

SUSTAINABILITY REPORT 2017



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Sustainability work in Beijer Electronics Group covers all the Group's operations including Beijer Electronics' unit in Salt Lake City, Utah, US, covering sales, product development and logistics. The image is the Utah State Capitol building in Salt Lake City, against a mountain backdrop.



A sharper focus on sustainability

This is Beijer Electronics Group AB's first Sustainability Report, which is for the financial year 2017. Efforts to get structured, systematic and documented sustainability work in place commenced in fall 2016, and the company executed its first materiality analysis in 2017. Some sustainability indicators in the form of key metrics are presented in this Report, but many of the metrics that are management's ambition to measure, produce action plans for and monitor, are currently in build-up, and some are not available for previous years.

Beijer Electronics Group AB's ambition is to continue its work on the UN Global Compact's 10 principles through the coming years, and accordingly, we will implement them formally in 2018.

Over the years, some of the Group's growth has been acquisition led. One of the challenges Beijer Electronics Group faced in the year was to monitor sustainability work in its different companies to obtain an integrated and consistent view of how far we have come, and where we want to go in the future.

Work on sustainability issues have gained a more prominent role in the Group, and our future focus is on continuing to develop sustainably. Our endeavor is to keep working on a goal-oriented footing on these matters, and for our co-workers to participate, and feel proud of working for Beijer Electronics Group.

If you have any views or questions on this Report, please contact:

Per Samuelsson
President & CEO
Per.samuelsson@beijergroup.com

Fredrik Persson
Quality & Environmental Manager
Fredrik.persson@beijerelectronics.com

Sustainable operations with long-term profitability

We made serious progress on our sustainability work in 2017, building up systematics on how Beijer Electronics Group should address these issues. We think sustainability should be an integrated part of our business. Work on sustainability should interweave every part of the Group, and form a pattern, so that sustainability permeates our whole business. Our goal is a sustainable operation in long-term profitability.

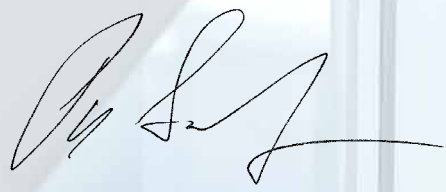
All co-workers in our Group need to feel responsible for us actually creating the right products that customers really need and want. We need to manage our development process sustainably. This is fundamental for our whole business, and we need to work together to achieve this. Sustainable value creation benefits our co-workers, customers, suppliers, wider society and shareholders. It also means more scope for additional efforts, new ideas and creativity. By succeeding and being a winning team, we will also attract more skilled people, and thus get even better. As an employee, working for a company that's doing well brings security.

In recent years, our organization has undergone some changes to address forthcoming challenges. We operate in a market that is growing and where technology is evolving and changing rapidly. Increasingly, customers are demanding products that contribute to sustainable solutions. We uphold sustainability as integrated

into our solutions to control, connect, present and communicate data. Digitalization, connectivity and communication create more effective solutions, which if managed correctly, can help promote a more sustainable society. Accordingly, our products and services have come at just the right time, and are in harmony with progress.

Going forward, we're focusing on consolidating our collaborations with suppliers and ensuring that we have the same core values in business ethics. We will also continue our work on creating a long-term profitable company, where we focus on innovation and new ideas, while nurturing our people.

We are beginning our sustainability journey, and we know the way ahead for us is challenging—but also that ultimately, this will pay off.



Per Samuelsson
President & CEO

A man in a dark blue suit jacket, white shirt, and dark trousers stands by a large window. He is looking towards the camera with a slight smile. The background shows a cityscape with buildings and a bright sky. The window frame is visible on the right side of the image.

“ Digitalization, connectivity and communication can help promote a more sustainable society. Accordingly, our products and services have come at just the right time, and are in harmony with progress.

What we do

Beijer Electronics Group delivers smart automation and data communication solutions. Our solutions control, connect and present data and information in mission-critical applications and robust data communication. Digitalization is transforming market demands and the trend is moving towards connected systems with more software. The Group is assigning significant resources to stay at the leading edge in developing new software and hardware solutions in automation and data communication. Beijer Electronics Group addresses an array of market segments with varying needs, which apply differing standards on their solutions. A significant component in Beijer Electronics Group's offering targets exposed sectors in demanding environments that need robust, secure and sustainable solutions.

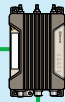


Westermo develops and sells robust network solutions for reliable data communication in a raft of demanding market segments like trains and subways.

Video recording



Network



Signal



Network



Korenix develops and sells wireless and wired data communication solutions for applications including surveillance and security in public buses.

Network



Surveillance camera

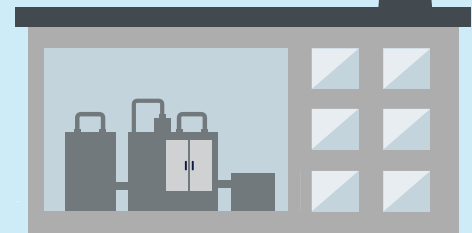


Beijer Electronics develops and sells hard- and software solutions to OEMs to control, connect and present, gather and analyze data.

Machine control



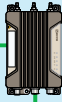
Network



Cloud solution

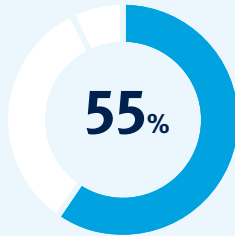
Heating and ventilation

Network

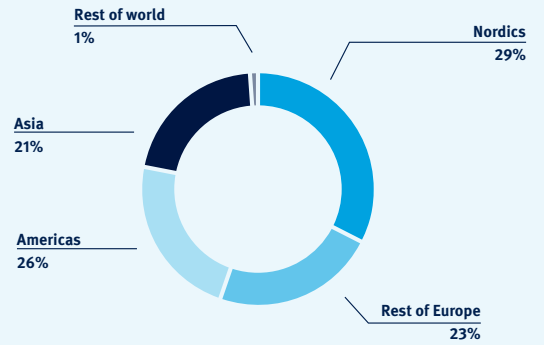


Beijer Electronics

Share of Group sales

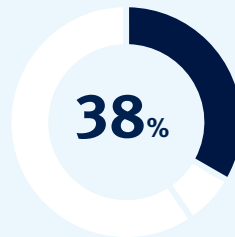


Customers by geographical market

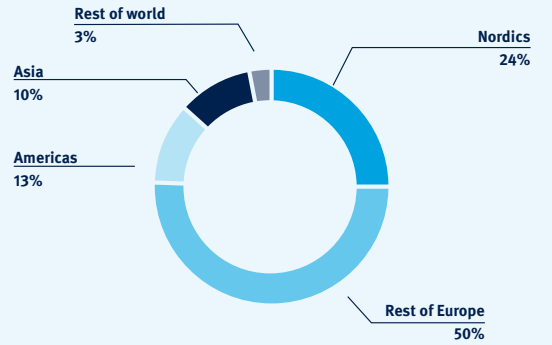


Westermo

Share of Group sales

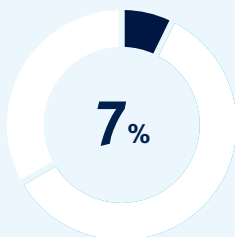


Customers by geographical market

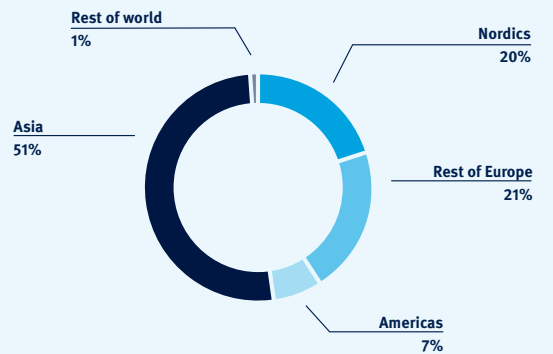


Korenix

Share of Group sales



Customers by geographical market



Geographical division of sales

SEK 000	2017	2016
Sweden	171,252	187,483
Norway	73,872	59,411
Denmark	37,970	39,418
Finland	25,571	18,071
Nordics	308,665	304,383
Germany	93,992	89,788
UK	71,155	74,434
France	40,595	33,182
Turkey	29,221	23,972
Rest of Europe	168,810	150,566
Total, Europe	712,438	676,325
North America	239,078	194,658
China	70,896	88,745
Taiwan	78,195	65,038
Rest of Asia	85,159	73,894
Rest of world	20,146	22,849
Total	1,205,912	1,121,509

Beijer Electronics Group's net sales by geographical market.

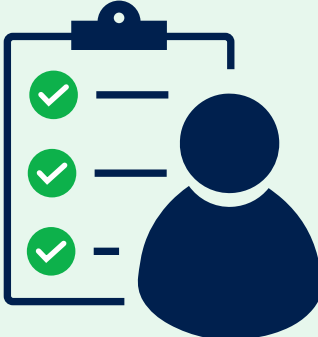




Average number of employees

	2017	of which men, %	2016	of which men, %
Parent company				
Sweden	12	84	23	75
Total, parent company	12	84	23	75
Subsidiaries				
Australia	3	66	1	0
Denmark	10	67	10	75
UK	18	85	20	82
France	10	78	10	79
China	35	60	36	56
Norway	12	96	13	92
Singapore	5	83	4	100
Sweden	245	85	235	86
South Korea	2	100	1	100
Taiwan	257	42	248	43
Turkey	16	63	16	63
Germany	30	81	42	80
US	47	77	55	67
Total, subsidiaries	690	66	691	67
Group, total	702	66	714	67

Three challenges



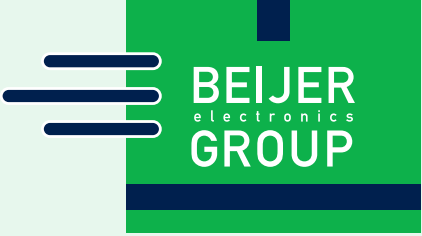
Competence

Beijer Electronics Group is an innovative, high-technology company. Hiring the right skills & individual specialists can present challenges at times. As an employer, we can endeavor to be a “good company.” If an employee receives offers from two equivalent employers, an active approach on sustainability issues can be an advantage. A company that prioritizes the environment and people, and has a healthy organization, is perceived as more attractive by the type of employee the Group wants.



Suppliers

When selecting suppliers, Beijer Electronics Group conducts an extensive evaluation process covering issues such as quality and sustainability. This evaluation involves a series of parameters such as occupational health & safety, working conditions, materials, disposal of residual products, etc. For example, the Beijer Electronics business entity has two different product portfolios—one global and one Asian—that are currently merging. These markets differ in a number of respects, such as quality, cost and legislation. One challenge is supporting suppliers in their work on sustainability without prices being affected, with adverse consequences for market shares. Regulatory compliance is a hygiene factor, and the goal is to do more than the law requires.



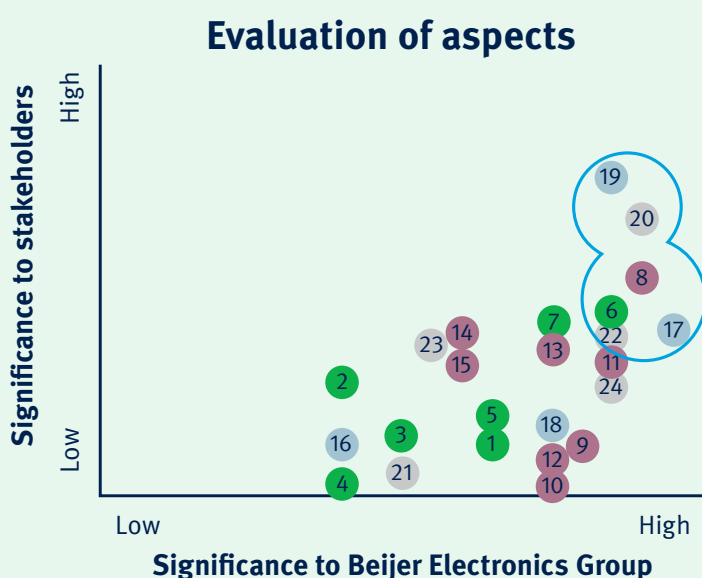
Transportation

Transporting products by air is not always optimal environmentally. But by using the weight-times-value metric, it is often difficult to identify alternative means of transport for the Group’s electronic products, considering the time delay. However, rail transport from Asia to Europe may become a viable alternative in the future. The trade-off between price, time and the environment must always be considered.

Materiality analysis

Beijer Electronics Group conducted a materiality analysis in 2017 to identify and prioritize the most important sustainability aspects for the Group’s operations. To investigate this, Beijer Electronics Group requested its most important stakeholder groups—including customers, suppliers, co-workers, owners and trade unions—to evaluate a number of different aspects in a survey, interviews and meetings.

The stakeholders’ aggregate results were then set in relation to the sustainability aspects that Beijer Electronics Group’s management considered most relevant to the Group’s operations. The results of the materiality analysis are illustrated in the following matrix.



The materiality analysis resulted in six focuses, namely:

- 19:** Evaluation of suppliers (in terms of human rights, working conditions, anti-corruption and impact on local community)
- 20:** Long-term profitability
- 8:** Psychosocial working environment (e.g. stress, team spirit, work against harassment and bullying, work-life balance)
- 17:** Anti-corruption
- 6:** Material selection in products
- 22:** Innovation and new ideas (business development)

Diagram key

Environmental responsibility	
1	Environmental responsibility
2	Commuting
3	Energy saving at offices, e.g. LED lighting
4	Procurement of products, e.g. office furniture and company vehicles
5	Environmental management systems
6	Material selection in products
7	Environmental impact of goods transport

Responsibility for employees	
8	Psychosocial working environment (e.g. stress, team spirit, work against harassment and bullying, work-life balance)
9	Physical working environment (e.g. ergonomics, premises, equipment, safety)
10	Gender equality
11	Diversity (e.g. differing ethnic backgrounds, ages)
12	Fair pay levels between genders
13	Fair working conditions (e.g. working hours, employment contracts, vacation days, benefits)
14	Skills management for performing duties
15	Increased awareness of sustainable development (e.g. through training)

Social responsibility	
16	Impact on local community
17	Anti-corruption
18	Human rights
19	Evaluation of suppliers (in terms of human rights, working conditions, anti-corruption and impact on local community)

Economic responsibility	
20	Long-term profitability
21	Communication of the company’s sustainability performance
22	Innovation and new ideas (business development)
23	Future skills succession, e.g. managing projects to promote interest in the engineering profession among senior high school students
24	Develop the company’s service portfolio in terms of sustainability

More depth on each focus, and its implications for the Group, follows.



Evaluating suppliers

Historically, Beijer Electronics Group has had a fairly large supplier base. This has implied complexity in applying and monitoring standards in occupational health & safety, the external environment and anti-corruption, for example. Progress is towards fewer suppliers. This means closer collaboration between suppliers, which facilitates a collective view of sustainability. Work has gradually become more systematic, and progress is in the right direction. All major suppliers now have to produce supplier certification that they comply with the UN Global Compact's principles. Key suppliers are also evaluated through audits that include CSR issues associated with the UN Global Compact.

A high share of the Group's procurement is via distributors, rather than directly from suppliers. This complicates the process of evaluating the original supplier.

Long-term profitability

A profitable business is a precondition for long-term survival in a global and competitive world. The Group's capability to offer the market solutions, products and services that customers really demand and need is fundamental. In a technology-intensive but relatively small company like Beijer Electronics Group, this sets challenging demands on prioritizing. A profitable company can also attract more skilled people, and thus further improve its operations.





Psychosocial working environment

Employees that feel well psychologically and physically are an important pre-requisite for being able to perform. A survey was sent to a representative share of the Group's co-workers in 2017. The results demonstrated that nine out of ten of them find their work meaningful, and that no respondent had experienced any offensive special treatment, threats or violence in the workplace. However, about one-third of employees do experience negative stress at work. See also page 20 for complete results and performance indicators. Stress and other psychosocial working environment issues are important aspects to continuously follow and action. The survey provided supporting data for continued work on psychosocial working environment issues.

One of the major challenges in the psychosocial working environment are considerations relating to the employer's role in employees' private lives. Often, private lives have a big impact on working lives and vice versa. For example, being constantly connected and available can be a cause of stress sometimes. Beijer Electronics Group does not assume that its employees are always available outside working hours. Nevertheless, a number of employees do have this perception. Rest is an important part of life, and arguably, is just as much about disconnecting from e-mail and social networks. Beijer Electronics Group should help create the most positive and healthy conditions for its employees possible. Managers being clear about what is, and is not, expected of employees and setting an example is an important part of this.

Anti-corruption

Beijer Electronics Group is active and operates in several countries and continents with different cultures and traditions, where the limits of what is acceptable may differ. Accordingly, maintaining continuous dialogue on anti-corruption work is highly important. The Group has had policies on these issues in place for a long time, but there is always room for improvement. One important part of this work is to ensure that all employees have read, understood and signed the Group's Code of Conduct, which covers anti-corruption. To date, this has been implemented by all staff in Asia and the US. The goal for 2018 is for at least 85% of all employees to have done so.

An internal management program will also be conducted that includes training senior managers on ethics and morals, which will include anti-corruption work. This program also includes issues such as insider information, corporate culture and respect. It is also important that management is present in our organization, discussing any problems. No business should be conducted on questionable business ethics grounds. In the event of any corruption-related issue being discovered, the instructions are that it should go to senior management, and not remain at middle management level. A whistleblower procedure has been established as an aid, which encourages employees to report any conduct perceived as conflicting with legislation or our Code of Conduct.





Material selection in products

The Group's products are designed and manufactured to maintain good quality and have long useful lives. They are also designed for ease of repair and exchange of specific components, to enable reuse of parts of products. All products are REACH and RoHS approved, i.e. no products contain compounds that are prohibited, and legislated threshold values are complied with.

The Group has developed methodologies and procedures to streamline product repairs. A new working method for specific product groups in repair was implemented in 2013 and 2017. The customer can contact the Group's support function for more straightforward repairs instead of forwarding to repair centers, enabling transportation to be minimized, while also facilitating more product repairs. Customers are also encouraged to return obsolete products for recycling in accordance with the WEEE directive. Environmental impact statements have been prepared for specific products. The Group also applies the EU's Conflict Minerals Regulation, and the US Dodd-Frank Wall Street Reform and Consumer Protection Act, so that products are not involved in the illegal extraction of, and trade in, conflict minerals.

It is important to be open about what products contain, and their impact on the environment. Accordingly, the Group has prepared environmental impact statements for specific products. These statements review items including products' constituent materials, the international criteria they satisfy, the packaging materials and information on how the various parts of the products should be recycled. Environmental impact statements also include recommendations on what to do to reduce the environmental impact of products in the usage phase. The intention is to increase the number of environmental impact statements to cover more products.

Conflict minerals

The EU's Conflict Minerals Regulation prohibits products being involved with illegal extraction of, and trade in, conflict minerals. Beijer Electronics Group takes a very serious view of this problem, i.e. the trade in minerals (including derivatives) sourced from the Democratic Republic of Congo (DRC) and neighboring countries where armed conflict is causing breaches of human rights and environmental disruption. Conflict minerals are tin, tungsten, tantalum and gold, which are often used in electronic products. The ambition is to use conflict-free minerals throughout the supply chain and comply with the SEC's (US Securities and Exchange Commission) rules and regulations on conflict minerals.

Key facts

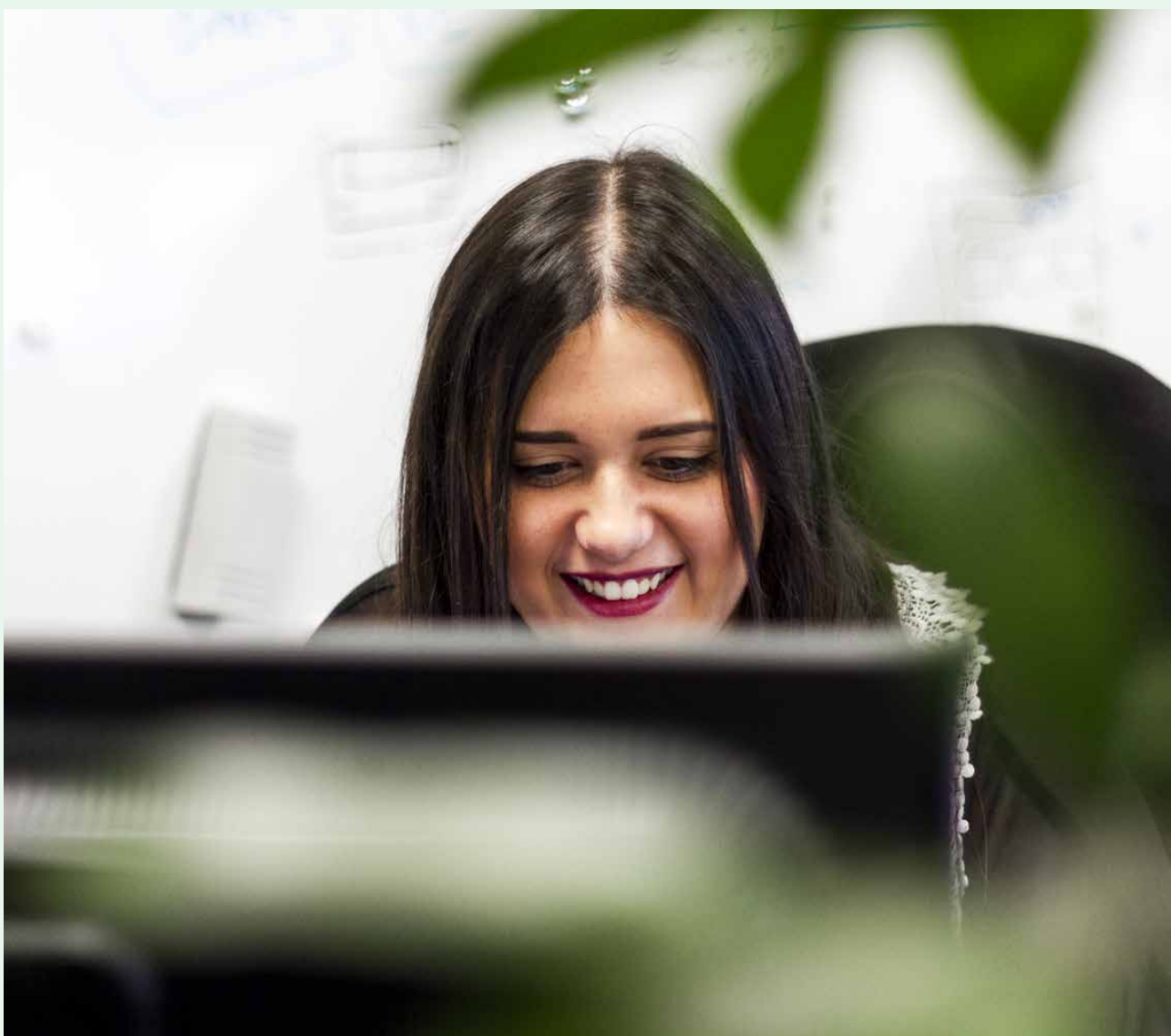
REACH stands for Registration, Evaluation, Authorization and restriction of Chemicals and is an EU regulation adopted to improve safety and protect people's health and the environment from risks that may be caused by chemicals. The REACH regulation covers registration, evaluation, permits and limitation of chemical compounds.

The RoHS Directive is intended to reduce the risk to people's health and the environment by replacing and limiting hazardous chemical compounds in electrical and electronic equipment. The Directive also improves the potential for profitable and sustainable materials recycling of waste from electrical and electronic equipment. RoHS stands for the Restriction of the use of certain Hazardous Substances in electrical and electronic equipment.

More information on REACH and RoHS is available at the Swedish Chemicals Agency's website: www.kemi.se/en

Innovation and new ideas

The Group encourages innovation and new ideas within its sustainability work. Beijer Electronics Group spent some 148 MSEK on product development in 2017, or just over 12% of sales. This amount means that product development has to be structured, managed and systematic, but simultaneously flexible to offer scope for employees' new ideas and creativity. The starting-point is that development is from the customer's perspective. Accordingly, dialogue and interaction between development and customers is critical.



Future sustainability work

Beijer Electronics Group will continue to work in its priority segments and continuously improve the way it structures, integrates and monitors sustainability work. Internal and external transparency are important elements of this process. The Group operates in a dynamic and growing sector, where sustainability is a competition and success factor.

Sustainability means creating long-term solutions from economic, ecological and social perspectives, and to increase these values through business processes.

Apart from assuming responsibility and creating value for wider society, as well as protecting future generations, sustainability work also brings greater competitive advantages to Beijer Electronics Group. Well-executed, integrated sustainability work also contributes to better administration and good control of the Group's products and services. This results in more satisfied customers, committed co-workers and increased profitability.



Vision

Beijer Electronics Group's sustainability work should be an integrated a natural part of operations and its work to promote sustainable development.



Strategy

Operations should contribute to sustainable development and sustainability work should be integrated into operations and generate practical results. Work should feature the whole business, including ownership, administration, development of products and service portfolios, customer relations, employees and financing. Managing operations responsibly is critical to the company's short and long-term success, simultaneous with putting a focus on profitability and long-term shareholder value.

Actions should feature high competence levels, good business morals and awareness of responsibilities.

Standpoint on climate change and planetary boundaries

Beijer Electronics Group accepts the scientific evidence that human activity is accelerating climate change. Exceeding planetary boundaries presents major risks for future generations. Accordingly, to make its contribution to the global agenda, Beijer Electronics Group will control and clarify goals for operations consistent with the UN's Sustainable Development Goals and the global climate accord.

Beijer Electronics Group will future-proof its product and service portfolio by making manufacture energy efficient, adopting a life cycle perspective to investments, taking responsibility for natural resources and biological diversity, increasing the share of renewable energy, and adapting its operations to climate change. Beijer Electronics Group will engage in customers' and regulators' climate plans and policies.



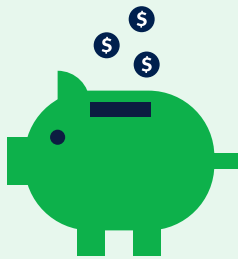
Commitments

Beijer Electronics Group's sustainability work should be an integrated and natural part of operations, and this work should promote sustainable development.



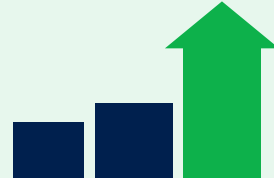
Ecological sustainability

- Responsibly and effectively utilize natural resources to avoid pushing planetary boundaries, and thus climate change, and future generations' possibilities in a finite world.
- Build and manage with a life cycle philosophy and promote circular models.
- Contribute to greater biological diversity and limit the usage and propagation of environmentally hazardous products.
- Create the potential for responsible management of waste by minimizing waste, preventing contamination and viewing waste as a resource for reuse and recycling.



Economic sustainability

- Maintain long-term sustainable economic growth in cash flows.
- Create business models for interaction in sustainable investments.
- Maintain low financial and operational risk for healthy value growth of the company, simultaneous with the ability to offer shareholders a competitive dividend.
- Use economic and human capital effectively.



Overall

- Control operations consistent with UN Sustainable Development Goals.
- Comply with Beijer Electronics Group's Code of Conduct, which is based on the UN Global Compact. All Beijer Electronics Group's co-workers and collaborative partners should understand and comply with the Group's Code of Conduct.
- Continuously increase sustainability through training and communication of sustainability issues.
- Regularly follow up, report and improve on sustainability work.



Social sustainability

- Provide a secure and healthy environment for co-workers and other people in and around the Group's premises.
- Create an equal opportunities organization with diversity that reflects the make-up of society.
- Contribute to employment and use opportunities to enter the labor market.
- Engage in issues of significance to social progress.
- Highlight and change discriminatory structures within the organization.
- Be an attractive employer and attract the best and most professional co-workers.

Prioritizing the environment, social and economic responsibility

Since the first humans set foot on earth about two million years ago, we have been consuming natural resources. Beijer Electronics Group's goal is to take the company forward, supporting its customers with the products and services they want without jeopardizing the possibilities of future generations to also satisfy their needs.

This is the first time Beijer Electronics Group has published a Sustainability Report. We decided to use the most widely accepted framework, the Global Reporting Initiative, (GRI) as our inspiration. We don't comply fully with the GRI framework in this year's Report, although we intend to do so in future.

GRI serves as a framework for an organization's economic, environmental and social impact. It is structured to enable various types of organization to be defined, regardless of size, sector or domicile. This framework considers practical circumstances that different organizations encounter—anything from small to large corporations with geographically diverse operations. GRI's reporting framework includes universal and sector-specific content that a variety of stakeholders around the world are united behind. The framework is universally applicable for reporting an organization's sustainability performance [Source: www.globalreporting.org].

From a sustainability perspective, needs do not differ radically between a company and private individual. In broad terms, they are in three perspectives: the environment, social and economic. For Beijer Electronics Group, this means we will show consideration from these perspectives. The three perspectives are integrated with each other, and influence each other. The connections are global, which means that responsibility for them is collective, and we all need to contribute to, and work on, these issues to achieve results and succeed. The World Wildlife Fund (WWF) states that in recent years, human beings have consumed more

natural resources than can be renewed. The WWF states that this is largely due to CO₂ emissions. Beijer Electronics Group wants to be part of reducing these emissions as far as possible, and promote manufacturing and distribution with the lowest possible CO₂ emissions.

According to the GRI framework, Beijer Electronics Group decides what we should include in our Sustainability Report jointly with our stakeholders.

As previously stated, all three perspectives are integrated with each other. All three segments are equally important. Beijer Electronics Group works continuously on these three segments, and constantly endeavors to improve and conduct itself responsibly.

For Beijer Electronics Group, sustainable business means that we should "achieve more with less." To realize this, it is important that we work actively, together with our suppliers.

We're proud of being able to deliver a Sustainability Report to showcase what we're doing. We will continue to work from three perspectives—environmental, social and economic—to collectively create a sustainable business that we view as a central component of our company's progress.



Fredrik Persson
Quality & Environmental Manager



“ For Beijer Electronics Group, sustainable business means achieving more with less.

Material indicators	Status 2017	Goal 2018
Long-term profitability		
Vitality index*	20%	
Anti-corruption		
Percentage of salaried employees that have read, understood & accepted our Code of Conduct	30%	>85%
Percentage of managers (down to level 3) that have taken formal management training on ethics and morals	0%	>50%
Choice of materials		
Percentage of our manufactured products that satisfy global materials legislated standards (REACH and RoHS)	100%	100%
Percentage of our suppliers that have declared conflict minerals pursuant to the CMRT format	83%	>87%
Human rights		
Number of suppliers audited by Beijer Electronics on human rights	2	10
Percentage of the UN Global Compact Self-Assessment Tool that we satisfy	78%	85%
Psychosocial working environment (Swedish co-workers only)		
Percentage of employees that state that we satisfy employees' meaningfulness	90%	>95%
Percentage of employees stating that we satisfy employees' job satisfaction and need for support	85%	>90%
Percentage of employees that do not experience negative stress	69%	>75%
Percentage of employees that do not experience threats and/or violence in the workplace	100%	100%
Percentage of employees that have not experienced any form of conflict in the workplace	95%	>96%
Percentage of employees who state that there is no offensive special treatment in the workplace	100%	100%
Percentage of employees that experience gender equality in the workplace	100%	100%
Innovation and new ideas		
Percentage of sales allocated to research and development	12.3%	
Vitality index*	20%	

*New product share of total revenues.

Work on creating more structured methodologies in sustainability commenced in 2017. One major effort was in producing material indicators specifically for Beijer Electronics Group. Goals for most of these indicators were produced in 2018, and action plans to achieve the goals will be formulated in early-2018. The Group consists of different companies with different circumstances and corporate cultures. Accordingly, there may be some differences in sustainability work.

Global environmental and quality assurance standard

Beijer Electronics Group companies are ISO 9001 certified. Beijer Electronics AB and Beijer Electronics Corp. of Taiwan are ISO 14001 certified. ISO 9001 (quality management system) and ISO 14001 (environmental management system) are an international family of standards that are the foundation of systematic work on quality and environmental issues. These management systems are examined and audited by authorized third-party auditors, who then issue certificates.

Actions should feature high competence levels, good business morals and awareness of responsibilities.



UN Global Compact



The UN Global Compact is a voluntary initiative intended to promote sustainable development and responsible business. By joining, companies demonstrate their support for ten universal principles in the segments of human rights, labor, the environment and anti-corruption. With several thousand members from 130 countries, the UN Global Compact has become a global initiative with a strong presence in the northern and southern hemispheres.

Beijer Electronics Group intends to join the UN Global Compact formally in 2018. The Group had previously adopted its principles. The UN Global Compact is the foundation of its sustainability work. The company has used the UN Global Compact Self-assessment Tool to measure its sustainability performance. All suppliers are encouraged to satisfy the ten principles.

According to the UN Global Compact's ten Principles, companies should:

Human rights

- **Principle 1:** support and respect the protection of internationally proclaimed human rights.
- **Principle 2:** make sure that they are not complicit in human rights abuses.

Labor

- **Principle 3:** uphold the freedom of association and the effective recognition of the right to collective bargaining.
- **Principle 4:** eliminate all forms of forced and compulsory labor.
- **Principle 5:** abolish child labor.
- **Principle 6:** eliminate discrimination in respect of employment and occupation.

Environment

- **Principle 7:** support a precautionary approach to environmental challenges.
- **Principle 8:** undertake initiatives to promote greater environmental responsibility.
- **Principle 9:** encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

- **Principle 10:** work against corruption in all its forms, including extortion and bribery.



Read more about the UN Global Compact here:
www.unglobalcompact.org

UN Global Compact Self-assessment Tool

By applying the UN Global Compact Self-assessment Tool, Beijer Electronics Group has been able to evaluate how well the company is satisfying, and managing, the UN Global Compact's ten principles. The Tool consists of 45 questions with 3-9 associated indicators for each question. The management section of questions enables users to evaluate the extent questions covered by the ten principles are secured in business strategy and integrated into decision and governance systems. The other four sections are designed to evaluate the Group's performance in relation to specifics of human rights, labor, the environment and anti-corruption.

Read more about the Tool here:

<http://www.globalcompactselfassessment.org/>.

To get the fairest results possible, several selected representatives of the Group's three business entities responded to questions in the Tool from the perspective of their individual companies. The participants represented Beijer Electronics (including country representatives of China, Taiwan, the US, Turkey and Sweden), Westermo and Korenix. The responses were then aggregated into an overall assessment. The assessment was conducted in 2017.

The assessment identified risks in the segments of the environment, social conditions, human resources, respect for human rights and anti-corruption, and actions for managing risks. They have been compiled in an action plan. The results indicate the following priority segments and issues for further work:

Anti-corruption

- **Risk assessment**—does the company assess/consider the corruption risk when doing business?
- **Increasing awareness**—is the company ensuring that affected staff are well trained in anti-corruption?

Human rights

- **Management of co-workers' personal information and how workplaces are monitored**—how does the Group manage and inform about this?



Diversity policy for the Board of Directors

Beijer Electronics Group AB agrees with rule 4.1 of the Swedish Code of Corporate Governance and applies it as a diversity policy when selecting the size and composition of its Board of Directors:

In terms of a company's operations, developmental phase and other circumstances, the Board of Directors should have

an expedient composition, featuring versatility and breadth in terms of the skills, experience and backgrounds of the Directors elected by shareholders' meetings. The company should endeavor to achieve an even gender balance.

At the AGM, the Nomination Committee should consider the aforementioned requirements when proposing Directors.

Auditor's opinion regarding the statutory sustainability report

To the general meeting of the shareholders of Beijer Electronics Group AB (publ), corporate ID no. 556025-1851

Engagement and responsibility

It is the Board of Directors who is responsible for the sustainability report for the year 2017 and that it is prepared in accordance with the Annual Accounts Act.

The scope of the examination

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

Opinion

A statutory sustainability report has been prepared.

Malmö, Sweden, 23 March 2018

PricewaterhouseCoopers AB

Sofia Götmar-Blomstedt

Authorized Public

Accountant

Auditor in Charge

Magnus Jönsson

Authorized Public

Accountant

AUSTRALIA

Sydney

AUSTRIA

Vienna

BELGIUM

Hellebecq

CHINA

Beijing

Shanghai

Shenzhen

DENMARK

Roskilde

FINLAND

Klaukkala

FRANCE

Champlan

Paris

GERMANY

Nürtingen

Waghäusel

KOREA

Seoul

NORWAY

Oslo

SINGAPORE

Singapore

SWEDEN

Gothenburg

Jönköping

Malmö

Stockholm

Stora Sundby

Västerås

SWITZERLAND

Dietlikon

TAIWAN

Taipei

TURKEY

Istanbul

UNITED KINGDOM

Nottingham

Southampton

USA

Elgin

Salt Lake City

BEIJER
e l e c t r o n i c s
GROUP

Head office

Beijer Electronics Group AB (publ)
Box 426, Stora Varvsgatan 13a
201 24 Malmö, Sweden
Corp. ID no. 556025-1851

www.beijergroup.com | +46 40 35 86 00