ● Negative trend, additional measures required.

# People, society, ethics and the environment

## High level of business ethics

As part of its sustainability reporting, Beijer Alma conducts an annual review of the Group companies' work to combat corruption and promote good business ethics. This is done in the form of a self-assessment in which the management group of each company describes the activities carried out during the year by replying to approximately 25 questions. The questions are based on guidelines from the Global Compact.

This year's review showed a good level of commitment among the companies and revealed no violations of the Code of Conduct. The Group's anti-corruption initiatives are based on ongoing training in the Code of Conduct (with a particular focus on new employees), a zero-tolerance policy towards bribery, sanction systems for violations and guidelines on gift amounts and business entertainment. We use management systems, information, discussions and financial monitoring to prevent corruption. Beijer Alma's Code of Conduct is widely used to communicate the Group's values to suppliers and customers.

## People

Beijer Alma employs 2,340 (2,300) people in 17 (16) countries with varying cultures and distinct geographic and political conditions. Approximately 36 percent of these people work in low-cost countries and 19 percent are employed in China, Singapore and Thailand. The majority of employees are located in Sweden, Germany and China.

The Group has a strong tradition when it comes to CSR. We are convinced that this approach is important when it comes to attracting, recruiting, developing and retaining dedicated and skilled employees. All units work continuously to instill the Code of Conduct among their employees, particularly during the introduction of new employees. Work

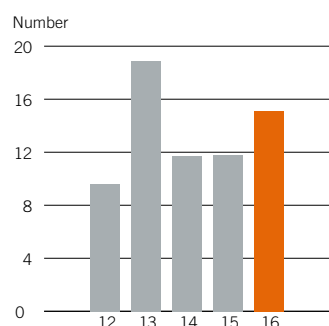
pertaining to personnel issues is decentralized. The Group companies are responsible for managing these issues in a manner that complies with Beijer Alma's guidelines and the legislation and culture of their particular country.

**Employees.** Creating safe and stimulating work environments is a key component of Beijer Alma's efforts related to sustainable development. An important tool for achieving this goal is the surveys carried out regularly to assess how the employees perceive their workplace. In 2016, surveys were conducted at nine units. While the majority of employees were satisfied with their jobs, concerns were raised regarding internal communication, meal breaks, night shifts and the temperature at the premises. More than 900 (800) employees participated in development talks or other performance evaluations. Individual reward systems have been established at a handful of the Group's companies, with environment and work environment considerations being used as key criteria.

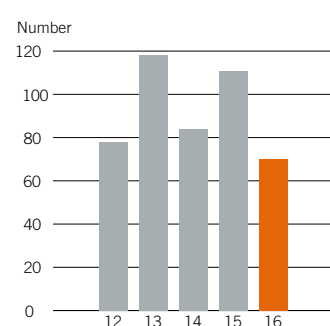
**Setting of salary rates and collective agreements.** The same rules and values apply for all of the Group's units. Salary rates adhere to legislative requirements, exceed minimum wages and are entirely in line with market rates. As a result of cultural and legislative differences, the degree to which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

**Human rights and equality.** In accordance with the Global Compact, we encourage diversity and are opposed to all forms of discrimination. No irregularities, incidents or whistleblower incidents pertaining to human rights were identified in the preparation of this year's report. Respon-

NUMBER OF LOST WORK CASES (LWC) PER MILLION HOURS WORKED



NUMBER OF LOST WORK DAYS (LWD) PER MILLION HOURS WORKED



CAUSES OF WORKPLACE ACCIDENTS

Injuries caused by machinery and equipment 37%  
Falls 18%  
Heavy lifting and repetitive work 22%  
Energy 5%  
Other, such as cuts and transportation accidents 18%





sibility for equality issues is decentralized and lies with the individual units. The proportion of female employees in the Group is 21 percent (33). The proportion of women on the Board of Directors is 38 percent (38). While there are no women among the Group's senior executives, the proportion of women among the management groups of the individual units is approximately 25 percent (17). A total of 38 (29) women are members of a management group that reports directly to the CEO of the company in question.

**Sickness absence.** The rate of short and long-term sickness absence remained low at 2.3 percent and 2.0 percent, respectively.

**Health and safety.** The overall objective in this area is to ensure that the Group's operations do not result in any injuries or illness. Preventive measures include systematic risk analysis, work environment assessments, training, safety inspections and investments in technical measures. Safety committees have been established at 23 units. At the smallest units, environmental work takes a different form. Workplace health and safety inspections were performed at nearly 90 percent of the companies in 2016, including noise and dust measurements, general health check-ups, risk analyses and reviews of chemical use.

In 2016, 55 (44) workplace accidents resulting in more than one day of absence (lost work cases, LWC) occurred. These injuries were caused by machinery, equipment, ergonomic factors (heavy lifting and repetitive work), falls and other factors. The number of LWD due to accidents amounted to 254 (413) days. From a five-year perspective, the number of workplace accidents has fluctuated from 0.01 to 0.02 cases per employee per year. The number of days with absences amounted to 0.1 to 0.2 days employee

per year. Unfortunately, we have not seen a clear decline in the number of workplace accidents despite having taken preventive action. However, it is gratifying to report that 11 Group companies reported zero workplace accidents during the year.

Beijer Alma aims to introduce systems for registering near misses in the work environment at all of its units. Progress is being made and such systems are now in place at 90 percent of the Group's units. Approximately 350 (300) near misses were reported in 2016. This is an improvement, but there is still considerable work to be done before the system for reporting near misses is firmly entrenched within the companies. The most common near misses pertain to the same types of environmental factors arising in the Group's accident statistics. The purpose of registering near misses is to identify risks at an early stage and take preventive action.

**Training.** Training helps to ensure that employees have the knowledge needed to perform their jobs and gives them an opportunity to develop their skills and gain an understanding of the Group's fundamental values. Approximately 18,400 (23,200) hours of training were completed in 2016. This corresponds to eight (ten) hours per employee, down somewhat from the preceding year. The number of hours devoted to environmental, health and safety training amounted to 2.0 (1.6) per employee.

#### Environment

**Environmental aspects.** The manufacturing of springs within Lesjöfors and cables within Habia Cable are associated with a number of key environmental aspects. Examples include the use of materials (metals, plastics), chemicals (solvents), energy and water. Other key

#### GEOGRAPHIC DISTRIBUTION OF EMPLOYEES

Sweden 29%  
Denmark 3%  
Germany 19%  
Poland 3%  
Singapore 2%  
Slovakia  
Latvia 5%  
UK 8%  
China 16%  
Other 9%



#### EMPLOYEES Key figures

Average number of employees  
Percentage salaried employees (%)  
Percentage production staff (%)  
Percentage women (%)  
Percentage employed in low-cost countries (%)  
Short-term sickness absence (%)  
Long-term sickness absence (%)  
Percentage employed in Sweden (%)

2016	2015	2014	2013	2012
<b>2,340</b>	2,262	2,124	2,110	1,831
<b>32</b>	32	31	31	32
<b>68</b>	68	69	69	68
<b>21</b>	33	33	35	34
<b>36</b>	33	30	30	30
<b>2.3</b>	2.5	2.4	1.9	2.1
<b>2.0</b>	2.1	1.0	0.9	0.9
<b>29</b>	31	33	33	36

environmental issues include emissions of climate-impacting gases and solvents (VOC) as well as the creation of waste. Within Beijer Tech, significant environmental aspects mainly pertain to products, packaging and transportation. The ISO 14001 environmental management system is a valuable tool used by the Group to systematically reduce its environmental impact.

**Environmental legislation.** Beijer Alma is subject to extensive environmental and work environment legislation as well as new and amended requirements that impact the Group's operations. Slightly more than half of the units hold specific environmental permits for their operations. Seven of these units are located in Sweden. Four units plan to renew their environmental permits in the coming years. Compliance with legislation is monitored through reports to various authorities and by way of inspections and environmental audits. During 2016, 12 units were inspected by their respective supervisory authorities. In most cases, these inspections resulted in no negative remarks or only minor corrective measures. No violations of environmental or work environment legislation were reported in 2016.

In addition to environmental permits, many of the Group's companies are subject to other environmental legislation, including legislation pertaining to hazardous substances (REACH, RoHS, safety data sheets, etc.), product liability for packaging and rules for waste management. The EU Energy Efficiency Directive affects all of Beijer Alma's units within the EU, requiring them to carry out energy audits and deliver reports to authorities. This work is performed within the framework of specific rules in effect in each country.

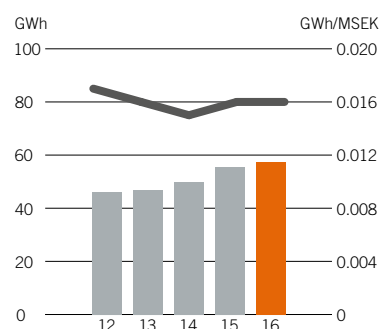
**Environmental management system.** The ISO 14001 standard for environmental management systems was intro-

duced in 1996 and the most recent update was published in 2015. The implementation of certified environmental management systems is a component of Beijer Alma's strategy for sustainable development. ISO 14001 provides a systematic approach to environmental work and is intended to enable continuous improvements. The goal is for all of the Group's production units to be certified. ISO 14001 is also important for the major units in Beijer Tech. A total of 23 (19) units are currently certified. Four additional companies are preparing to implement the environmental management system. To meet the new requirements in ISO 14001:2015, we are currently preparing to update our environmental management systems. A few companies have already implemented the update, but most will do so between 2017 and 2018.

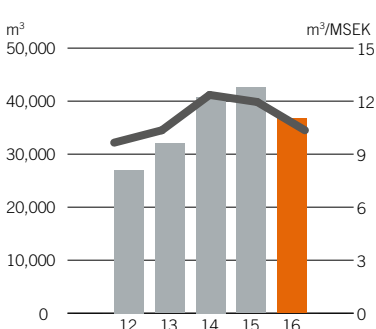
Internal and external environmental audits are part of the Group's continuous efforts to monitor and improve the environmental management system. Beijer Alma employs more than 50 internal environmental auditors, who conducted 31 environmental audits during the year. The Group's facilities were audited by external certification auditors on 22 occasions.

**Materials and chemicals.** In 2016, approximately 26,900 tons (27,000) of metal, 1,270 tons (1,260) of plastic and 175 tons (160) of chemicals were used, primarily solvents (naphtha) used in Habia Cable's production processes in China and Germany. The Group continued its efforts to replace hazardous chemical substances and one substance was phased out. The Group still uses certain chemicals that are candidates to be phased out. Conflict minerals (refer to the glossary) continued to attract considerable attention. Customers want a guarantee that these substances are not used in the Group's products. Seven units within Beijer Alma use metals that are classified as conflict minerals.

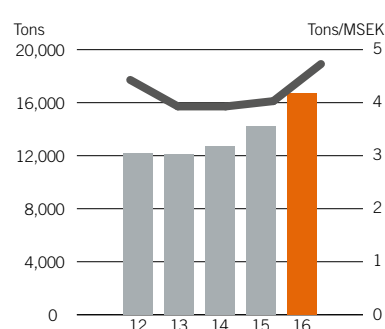
#### ENERGY CONSUMPTION



#### WATER CONSUMPTION



#### CO<sub>2</sub> EMISSIONS



Procedures are in place to ensure that such metals do not originate from countries with ongoing armed conflicts.

**Energy.** Total energy consumption amounted to 57.5 GWh (55.4). This increase was partly attributable to acquired units and higher production. The largest energy consumption was reported in Sweden, Germany and China. Approximately 78 percent (72) of this energy comprised indirect energy, primarily electricity. Direct energy in the form of fossil fuels (oil, natural gas, propane) is used for heating in furnaces and fork lifts. The use of biofuel and electricity from renewable sources accounted for 10 percent (10) of the total consumption.

The energy-saving measures taken by the Group included energy audits, installation of more energy-efficient production equipment and other technological equipment. Other measures included more energy-efficient lighting (LED bulbs, motion detectors), ventilation and heating. Examples of implemented measures are presented on pages 23 and 38.

**Water.** Beijer Alma's water consumption totaled 36,700 m<sup>3</sup> (42,600) and primarily comprised municipal water. A previous water-intensive process in China is now carried out by an external company and is one of the explanations for the reduction in water consumption. Systems for reusing water, leak detection and other measures enabled several units to reduce their water consumption.

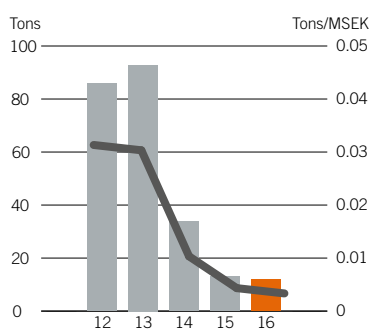
Emissions of pollutants into wastewater were very limited and primarily comprised sanitary wastewater. Essentially all units are connected to municipal wastewater treatment plants. A small number use septic tanks for treating sanitary wastewater. Improved wastewater treatment equipment was installed at one of the Group's German units during the year.

**Emissions to the atmosphere.** The Group's CO<sub>2</sub> emissions totaled 16,700 tons (14,200), of which 82 percent (75) comprised indirect emissions from purchased electricity. Direct emissions were mainly attributable to the use of propane in furnaces for processing metals for springs. The increase

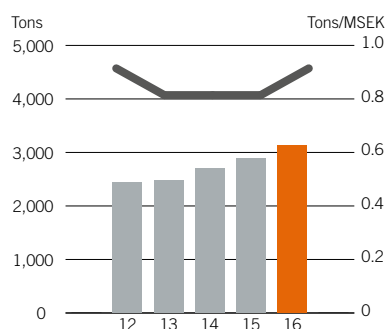
#### ENVIRONMENT AND WORK ENVIRONMENT Key figures

	Lesjöfors	Habia Cable	Beijer Tech
Energy consumption, GWh (GWh/MSEK in net revenues)	40.6 (20.2)	13.6 (17.3)	3.3 (4.5)
Water consumption, m <sup>3</sup> (m <sup>3</sup> /MSEK in net revenues)	20,500 (10.2)	14,060 (17.9)	2,150 (2.9)
CO <sub>2</sub> emissions, tons (tons/MSEK in net revenues)	10,650 (5.3)	5,950 (7.6)	115 (0.2)
VOC emissions, tons (tons/MSEK in net revenues)	2.5 (0.001)	9.3 (0.012)	0 (0)
Amount of waste, tons (tons/MSEK in net revenues)	2,250 (1.1)	740 (0.9)	150 (0.2)
ISO 14001, number of certified units	19	2	2
Workplace accidents, number of cases resulting in cases (cases/million hours worked)	37 (15.5)	13 (13.5)	5 (17.6)
Workplace accidents, number of lost working days (days/million hours worked)	177 (74.0)	68 (70.5)	9 (31.7)

#### VOC EMISSIONS



#### WASTE





in emissions was due to higher production and the fact that the Group has a growing number of units in countries where electricity is primarily produced from fossil fuels. Accordingly, more than 60 percent of CO<sub>2</sub> emissions were attributable to Germany and China. Purchases of green electricity and the use of biofuel in Sweden resulted in a reduction in emissions of fossil carbon dioxide. Other measures to reduce emissions included energy-efficiency enhancements, train transport and purchases of fuel-efficient vehicles.

VOC emissions amounted to 12 tons (13). Emissions of sulphur dioxide, nitrogen oxide and dust were very low and amounted to less than 0.5 tons. The installed quantity of coolants (HFC/HCFC) was less than 0.1 tons. No major emissions of coolants were released to the atmosphere.

**Waste.** The total amount of waste during the year amounted to 3,100 tons (2,900). Approximately 90 percent of waste was recycled as materials or energy. Approximately 1,800 tons of metal were recycled. About 5 percent comprised hazardous waste, which was handled by approved waste management companies. The most important improvement initiatives focused on reducing scrap-ping, improving sorting at source and increasing the reuse of packaging materials. Initiatives such as Six Sigma, Lean Manufacturing and 5S contributed to better resource use, more efficient production and reduced waste at several facilities.

**Transportation.** The Group continued its efforts to reduce its environmental impact from the transportation of raw materials, products and people, partly by purchasing vehicles with lower fuel consumption, coordinating transportation, changing routes, using videoconferences and using more rail transport. A number of companies in Beijer Tech reported a total reduction in CO<sub>2</sub> emissions of approximately 30 tons.

### Risks and opportunities

Through active and well-planned management, Beijer Alma continuously minimizes its operational risks. At the same time, we also aim to leverage the business opportunities associated with controlled risk assumption. The primary components of the Group's risk management are identification, assessment, management, reporting, monitoring and control. Procedures have been established for accepting, reducing or eliminating various types of significant risks.

The Annual Report presents information on operational and financial risks. When it comes to sustainability, we have identified a number of risks that may be of significance for the Group's financial position. Stricter environmental legislation, taxes, charges and other environmental requirements could give rise to substantial costs for the Group's industrial operations. From a business perspective, certain risks involving environmental and social responsibility have been identified in recent years, particularly related to manufacturing in developing countries. Beijer Alma regularly performs risk assessments in the countries where it operates. The objective is to identify new risks and/or costs associated with environmental, ethical and social responsibility as early as possible.

Attitudes toward sustainable development have changed in recent years. Expectations that business and industry should contribute in a positive manner have increased, creating opportunities for Beijer Alma in several areas. More efficient utilization of resources, reduced environmental impact, development of environmentally friendly products and a distinct social responsibility are examples of areas in which the Group can create competitive advantages and contribute to sustainable development.

**Environmental legislation.** Beijer Alma's production units hold the necessary permits for their operations. No major applications for permit renewals are planned for 2017. Wherever applicable, the Group's units meet the requirements of the REACH chemical legislation, the RoHS product legislation, product liability for packaging waste and other relevant environmental and work environment legislation. We do not anticipate an increased risk relating to new or amended legislation in the near future. In accordance with the EU Energy Efficiency Directive, energy audits must be carried out at a number of production facilities. This work has commenced and will initially result in expenses. In many cases, the results of these audits create opportunities for more efficient energy use and reduced costs.

### Contaminated land and hazardous substances

**in buildings.** The land at one facility in Sweden is contaminated by metals and oil. Beijer Alma is not financially responsible for any investigations or environmental remediation performed at this facility. The matter is being administered and financed by the County Administrative Board. Another Swedish unit is included in the official government register of contaminated land, known as the

MIFO Register, in the lowest risk category. There are a small number of known instances of materials containing asbestos used in buildings. These involve roofs and wall coverings and will not require decontamination measures. PCB inventories were taken and small amounts of PCB were decontaminated at a facility in Sweden.

**Energy costs.** There is a risk that energy costs will rise and have a significantly negative impact on earnings. At Beijer Alma, this applies in particular to power purchases. Currently, the energy price trend is favorable from the Group's perspective. However, prices will most likely rise in the long term. Higher taxes and charges for fossil-based fuel can also be expected. As part of its risk management, Beijer Alma has established a Group-wide energy efficiency objective and tangible measures are being carried out at its plants.

**Climate-related risks.** Climate issues are important. Page 30 presents an overview of the Group's efforts to reduce its carbon footprint. It is also important that we are adequately prepared for the potential financial impact that climate change could have on our operations. This may involve damage to plants and infrastructure as well as access to raw materials, conditions among suppliers and changes in customer behavior. Taxes, charges and mandatory emission limitations could also affect Beijer Alma. One of the Group's plants is located in an area in which extreme weather conditions may occur, namely Changzhou in China. It is not known whether climate change will affect the situation, but we are monitoring the risk and vulnerability analyses being conducted by the authorities.

**Environmentally friendly products.** Interest in environmentally friendly products is growing. One business risk may be that the company's product range contains products that – for health or environmental reasons – are not accepted by customers. As a supplier, Beijer Alma has various opportunities to address this risk. Since most of the Group's products are manufactured at the request of customers, development work must be carried out in cooperation with them. We continuously monitor the development process in order to initiate the replacement of hazardous substances, introduce more environmentally friendly components and develop new products. The Sustainability Report provides several examples of products that generate additional environmental benefits.

**Business ethics.** A lack of business ethics could harm Beijer Alma's reputation and business operations. As shown in the information on page 26, we are working in various ways to prevent corruption and other improprieties.

**Human rights.** Human rights violations in our companies or among our suppliers could harm the Group's reputation and business operations. Beijer Alma's Code of Conduct is applied in the same manner worldwide. We promote the protection of human rights through information, training programs, internal regulations and monitoring.

# Sustainable development and finances

## Strong end to the year

2016 was another strong year for Beijer Alma. Invoicing amounted to MSEK 3,528 (3,522) for the full year. Operating profit for the full year totaled MSEK 455 (477) and the operating margin was 12.9 percent (13.6). Profit after net financial items amounted to MSEK 447 (467) and earnings per share totaled SEK 10.87 (11.74).

## Environment-related costs and investments

The cost for energy during the year amounted to MSEK 41.6 (39.1), the cost for water to MSEK 0.9 (0.9) and the cost for waste management to MSEK 2.2 (2.4). Investments in

environmental and work environment measures totaled MSEK 9.8 (14.2) and mainly pertained to equipment for air purification and measures to improve the work environment. Environment-related costs totaled MSEK 6.0 (5.3).

## Financial value for stakeholders

Beijer Alma's operations create financial value that is allocated to its various stakeholders, including the company's suppliers, employees, shareholders, lenders and society. Beijer Alma is a responsible company that pays taxes and fees in accordance with the legislation prevailing in the countries where the Group operates.

STAKEHOLDER GROUP	ALLOCATED VALUE (MSEK)			COMMENTS
	2016	2015	2014	
Suppliers	1,475	1,477	1,410	Compensation for materials and services (raw materials and consumables)
Employees	952	966	868	Salaries and benefits
Shareholders	286	286	256	Dividend
Lenders	9	11	11	Interest expenses
Society	119	113	104	Reported effective tax for the Group

## INVESTMENTS IN THE ENVIRONMENT AND WORK ENVIRONMENT

Air purification 9%  
Wastewater treatment 30%  
Waste management equipment 4%  
Work environment improvements 35%  
Other investments 22%



## COSTS RELATED TO THE ENVIRONMENT AND WORK ENVIRONMENT

Waste management 36%  
Administration 33%  
Fees to authorities 2%  
Operation of purification plants 9%  
ISO 14001 16%  
External services 4%





# Global Compact

## – Communication on Progress

### Ten Principles for CSR

In 2015, Beijer Alma joined the UN Global Compact, an initiative to promote CSR. As a participant in the Global Compact, we agree to adhere to Ten Principles in the areas of human rights, labor conditions, the environment and anti-corruption. Over the course of the financial year, we established a clearer connection between the UN global sustainable development goals and the Group-wide objectives.

### Communication on Progress

Organizations that are affiliated with the Global Compact are required to submit an annual report known as a Communication on Progress (COP), which outlines their work in relation to the Ten Principles. Beijer Alma uses this information as a basis for its Annual Report and Sustainability Report in order to give an accurate picture of how we comply with the Global Compact.

GLOBAL COMPACT		STATUS 2016	PAGE
Human rights	1. Businesses should support and respect the protection of internationally proclaimed human rights.	Information and training regarding Beijer Alma's Code of Conduct were provided at several units. No human rights violations were reported.	8–9, 26–27
	2. Businesses should make sure that they are not complicit in human rights abuses.	The Group continued to improve its processes for assessing suppliers. The number of assessments has increased compared with the preceding year. No human rights violations were reported.	10, 31
Labor conditions	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	The Code of Conduct lists freedom of association and the right to collective bargaining as a fundamental principle. Trade unions have been established in all relevant countries and countries where this is customary. In countries without trade unions, the company and its employees engage in other types of negotiations.	26–27
	4. Businesses should uphold the elimination of all forms of forced and compulsory labor.	All forms of forced and compulsory labor are forbidden at Beijer Alma and among the Group's suppliers. There are no signs that any violations occurred during the year.	8–9, 26–27
	5. Businesses should uphold the effective abolition of child labor.	Child labor is forbidden at Beijer Alma and among the Group's suppliers. There are no signs that any violations occurred during the year.	8, 10, 26–27
	6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.	The Code of Conduct clearly states the Group's stance on discrimination and equality. No instances of discrimination were reported. Formal equality plans have been established at 11 of the Group's units.	8, 10, 26–27
Environment	7. Businesses should support a precautionary approach to environmental challenges.	The ISO 14001 environmental management system is a systematic tool in the Group's efforts to identify and prevent risks. 80 percent of the Group's units are currently certified and additional certifications are planned. We are also taking a preventive approach, for example, by installing treatment equipment, phasing out hazardous chemicals and conducting risk analyses.	9, 28–30
	8. Businesses should undertake initiatives to promote greater environmental responsibility.	The overall environmental responsibility rests with Group management and responsibility for the daily operations is delegated to the management teams of the Group companies. Performance is reported to Beijer Alma's Board of Directors on a regular bases and communicated externally through the Sustainability Report and CDP reporting.	9
	9. Businesses should encourage the development and diffusion of environmentally friendly technologies.	The Group offers several good examples of component/product development that helps to reduce environmental impact.	23, 36, 38
Anti-corruption	10. Businesses should work against corruption in all its forms, including extortion and bribery.	Beijer Alma's Code of Conduct provides clear guidance regarding the prevention of corruption. All Group companies perform an annual self-assessment about their work to combat corruption. The assessment is based on guiding documents from the Global Compact. No violations were reported or detected in 2016.	26

# Glossary

**5S.** A Japanese method for creating order in the workplace. The 5S phases can be translated as: sort, straighten, shine, standardize and sustain. 5S is a key component of lean manufacturing.

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

**CDP.** The Carbon Disclosure Project is a voluntary system for reporting the climate impact of companies. The initiative is primarily targeted at international investors, who can use the information provided about climate risks when investing in various companies. Beijer Alma has performed CDP reporting since 2013.

**Code of Conduct.** Guidelines for employees in the areas of business ethics, the environment, working conditions and social responsibility. The most recent update to Beijer Alma's Code of Conduct took place in 2015 and 2016.

**Conflict minerals.** Tungsten, tantalum, tin, and gold originating from the Democratic Republic of Congo or nearby countries are referred to as conflict minerals. The term refers to the ongoing armed conflicts in the region, in which mining operations are often involved and which have resulted in human rights violations.

**COP.** A Communication on Progress is an annual report submitted to the UN that outlines Beijer Alma's work related to the Ten Principles of the UN Global Compact.

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

**Energy consumption.** Beijer Alma reports both its direct energy use (use of fuel in its own energy facilities) and its indirect use (purchased electricity and district heating).

**Environmental aspects.** The areas of an organization's activities, products or services that impact the environment (ISO 14001).

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

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

**Global Compact.** A UN initiative in the area of CSR. Participating organizations agree to adhere to Ten Principles in the areas of human rights, labor conditions, the environment and anti-corruption.

**Global goals.** At the UN Summit on September 25, 2015, heads of state and governments from around the world adopted 17 global goals and the 2030 Agenda for Sustainable Development. The global goals and the 2030 Agenda aim to end poverty and hunger, realize the human rights of all, achieve gender equality and the empowerment of all women and girls, and ensure the lasting protection of the planet and its natural resources. The global goals are integrated and indivisible, and balance the three dimensions of sustainable development: economic, social and environmental sustainability.

**HCFC/CFC.** Coolants such as chlorofluorocarbons (CFC) and hydrochlorofluorocarbons (HCFC) have a negative effect on the environment as a result of their ozone-depleting properties and climate impact. Demand for environmentally friendly coolants is growing worldwide.

**ISO 14001.** International standard for environmental management systems introduced in 1996. Some 325,000 organizations worldwide currently hold ISO 14001 certification. An updated version of the standard was published in 2015 (ISO 14001:2015). Certification in accordance with ISO 14001 is a requirement for all Beijer Alma production units.

**ISO 26000.** International standard providing guidance on how organizations can manage issues pertaining to social responsibility. The standard was introduced in 2010 and has provided guidance in the formulation of Beijer Alma's Code of Conduct.

**Lean manufacturing.** Systematic method for managing resources in an efficient manner. The purpose of lean manufacturing is to identify all factors in a production process that do not create customer value.

**Naphtha.** Naphthalene is an aromatic hydrocarbon compound used as a solvent in Habia Cable.

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

**PCB.** Polychlorinated biphenyls are a group of industrial chemicals that are hazardous to the environment and health. Although the use of PCBs was banned in Sweden in 1972, the substances are still present in the environment due to their long decomposition time.

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

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

**Six Sigma.** A program and philosophy for making quality improvements in companies and organizations, first introduced at Motorola in 1987. Six Sigma is largely inspired by the holistic approach to quality issues commonly adopted in Japanese industrial companies since World War II.

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

**Sustainable development.** This term refers to "development that meets the needs of the present without compromising the ability of future generations to meet their own needs." Sustainable development encompasses ecological, social and economic sustainability.

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

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

**Work-related injury.** The term work-related injury refers to a sudden incident (accident) occurring at the workplace that causes a wound or injury. Typical workplace injuries at Beijer Alma include injuries caused by machinery and equipment, falls and injuries caused by heavy lifting or repetitive work. Beijer Alma defines the term work-related injury as an accident causing more than one day of absence (lost work case, LWC).



## FIELD TRIP

Every year, students from the Entrepreneurship Program at Uppsala University and upper-secondary school students from Fyrissskolan and Katedralskolan in Uppsala are invited to attend Beijer Alma's AGM. This gives students an opportunity to learn more about what happens during the AGM of a listed, international group.



## WORK ENVIRONMENT

In foundries, excess materials are washed away once the foundry process is complete. This work is often performed manually and creates a harsh work environment with dust, noise and vibrations. It is not uncommon for companies to bring in local subsuppliers that use manpower from low-cost countries. Karlebo offers an automatic cleaning machine that helps foundries avoid work environment problems. The machine is easy to operate and improves the results of the work carried out.



## RACING SPONSOR

Habia is sponsoring Ashwa Racing – an Indian racing team from the R.V. College of Engineering in Bangalore. The team is made up of engineering students who build their own racing cars and compete in both India and abroad. Habia supplies the team with cables and technical expertise, thereby establishing connections with these future engineers, who represent an attractive target group.

## RISK INVENTORIES

Many of the Group's facilities across the world are conducting risk inventories. This is being done on the initiative of the Parent Company, Beijer Alma, and in partnership with the company AON, whose operations include risk management services. Based on this risk inventory, improvement measures will then be established for each unit.

## SOCCER

Beijer Alma sponsors the "Gränslös fotboll" (Soccer Without Borders) project, an initiative started by the Sirius Soccer Club in Uppsala. The project helps to offer meaningful recreational opportunities in underprivileged areas where positive activities for children and young people are often lacking. Together with other community organizations in Uppsala, Sirius gathers young people to play soccer games on Fridays and Saturdays.



## QUALITY

Tebeco's high-quality blasting agent is good for the environment and the wallet. The blasting agent is homogenous and longer-lasting – and thus reduces material usage. This quality product lasts 10 to 20 percent longer than other cheaper alternatives. Lower material usage results in environmental gains in the form of a reduction in waste management and transport. This quality product also contributes to lower maintenance costs and less downtime.

## ENVIRONMENT

To minimize the risk of emissions, Lesjöfors America covers the waste in the containers located near the facility. If left uncovered, rain and snow could carry contaminants from the waste to the ground and water.



## PREVENTIVE CARE

Preventive care was high on the agenda of several Lesjöfors companies. The plant in Tinglev, Denmark, signed an agreement giving its employees access to a local gym. Lesjöfors Stockholms Fjäder wants to encourage more employees to take advantage of the company's preventive care contribution. All employees were also invited to participate in a local running race during the year. The company paid for the employees' entry fees and provided team shirts.

## TEACH FOR SWEDEN

Teach for Sweden uses a new approach to recruit teachers – primarily in natural science subjects – to work at schools in socially disadvantaged areas. By providing schools with leaders who make a difference in the classroom, the organization helps more students achieve their upper-secondary school qualifications. Beijer Alma provides Teach for Sweden with monetary support. Some of the Group's managers also act as mentors for teachers in the organization's leadership program.





## NATURAL MATERIAL

Beijer Industri offers a grinding wheel that features several environmental improvements. The wheel is made from the natural material hemp. It releases no dangerous particles during grinding, thereby helping to create a better work environment. Once the wheel has been used, it can also be burnt along with other waste. Many other grinding wheels contain substances that make waste management more complicated.

## WORK EXPERIENCE

In Herrljunga, Sweden, Lesjöfors is part of a well-established partnership with local schools. Students in the area's upper-secondary industrial program are being given an opportunity to conduct their second and third-year internships at the company. Lesjöfors was involved in developing this internship program. Before selecting an upper-secondary school, all year nine students are invited to visit the company and learn more about its operations. The plant also takes on compulsory school students for practical work experience.



## RECYCLING

At its plant in Söderfors, Habia ensures that all EUR-pallets are recycled, thus extending their service life. Used pallets that are in poor condition are collected, refurbished by a partner company and resold.

## REUSE

Lesjöfors America has worked together with some of its largest customers to reduce packaging use. The partnership is based on the use of certain types of packaging that are not discarded immediately after use, but rather are reused several times.



## ENVIRONMENT

Stumpp+Schüle reduced the use of fresh water and salt in a number of its manufacturing processes. A new system has been installed that allows these raw materials to be reused to a greater extent than in the past. Thanks to the more efficient handling of paper and plastic waste, waste-related costs have also been reduced.

## ENERGY EFFICIENCY

Habia has implemented a number of energy-efficiency enhancements at its German plant in Norderstedt. LED bulbs have been installed throughout the plant. The transition to LED is expected to reduce electricity costs by about EUR 8,000 per year. Habia is also investing in LED lighting at the Chinese plant where its industrial cables are produced in order to improve its energy efficiency.



## ENVIRONMENT

Lesjöfors America has cut its emissions and optimized its energy efficiency. Its emissions have been reduced through the use of electric forklifts throughout the operations. The company's new plant in Pittston, Pennsylvania, has been equipped with more efficient heating, lighting and air conditioning systems, enabling consumption to be reduced. Motion detectors have also been installed, allowing the lights in the premises to be turned on and off automatically.



## COOL WORK ENVIRONMENT

Habia has made environmental improvements at its Polish plant in Lubieszyn. Air conditioning has been installed throughout the premises. This will improve the working conditions in the facility, where temperatures can reach 40 degrees Celsius in the summer.

# Reporting principles

## Transparent presentation of sustainability work

Beijer Alma's Sustainability Report addresses a range of environmental, work environment, social and business ethical issues. The aim of the report is to provide Beijer Alma's employees and external stakeholders with clear information on the company's CSR activities and how they are connected to the company's business operations. The report is also intended to explain the Group's work related to the Ten Principles of the UN Global Compact in accordance with the requirements of the Communication on Progress (COP). This information is also used to report the Group's climate impact in accordance with the Carbon Disclosure Project (CDP). The guidelines of the Global Reporting Initiative (GRI) provide a basis for the Group's reporting and choice of indicators.

Most units that were part of Beijer Alma in 2016 are included in the report. Data was provided by a total of 30 units in Sweden, Denmark, Finland, Latvia, Poland, Slovakia, Germany, the UK, the US, Thailand, Singapore and China. A small number of Beijer Tech's sales offices are not included in the report. These offices employ a total of approximately 25 employees. One operation in Mexico belonging to Lesjöfors Springs America is not included in the report. The premises for the operation are rented and most of the employees belong to another company.

## Reporting principles

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

Emissions of carbon dioxide, sulphur dioxide and nitrogen oxide from direct energy consumption have been measured using conversion factors based on the energy content and quality of the fuel used. CO<sub>2</sub> emissions from indirect energy consumption – mainly electricity – are measured based on emission factors from the Greenhouse Gas Protocol (GHG Protocol) and the Covenant of Mayors (EU 2010) for the countries in which Beijer Alma conducts operations. In cases where energy suppliers present specific information regarding the energy mix, the supplier's measurement models are used. Information about VOC emissions (solvents) is primarily based on mass balance calculations.



# Addresses

## BEIJER ALMA AB

Dragarbrunnsgatan 45  
Forumgallerian  
Box 1747  
SE-751 47 UPPSALA  
Sweden  
Telephone +46 18 15 71 60  
Fax +46 18 15 89 87  
E-mail [info@beijeralma.se](mailto:info@beijeralma.se)  
[firstname.lastname@beijeralma.se](mailto:firstname.lastname@beijeralma.se)  
[beijeralma.se](http://beijeralma.se)

Strandvägen 5A, 5th floor  
Box 7823  
SE-103 97 STOCKHOLM  
Sweden  
Telephone +46 8 506 427 50

## LESJÖFORS AB

*Head office*  
Köpmannagatan 2  
SE-652 26 KARLSTAD  
Sweden  
Telephone +46 54 13 77 50  
E-mail [info@lesjoforsab.com](mailto:info@lesjoforsab.com)  
[lesjoforsab.com](http://lesjoforsab.com)

## HABIA CABLE AB

*Head office*  
Kanalvägen 18, 6th floor  
Box 5076  
SE-194 05 UPPLANDS VÄSBY  
Sweden  
Telephone +46 8 630 74 40  
E-mail [info@habia.com](mailto:info@habia.com)  
[habia.com](http://habia.com)

## BEIJER TECH AB

*Head office*  
Radiovägen 27E  
Box 2120  
SE-135 02 TYRESÖ  
Sweden  
E-mail [info@beijertech.se](mailto:info@beijertech.se)  
[beijertech.se](http://beijertech.se)

“ We are already feeling the impact of the transition to sustainable energy, which will ultimately result in fossil fuels increasingly being phased out. These changes will also create new business opportunities for industrial groups such as ours.

*Bertil Persson*  
President and CEO