

SUSTAINABILITY REPORT

2020

Bona[®]

SUSTAINABILITY REPORT ACCORDING TO SWEDISH LAW AND STANDARD

Bona's sustainability report for 2020 is in accordance with the Swedish Annual Accounts Act (ÅRL, Ch. 6) and encompasses Bona AB (556017-6488) and its subsidiaries. Bona's report is based on three of the UN's 17 global goals. These are; Goal 8, Decent work and economic growth; Goal 9, Industry, innovation and infrastructure; and Goal 12, Responsible consumption and production. The sustainability report is a separate appendix to Bona's annual report for 2020.

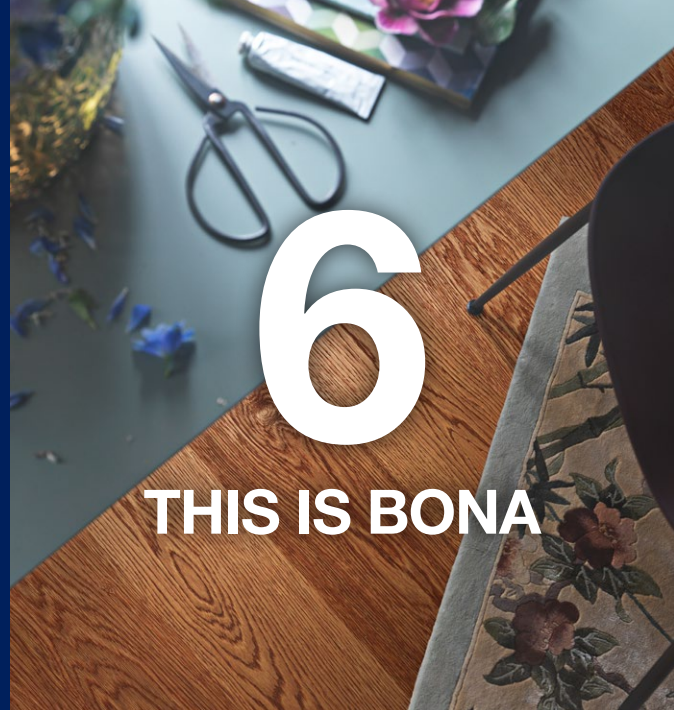




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“Our commitment to sustainability remains steadfast despite prevailing challenges in our world.”



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BONA IS COMMITTED TO SUSTAINABILITY



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

KERSTIN LINDELL

Chair of the Board

The past year has been challenging in many ways. The global COVID-19 pandemic has affected us all. The ability to think differently and quickly change course has been crucial in turning challenges into opportunities.

In the wake of the pandemic, we have seen a clear change in consumer behavior. With more time spent at home, cleaning and home renovation have become a large focus. While the floor renovation market slowed in the spring, it quickly rebounded in the summer and was strong throughout the year. And in larger, commercial environments, floor safety and sanitization has become even more critical.

For Bona, 2020 was a year that confirmed the importance of our long-held belief in owning our value chain. Having research, development, and production fully under the Bona umbrella gives us the ability to anticipate needs, secure raw materials, and quickly adjust production based on market fluctuations. This has been crucial for Bona’s success this year.

The core of Bona’s business model, which focuses on renovating rather than replacing hard flooring surfaces, has proven to be a more sustainable approach this year. Our commitment and approach to advocating for a circular economy remains the focus of our sustainability initiatives moving forward. Yet our success in 2020 was clearly driven by the dedication and commitment of Bona’s employees. During such a challenging year our employees embodied our values of Passion, Performance and Pioneering by finding innovative paths to work remotely, digitally, and collectively.

For the past 14 years I have been honored to lead Bona as president and CEO. The end of 2020 signaled a transition for me; I will be Chairman of the Board starting in January 2021. Together with dedicated employees, we have refined and developed Bona’s sustainable and innovative offerings, celebrated our 100th anniversary and steered Bona in the right direction through market cyclical fluctuations. I welcome Pontus Cornelius as the new President and CEO and hand over the baton to a talented leader with extensive experience. He will add a new strategic perspective that will secure Bona’s future and strong commitment to sustainability and innovation.

ON SOLID GROUND TO MEET A SUSTAINABLE FUTURE



“Bona's innovative and entrepreneurial driving forces create good conditions for meeting a rapidly changing world.”

PONTUS CORNELIUS

President and CEO, Bona AB from January 2021

At the start of 2021, Pontus Cornelius embarked on his new role as President and CEO of Bona. As a member of Bona's advisory board since 2017, he has an inside view of the Bona company, its operations, and strategies. Pontus brings a talented background of business experience to the company with a strong focus on sustainability.

“I recognize a good company when I see it,” said Pontus. “It was therefore an easy choice when Bona offered me the position of new CEO as I share the same values and vision on how to build a sustainable business for the future.”

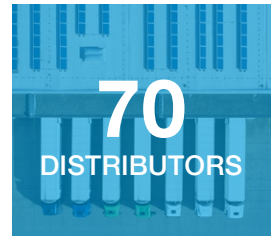
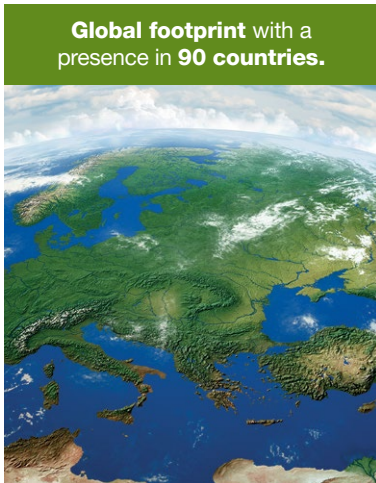
We are facing an essential shift in our society with demands for a transition to a more sustainable future. With frameworks such as the Paris Agreement and the European Green Deal, the direction for a rapid change includes limiting the effects of climate change and reducing greenhouse gas emissions. World industries are facing a major shift that involves some challenges but also opens many doors.

“Bona is a stable company and is on the right path with long-term sustainable strategies. I am impressed by the extensive expertise and strong values that employees share around the world. There is a common driving force rooted in an innovative and entrepreneurial spirit which creates very good conditions for future growth,” Pontus continued.

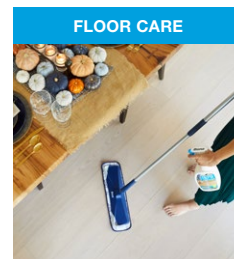
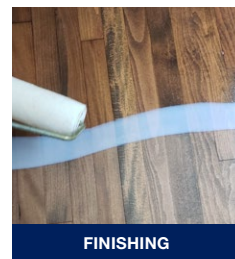
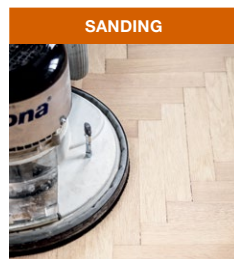
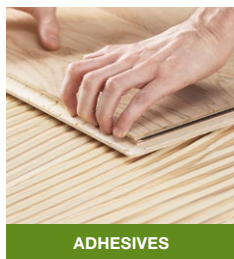
Now is the time to continue rethinking, innovating, and changing for a better tomorrow. “As the new CEO, my vision is to secure Bona's future in a rapidly changing world,” concluded Pontus.

THIS IS BONA

Bona is a sustainability-focused, family-owned company. With a presence across the world we offer products and systems for installing, renovating and maintaining floors. For 100 years Bona has been passionate about delivering solutions that create beautiful floors for a lifetime.



↓ PRODUCTS ↓



↑ CUSTOMERS ↓



YEAR IN BRIEF



INCREASED DEMAND FOR A BETTER INDOOR ENVIRONMENT

Cleaning in homes, at the office, and in public buildings has come into sharp focus during the pandemic this year. It has led to an increased demand for cleaning products and solutions along with a heightened focus on removing germs. In the Spring, Bona US launched an antibacterial floor cleaner, Bona PowerPlus® Antibacterial Hard-Surface Floor Cleaner, which sold one million units from March to December. Additionally, our Global R&D team was able to secure a new claim on Bona's microfiber cleaning cloths to remove 99 percent of bacteria on wood and hard floor surfaces.* In 2020, Bona sold 4.5 million microfiber cloths.



NEW RESEARCH CONFIRMS BONA'S LIFE CYCLE-BASED OFFERINGS

In 2020 IVL, the Swedish Environmental Institute, released the results of a life cycle analysis (LCA) comparing the environmental effects of refinishing vs. replacing hard flooring surfaces. The research proves that refinishing a wood or PVC floor surface is significantly more sustainable than replacing it. The results show that renovation of wood or PVC floors reduces the carbon footprint by 78 percent for wood floors and 90 percent for PVC floors compared to replacing these floor surfaces. When accounting for Bona's annual production of floor finishes and relating that to the floor areas covered in square meters, an annual saving of 108,000 tonnes of carbon dioxide is realized, which corresponds to 9,600 airline flights around the world.



BONA DIGITAL PLATFORM FOR LEARNING

When physical meetings were no longer possible in 2020, Bona's digital education program, Bona E-Learning, saw a huge increase in interest and traffic. The digital platform offers certification and customized trainings for Bona's professional craftsmen. In 2020, 2,371 digital training courses were completed, which is an increase of 25 percent over last year. Additionally, Bona E-Learning saw a total of 28,696 logins by 1,620 professional craftsmen last year which is an average of 17 logins per person.



BONA CERTIFIED CRAFTSMEN PROGRAM 10 YEAR-ANNIVERSARY

In 2020, Bona's Certified Craftsmen® Program (BCCP) celebrated its 10th anniversary. What originally consisted of a handful of craftsmen today consists of 2,800 Bona certified floor professionals. The global network extends across North America, South America, Asia and Europe, which contributes to Bona being a premium brand in the market.



EMERGING E-COMMERCE

2020 was a strong year of growth for e-commerce in all of Bona's markets. The largest increase was via Tmall in China. In November, sales reached the highest level ever with the launch of the Bona Essentials Spray Mop Air. Retail sales in China increased by more than 34 percent compared with the previous year.



NEW SUSTAINABLE PACKAGING

In 2020, Bona released Bona Quantum™ adhesive, which is the next generation of silane-based adhesives. In the German market, Bona Quantum is packaged in a container consisting of 75 percent recycled plastic which is part of Bona's sustainability work to meet the global plastics challenge.

*Removes 99% of E. coli and Listeria from wood or LVT flooring when using the Bona Microfiber Cleaning Pad with Bona Wood Floor Cleaner, Bona Hard-Surface Floor Cleaner, Bona OxyPower Floor Deep Cleaner or water; Tested at an independent accredited lab.

A GLOBAL PERSPECTIVE

To stay nimble in our business and meet tomorrow's demands Bona needs to understand the trends that drive development. We have identified some global examples that affect our industry and Bona's business.

COVID-19 PANDEMIC

The COVID-19 pandemic has led to major changes across the globe. Some emerging trends are predicted to remain for years to come.

CONSUMPTION PATTERNS

53 percent of North American buyers' state that the pandemic has changed the way they will shop going forward¹, which puts demands on companies for digital adoption. In 2020, online shopping increased significantly along with other means of shopping such as curbside grocery pickup and local delivery of a variety of products.



THE HOME OFFICE IS HERE TO STAY

Since March of 2020, many businesses have significantly limited in-office attendance. As a result, it is expected that the home office is here to stay even after the pandemic. In a global survey, 72 percent state that they would prefer a hybrid solution that combines work at home and in the office.² According to a study, 36.2 million of Americans (22% of the workforce) will be remote by 2025.³ This will likely affect the demand for office space as office buildings may be converted into residential units.

MORE HOME IMPROVEMENT

In the United States, more than three-quarters (76%) of homeowners have carried out at least one home improvement project since the start of the COVID-19 pandemic. At the same time, 78 percent plan to complete at least one home improvement project in the next 12 month as many are staying at home instead of spending resources on vacations. Changes to a home's exterior were most common including work on the garden, patio, or renovating the structure of the house. 58 percent surveyed also made improvements indoors, such as repainting walls, adding new flooring or renovating bathrooms.⁴



A SUSTAINABLE BUILDING INDUSTRY

The building industry is a sector that impacts the environment as the construction, renovation, and demolition of a building leave a climate footprint. To meet the construction needs of today's world without compromising the planet's resources, a shift is taking place. Environmental Product Declarations (EPD) that take the entire life cycle perspective into account, as well as environmental certifications of buildings such as BREEAM and LEED, are expected to increase in the industry.

EMBRACING A CIRCULAR ECONOMY

If we are to meet the goals of the Paris Agreement, major changes are required to achieve a circular economy. This change creates new markets, stimulates new technology, and provides business opportunities.⁵ In Europe, the transition to a circular economy could create up to three million new jobs. Companies are taking initiatives, for instance, in the US, Walmart's Project Gigaton unites companies and suppliers to jointly reduce greenhouse gas emissions in Walmart's global value chain, by one billion tonnes.

THE PLASTIC CHALLENGE

In recent years, long-term work has been underway to eliminate unnecessary plastic consumption. In the US, many cities and states have introduced legislation to reduce waste from disposable plastic, and in the EU, the Single-Use Plastics Directive (SUP) is setting the roadmap. While disposable plastic use increased during the pandemic, innovation is taking place on other fronts to ensure that the plastic will be reused, recycled, or is compostable.

CONSCIOUS CONSUMERS DEMAND SUSTAINABILITY

Consumer awareness and expectations of a companies' sustainability work is on the rise, which in turn, is putting pressure on retailers and suppliers. Millennials and Generation Z will be the first generations who are willing to pay more for sustainable products and services.⁶ At the same time, the pandemic has increased health awareness among the population. In a survey, 59 percent of consumers said that they will continue to shop more health-consciously even after the pandemic.⁷

¹Consumer trends, Shopify 2020

²Moving beyond remote: Workplace transformation in the wake of covid-19, Slack 2020

³Upwork Future Workforce Pulse Report 2020

⁴Survey: Home Improvement Trends in the Time of Covid, Porch research, 2020.

⁵WRAP, 2015

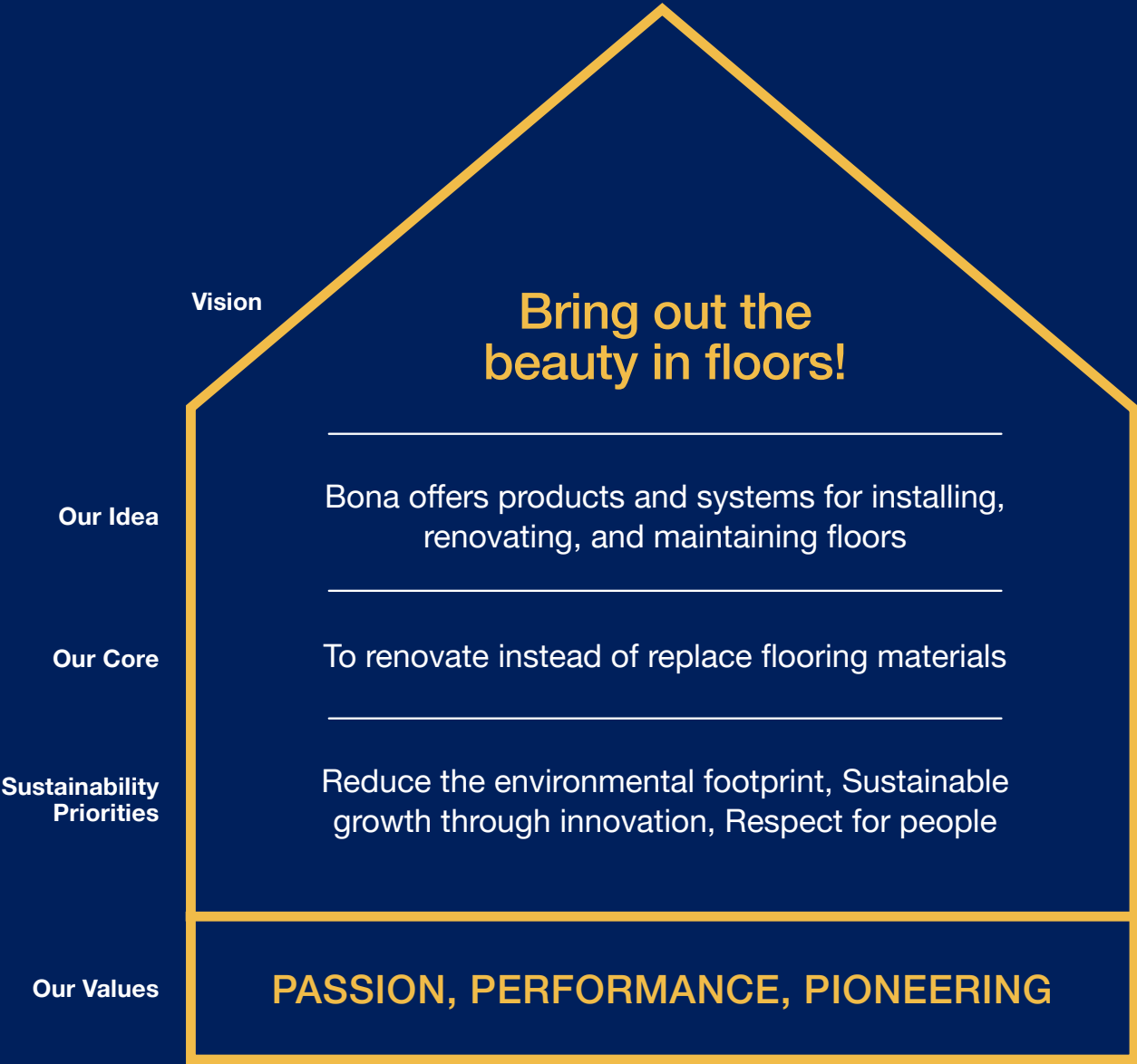
⁶The Sustainability Imperative, Nielsen 2015

⁷How will COVID-19 change the consumer? Accenture 2020

BONA'S COMMITMENT AND RESPONSIBILITY

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


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



AGENDA 2030 AND THE UNITED NATION SUSTAINABLE DEVELOPMENT GOALS

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

THE SDGS THAT ARE THE MOST RELEVANT AND WHERE BONA CAN MAKE A DIFFERENCE ARE:



8 DECENT WORK AND ECONOMIC GROWTH

DECENT WORK AND ECONOMIC GROWTH

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



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

INDUSTRY, INNOVATION AND INFRASTRUCTURE

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



12 RESPONSIBLE CONSUMPTION AND PRODUCTION

RESPONSIBLE CONSUMPTION AND PRODUCTION

Ensure sustainable consumption and production patterns.

BONA'S PERSPECTIVE ON SUSTAINABILITY

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



HOME

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



HEALTH

Bona's business practices reflect our sustainability commitment. A healthy business means long-term growth including a workplace where employees can thrive.



HUMANITY

Bona is committed to being a responsible, caring company. We strive to make a difference for communities locally and globally.

HOW WE CREATE **LONG-TERM SUSTAINABLE VALUE**

Bona's commitment to a sustainable world is based on our business model.

Bona works towards long-term sustainable results, environmentally, economically, and socially, throughout our value chain. This is our compass as we make future decisions. It is our responsibility to ensure that Bona's value chain reaches its full potential. We do this by maximizing positive impact and minimizing negative impact along the value chain. Our belief about sustainable development is that everything has the potential to improve. Driven by innovations that combine quality and demand from the market, we are constantly evolving our approach.

WHAT WE DO ←

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

Bona's production and storage is largely owned and operated in-house. We have five factories in Malmö, Sweden; Limburg, Germany; Monroe and Pueblo USA; Dalian, China; and distribution centers in Malmö, Sweden and Limburg, Germany.

HOW WE TAKE RESPONSIBILITY

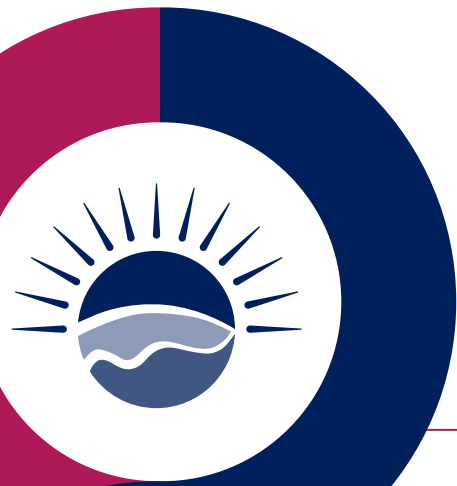
- ✓ Continuous work to reduce negative impact on the environment and to create conditions for a healthy and safe indoor environment.
- ✓ Ongoing work to streamline and improve financial management in distribution centers and warehouses.
- ✓ Regular review on how to increase sustainable transport solution based on each country's infrastructure.
- ✓ Reduce waste in own production.

THE VALUE WE CREATE ←

Bona is a long-term sustainable business that takes responsibility from an environmental, economic and social perspective. This creates value for Bona's different stakeholder groups.

HOW WE TAKE RESPONSIBILITY

- ✓ Bona's approximately 10,400 products account for the environmental impact and the users.
- ✓ Strategic collaborations with industry leaders and the business community regarding the importance of governance issues.
- ✓ Strategic partnerships with academia, trade groups, and authorities on important industry issues.
- ✓ Long-term company profit goals without compromising our responsibility for social conditions, personnel, or human rights.
- ✓ Strive to be an attractive and engaging workplace.
- ✓ Committed to contribute, engage, and strengthen relationships with our communities.



RESOURCE INPUTS

Raw material | Water | Energy

At Bona, most of our research and development is conducted in-house. We invest in innovations by hand-selecting the raw materials then developing and formulating them into finished products. This way, we can control the ingredients in our products and develop unique ideas that drive development of Bona's products and systems in a sustainable direction, without sacrificing quality or performance.

HOW WE TAKE RESPONSIBILITY

- ✓ Annual internal audit to ensure that Bona uses the most sustainable raw materials.
- ✓ Reduce the content of volatile organic compounds (VOC) in finished products.
- ✓ Increase the amount of green raw materials in all production units based on Bona's system for Green Chemistry.
- ✓ Clear subcontractor requirements.
- ✓ Responsible water management and use.
- ✓ Established goals for energy efficiency.
- ✓ Sustainable investments such as increasing energy use from solar panels.



OUR OFFERING

Systems | Certification | Training
Service | Support

Anyone using Bona's products and systems should feel safe and secure. As an important part of the value chain, Bona has integrated training, service, and support that take place in-house.

HOW WE TAKE RESPONSIBILITY







- ✓ Bona's system solutions, a complete range of products, services and support are offered globally.
- ✓ Bona certifications.
- ✓ Strategic work with environmental certifications by third parties.
- ✓ Training for professional craftsmen that ensures that Bona's products and systems are used correctly.
- ✓ Service and support through proactive work and high availability.



BONA'S STAKEHOLDERS AND IMPORTANT QUESTIONS

Bona is constantly developing better products that take into account the environment and people. Bona's solid reputation enables us to continue the sustainability journey. By being conscious to the expectations of the outside world, we are mindful of how our journey affects our stakeholders across the globe. Bona's most important stakeholders are customers, consumers, employees, suppliers, authorities, society, and owners.

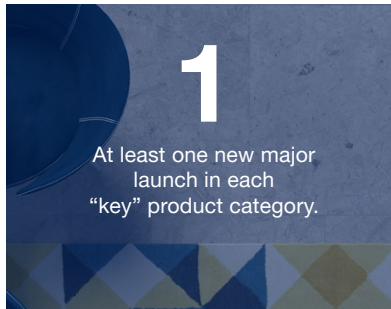
STAKEHOLDER OVERVIEW

	STAKEHOLDER	CHANNELS	IMPORTANT QUESTIONS
 <p>Customers and Consumers</p>	<p>Bona is a global company with customers all over the world. This includes consumers, retailers, distributors, craftsmen, and property managers. Based on our expertise in sustainable floors, we work to strengthen our customers' business with a focus on market demands.</p>	<ul style="list-style-type: none"> • Relationships • Websites • Social media • Brochures • Digital technical support • In store 	<ul style="list-style-type: none"> • Product quality • Safety and Health • Solutions • Environment • Profitability
 <p>Employees</p>	<p>Active and committed employees who are involved in the company's development are a prerequisite for a successful business. We work to create a common set of values and a cohesive culture within Bona.</p>	<ul style="list-style-type: none"> • ONE Bona dialog • Intranet • Workplace meetings • Development talks • Conferences • Internal seminars and education • Whistleblower system 	<ul style="list-style-type: none"> • Safety and Health • Growth Opportunities • Environment • Labor rights • Profitability • Common Bona culture
 <p>Suppliers</p>	<p>To achieve our ambitious targets, Bona is dependent on good business relationships with our suppliers. By setting requirements and conducting dialogue, Bona wants to contribute to raising the level of suppliers' knowledge and sustainability work.</p>	<ul style="list-style-type: none"> • Conferences • Procurements • Contract follow-up • Collaboration • Exhibitions 	<ul style="list-style-type: none"> • Quality • Safety • Health • Environment • Deliveries and delivery security • Standardizations and market approval
 <p>Authorities</p>	<p>Bona collaborates with several authorities: locally, regionally, nationally, and globally. Authorities of particular importance for Bona are those engaged with the environment, safety, chemicals, and health.</p>	<ul style="list-style-type: none"> • Trade associations • Strategic partnerships • Certifications 	<ul style="list-style-type: none"> • Regulations • Permissions • Environment
 <p>Society</p>	<p>Bona works to contribute to society by being involved and engaging in relevant issues. We are also responsive to the changes and needs from our customers audiences, such as property owners, architects, and industry influencers.</p>	<ul style="list-style-type: none"> • Industry organizations • Fairs and events • Partnerships 	<ul style="list-style-type: none"> • Standards • Industry standards • Attitudes • Environment • Increased attractiveness for the industry and industry-specific competence
 <p>Owners</p>	<p>Bona works to create continued value for our owners through responsible business practices and long-term sustainable growth.</p>	<ul style="list-style-type: none"> • Board meeting • Annual general meeting 	<ul style="list-style-type: none"> • Healthy and long-term sustainable company • Attract and develop employees • Anti-corruption and bribery • Future issues linked to sustainability, digitization and external events • Sustainable investments, conversion, efficiency, energy production

INNOVATION—OUR DRIVING FORCE

Bona has a 100-year history of an entrepreneurial spirit that has driven new research, trends, and ideas. These qualities together with our vision, long-term goals, and strategic investments have made Bona a global market-leading company.

BONA'S INNOVATION GOALS



INNOVATION FOR BONA

OUR APPROACH

Bona is driven by a curious mindset to find new, smart, and more sustainable solutions. We are in constant development to better our products and business so that we meet new requirements and market demands. With a strategic focus on being an innovative knowledge leader with clear innovation goals, Bona has created incentives and conditions to motivate, prioritize and reinvest in new, innovative ideas. In the 1970's Bona was the first in the industry to innovate waterborne lacquers. We have continued our journey to constantly develop our products with safety, health, and the environment as top priority. Over time, our products have also evolved to create a cohesive system of products, tools and equipment that are designed to be used together for best performance and results, which is unique in our industry.

HOW WE WORK

Today, Bona is a market-leading expert in our industry. Yet to maintain that position, we need to continuously challenge ourselves. New societal needs, digitalization, and changing market demands drive innovation, but it can also be initiated within our organization. Because Bona's production and raw material development is in-house, it creates a unique opportunity for innovation. By encouraging creativity, many innovations are developed locally with constant improvements and adaptations that enable us to constantly evolve. At Bona, innovation is also about developing our products and systems based on the entire life cycle of maintaining, installing, and renovating floors. This includes innovative formulations, packaging, additions to the system, and product distribution. By continuously integrating a range of competencies into the organization, we can be more innovative.

HOW WE COLLABORATE

We strive to be part of progressive, sustainable development through our commitment to share our knowledge and expertise in various cross-functional contexts. Through strategic alliances and together with academia, business, industry, and the market we can find new smart ways to tackle challenges, new requirements, or to influence prevailing structures and attitudes. Going from innovations in our own business to innovations that are produced in collaboration with others is key to meet a more sustainable future.



HOME



BONA'S COMMITMENT TO A SUSTAINABLE WORLD

Bona's ongoing work for sustainable solutions is based on our concern and care for our home—both our planet as well as the home where we live.



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

CARING FOR OUR PLANET

Based on Bona's long-term goal of minimizing our negative impact on the environment, we are continuously developing innovations to create sustainable growth. Sustainability means we are constantly assessing the content of our chemical products, our emissions that affect our environment and climate, the life cycle of Bona's products, and the ability to conserve nature's resources. In Bona's new strategic initiative for 2023, we have clear goals to strengthen our innovative leadership and premium brand in all markets and target groups in which we operate.

In 2020, Bona was quick to adapt to the global COVID-19 pandemic. During the year, Bona actively leveraged our existing digitalized services, e-commerce, and digital meeting. Additionally, Bona drastically reduced the number of business trips which meant relying on working more digitally. While we know travel will come back in the future, our goal is to more actively assess travel needs and tap into digital work practices wherever possible.

CARING FOR OUR SURROUNDINGS

Bona's environmental concerns begin with our products and systems for floor care and maintenance while also extending to those who engage with us. Bona always accounts for the ingredients in our products with a priority for safety for the user and the indoor environment. Our SHE-policy describes how Safety, Health and Environmental must always be evaluated through risk analyzes and impact assessments before making changes. Bona's pursuit for a more environmentally friendly home is a journey that constantly takes new paths affected by the technological development, innovations, and cultural changes.

Bona's contribution to a better indoor environment during COVID-19 includes new Bona antibacterial cleaners available in the US market as well as increased education around Bona's professional products that can encourage cleaner and safer surfaces. We've seen interest in many of these new products and services which, we hope, will ultimately contribute to a better world.



OUR CARE FOR THE EARTH'S RESOURCES

Since last year, market demand for professional floor finishing products declined due to changing consumer behavior during the COVID-19 pandemic. As a result Bona produced a smaller amount of finishes, stains, and sealers than normal. In 2020, Bona produced finishes, stains, and sealers covering 38,756,976 square meters of wood flooring, which is 3,106,560 square meters less than last year. Despite the reduction, floor renovation of this size saves 28,880,012 square meters of a 125-year-old oak tree forest area which is equivalent to 3,610 soccer fields.

SUSTAINABLE PLASTIC PACKAGING AT NEW LAUNCH

Bona also launched Bona Quantum this year, which is the next generation of silane-based adhesive. The new silane-based adhesive is specifically formulated for the installation of wood floors which also acts as a moisture barrier. The new Bona Quantum packaging is an evolution for Bona's product offerings and in Germany the packaging is comprised of 75 percent post-consumer recycled plastic reducing Bona's product carbon footprint on this packaging by 60 percent.

EDUCATING CONSUMERS ON RECYCLING

Bona US became a member of How2Recycle, the first label system in the United States that enables companies to track the recyclability of packaging. This standardized labeling system provides recycling instructions to consumers via a clear label on the package. How2Recycle works with leading brands to reduce consumer confusion regarding recycling and educates on the importance of participating in package.

VERIFIED HIGH STANDARDS

In 2020, Bona Germany conducted a third-party test of Bona Pure, a hard-elastic and hard-wearing coating for the treatment of PVC, linoleum, vinyl, and rubber floor coverings. The test was carried out by the Technical Rules for Biological Agents (TRBA) which sets standards for safety, occupational health, and hygiene, and provides guidelines for how to work with biological agents. The test verifies that Bona Pure meets the high requirements for safety, health, and hygiene in healthcare. With Bona Pure, we can contribute to a safe and secure indoor environment in public building and also extended the lifespan on the floor.

THE SUN PROVIDES BONA WITH RENEWABLE ENERGY

Bona invests in renewable energy with installed solar panels at Bona's facilities in Limburg, Germany and Malmö, Sweden which has generated 768,448 kWh solar energy during 2020.

WALMART PROJECT TO REDUCE THE CARBON FOOTPRINT

Bona US participates in Walmart's Project Gigaton, a program aimed at reducing greenhouse gas emissions in Walmart's global value chain by one billion tonnes (one gigaton) by 2030. This corresponds to emissions from 211 million average cars in one year. To reach Walmart's goals, each supplier's must report annually on their sustainability progress.

EVIDENCE OF BONA'S CONTRIBUTION TO A CIRCULAR ECONOMY



“The results of the IVL report are clear proof that refinishing a wood or PVC floor surface is significantly more sustainable than replacing it. It feels incredibly valuable and validates Bona’s promise of an environmentally friendly system for floor renovation.”

BJÖRN JOHANSSON

Global Environmental Manager, Bona AB

Battling climate change requires innovative and accessible solutions. Together we must build a sustainable society that is in harmony with nature and that takes into account future generations. The transition to a resource-efficient society that is low in carbon emissions is the goal. Naturally, Bona wants to contribute its share. “For more than 100 years, Bona has developed products and systems that offer a sustainable floor refinishing solution. As a leader in the industry, Bona strives to actively drive development in research, education, and knowledge sharing,” says Björn Johansson, Global Environmental Manager, Bona.

In 2020, IVL Swedish Environmental Research Institute completed a research project which was conducted with input from Bona. Through a life cycle analysis, the environmental impact of refinishing hardwood and PVC floors was examined and compared with the effects of producing and installing new floors in terms of natural resources and carbon dioxide emissions. “Every year, 25 million square meters of flooring are replaced in Swedish public and commercial buildings. A renovation of these floor surfaces would contribute to a significant reduction in carbon dioxide emissions, save resources, and contribute to a circular economy,” says Björn. The results of the life cycle analysis showed that refinishing wood and PVC floors contributes to a 78 percent carbon footprint reduction for wood floors and 90 percent reduction for PVC floors, compared to replacing floors. Additionally, the report found that by refinishing wood or resilient floors, a minimum of 90 percent savings in resources is realized which includes transport, electricity use, consumables, and materials.

The study also presented a strategic plan, developed with stakeholders in the flooring industry, to get more people in the flooring industry to consider refinishing rather than replacing flooring surfaces. The roadmap outlines actions which are needed to overcome the obstacles that exist today. “Today, the norm in the flooring industry is new and fresh. Yet, there is a knowledge gap, because a sanded and refinished floor also looks new and fresh - even the appearance can be changed within a few limitations. We need both structural and attitude change to achieve a sustainable flooring industry. I am hopeful that in collaboration with others, we can affect this change for a more sustainable future,” Björn concludes.

The IVL report can be read in its entirety on Bona’s website.

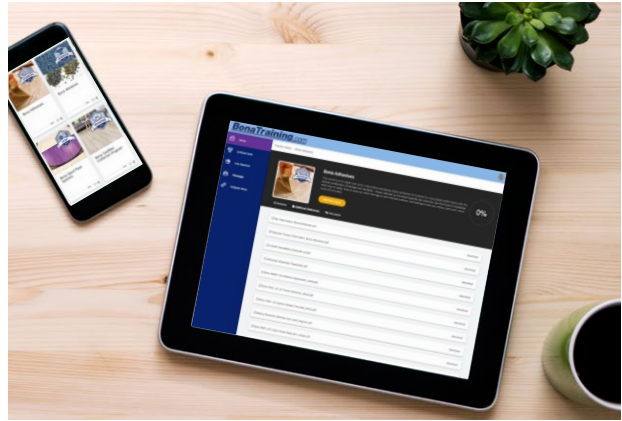
HEALTH





BONA'S COMMITMENT TO A **HEALTHY BUSINESS AND WORK-LIFE**

Bona's commitment to sustainable development of our business.



Sustainable business growth lays the foundation for Bona to be a long-term player in the market. The employees are Bona's most important and significant resource and we strive to be a sustainable workplace where employees thrive, develop, and feel safe and secure.

CARE FOR SUSTAINABLE BUSINESS GROWTH

Bona maintains a commitment for long-term success and growth without compromising our responsibility for social conditions, personnel, and human rights. By keeping our business healthy, it enables the company to move in the right direction. Bona is working towards Vision 2023, a plan based on 10 strategic initiatives to holistically grow our business based on sustainability, innovation, and customer-driven development. The vision states ambitious annual goals with 10 percent organic growth, 10 percent profit, and 10 percent dedicated to new initiatives. Maintaining a robust business ensures that we meet financial goals and adapt to a changing world. With a strong business foundation, we can make investments in research, education, and technology. Bona's Code of Conduct are the ethical business principles that ensure our growth occurs in a responsible and ethical manner adhering to social and ethical standards.

CARE FOR OUR EMPLOYEES HEALTH AND WELLBEING

In 2020 Bona maintained its strong culture all while adapting to the unprecedented challenges of the pandemic. Part of this foundation was created through ONE-Bona dialogues with employees around the world. ONE-Bona was presented in a digital format to maintain safety while encouraging engagement.

Bona strives to be an attractive and inspiring workplace where people can thrive. One of the most important responsibilities as an employer is to ensure that everyone is safe, secure, and healthy. With a variety of programs to encourage a healthy work-life balance, employees have access to resources and tools that support holistic wellness. Another important effort for increased security and safety is Bona's digital training, which educates both employees and craftsmen. The digital trainings open up opportunities for education in different areas and ensure that Bona's products are used correctly and safely.

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

2020 BROUGHT A NEW WAY OF WORKING AND CONNECTING

When in-person gatherings across the globe closed and mandates were implemented for social distancing, Bona implemented a series of measures to keep the business running all while keeping employees safe. Each Bona region followed local laws, protocols and regulations and most offices encouraged employees to work from home with limited number of people allowed in the office space. Additionally, social distancing guidelines were put into place along with increase disinfecting and cleaning measure in all Bona locations.

LONG-TERM ECONOMIC GROWTH AND SALES 2020

Bona works with long-term goals for growth that strive for at least 10 percent growth over a business cycle. In 2020 Bona realized net sales of SEK 3,1 billion compared with SEK 2,8 billion year before, therefore achieving the 10 percent growth goal.

BONA 2023 STRATEGY

Bona established Vision 2020 which provides a roadmap of goals through 2023 to be an innovation leader and strengthen customer trust and loyalty. Vision 2020 consists of ten strategic initiatives aimed at customer-driven market development to strengthen Bona's premium brand position driven by innovation and sustainable offerings. Clear innovation goals, growth through increased value chain efficiency and quality, and sustainable plastic packaging along with an increased share of new digital sales channels and online sales, are a few of these strategic initiatives.

E-COMMERCE

Because of the COVID-19 pandemic, e-commerce increased significantly across all Bona markets. One of the biggest increases was via Tmall, the largest third-party ecommerce market in China. In November, sales reached the highest level ever with the launch of the Bona Essentials Spray Mop Air. Retail sales in China increased more than 34 percent in 2020 compared to the prior year.

WITH RESPECT AND CARE FOR THE BONA EMPLOYEE

Equal pay for equal work and the opportunity to negotiate salaries is an area where Bona as an employer can have a direct impact and make a difference. Our goal is that all our employees receive an annual performance appraisal and have a clear job description. In 2020, 100 percent of Swedish employees received an annual review and 97 percent of employees in Germany, the USA and Latin America received a review. Bona also strives to create a workplace that is characterized by respect, tolerance, and equality. Bona does not allow abusive discrimination on the grounds of gender, age, religion, sexual orientation, or ethnicity, which is regulated by policy.

DIGITAL TRAINING AND MEETING OPPORTUNITIES

Creating educational opportunities for flooring craftsman is an important cornerstone for Bona to ensure that Bona's products are used safely and correctly. In 2020, when the opportunities to meet in person were limited, Bona leveraged the already existing e-Learning platform and saw 28,696 logins out of 1,620 people on the online platform, bonatraining.com.

BONA CERTIFIED CRAFTSMAN PROGRAM CELEBRATES 10 YEARS

The Bona Certified Craftsman Program (BCCP) celebrated 10 year in 2020, an important milestone in educating and connecting flooring craftsmen. In 2020, 46 BCCP market meetings were held in the United State with 21 meetings in Europe and 8 in Asia. What was originally a handful of talented craftsmen is today 2,800 of the best flooring professionals across the North America, South America, Asia, and Europe.

A PRODUCT LAUNCH JUST IN TIME



“A long-term strategy paired with detailed research and development resulted in an important product launch just in time to meet a critical market demand.”

SUSAN STERN

Director of Product Management—Retail, Bona US

In early 2020, Bona was preparing for the release of a new product, the Bona PowerPlus® Antibacterial Hard-Surface Floor Cleaner. This product, and subsequent launch, had been in development for four years, yet its launch would occur at a critically important moment in world history. On March 26th, Bona's Antibacterial Hard-Surface Floor Cleaner, a ready-to-use formula that kills 99.9 percent of germs when used as directed*, was released in the US market just as the COVID-19 virus was spreading across the country and homeowners were seeking cleaning solutions to keep their homes safe.

Susan Stern, Director of Product Management at Bona's US headquarters in Denver, Colorado, was part of the team leading the development and launch of the product. Based on Bona's long term goal to minimize negative impact on the environment, the challenge in developing an antibacterial cleaning formula was to find a solution that was safe to use while delivering on bacteria removal. “After a great deal of research and testing we landed on a formula powered by hydrogen peroxide,” said Stern. “This more natural formula is safe to use while also providing the highly effective germ kill which, particularly during the time of COVID-19, was (and still is) critically important.”

Soon after launch, the Bona PowerPlus Antibacterial Hard-Surface Floor Cleaner rocketed to tremendous success. In the early weeks of the product launch, sales were so strong that Bona increased production to keep pace with consumer demand. Particularly during the COVID-19 lockdown in the Spring, grocery and retail shelves were empty of cleaning products in high demand. The Bona team came together to ensure consumers would have access to this newly launched product. Stern continued, “The strong Bona culture came through. When we were confronted with the challenge of meeting consumer and retailer demand, the entire team worked tirelessly, in cross-functional teams to trouble shoot, make changes, and ensure that production would deliver.” Bona PowerPlus Antibacterial Hard-Surface Floor Cleaner sold almost 1 million units from March to December which is one of the most successful product launches in Bona's history. The company has continued to innovate on this formula and in the Fall launched a companion product, Bona PowerPlus® Antibacterial Surface Cleaner, which can be used on sealed, non-porous hard surfaces. “What began four years ago as an idea has become an important offering in our suite of products for homeowners to keep their floors and surfaces beautiful, clean, and safe,” Stern concluded. “And it's all a result of Bona's culture of innovation, collaboration and teamwork.”

*Kills 99.9 percent of Influenza A H1N1 Virus, Rhinovirus, Escherichia coli, Listeria monocytogenes, Pseudomonas aeruginosa, Salmonella enterica, Staphylococcus aureus, Methicillin-resistant Staphylococcus aureus [MRSA], Trichophyton mentagrophytes, on hard non-porous surfaces in 10 minutes.



HUMANITY



BONA'S COMMITMENT TO SOCIETY

At Bona we strive to give back for the betterment of our world and the communities in which we live.



Bona is a family-owned company that works to make a difference and strengthen relationships in the world around us. One of our biggest contributions to society is the local job opportunities we create as well as the tax revenues we contribute. This is possible thanks to conducting an economically stable company. However, Bona strives for more. We hope to impact our communities in a positive way by engaging and giving back.

WE CARE FOR OUR COMMUNITIES, LOCALLY AND GLOBALLY

Bona is involved in various community initiatives and charity projects where we hope even the small initiatives make a greater impact to fight poverty and contribute to a better world. When COVID-19 was declared a pandemic Bona stepped into action with Bona Cares, a locally focused initiative to help struggling communities. Around the world Bona Cares contributed in various ways including the distribution of face masks, hand sanitizer and cleaning materials to help keep people safe. Additionally, the project helped spread joy by distributing food and coffee to people in community service including animal shelters and first responders.

BONA'S COMMITMENT TO SOCIETY

Bona is anticipating the future gap between the skills needed in the flooring market and the demand for these skills. To inspire and encourage higher education within technology and chemistry, Bona has instituted an annual award to promising students. Bona believes that sustainable social development takes place in collaboration with others, including the academic and research sectors. Our goal is to take a clearer role in raising awareness and influence through the dissemination of knowledge and expertise. A clear example of our commitment is Bona's participation in the research project STEPS, Sustainable Plastic and Transportation Pathways, intended to develop plastics from bio-based raw materials. Additionally, Bona participated in "We are all Malmö" an initiative involving local companies and leaders in Malmö, Sweden that strives to strengthen the city's image as an attractive place to live, study, and work. Malmö holds a special place in Bona's heart as the home of its headquarters.

Another initiative to increase involvement in societal issues is to share knowledge. For instance, this year Bona was a partner and key-note speaker at Beyond 2020, a global conference for sustainability that unites leaders within the building industry to work toward a circular economy.

BONA CARES

When the pandemic took hold on the world, Bona stepped into action to help. In the spring Bona began #BonaCares a grassroots program centered around providing small acts of generosity to those in need. The focus was to give back to local communities in which Bona employees live. The program made a difference from hand sanitizer production to N95 mask donations to supporting local animal shelters to providing food for those in need. The global program spanned across the US, Europe, and Asia.

A MILESTONE FOR THE HAND IN HAND COLLABORATION, INDIA

Since 2016, Bona has collaborated with Hand in Hand, a development organization that fights poverty through grassroots entrepreneurship to increase the quality of life and health of vulnerable people in the world. In 2020, the partnership reached a milestone when the two-year Village Upliftment Program in the village of Palamalai in southern India ended. The program showed good results that have improved the living conditions of the village women and children through education and the creation of new jobs. Hand in Hand ensures that the development work in the village of Palamalai will continue. Palamalai is the second village in India that Bona has helped through the partnership.

THIS YEAR'S TRIBUTED TECHNICIANS

Technician of the Year and Technology Promise of the Year is an annual award supported by Kerstin Lindell, CEO of Bona AB. The prize is awarded annually by the South Swedish Chamber of Industry and Commerce in partnership with local companies. The award recognizes technologies and young technology talents that, through their work, contribute to development and new innovations. The Technician of the Year 2020 is Dan Zethraeus, founder of the company Elonroad, which for many years worked with the vision of electrified and smart roads. This year's Technology Promise 2020 is Helena Linge, Cicada health, who has developed a system that predicts which childhood cancer survivors are at risk of developing sequelae problems in adulthood. In 2021 Bona is continuing involvement with the Upliftment Program and supporting a new village, Mazhuvankaranai in India

BEYOND 2020 PARTNERSHIP

Bona was a partner in Beyond 2020, a global conference focused on sustainable building and creating circular economies. It was the most important sustainability event in Sweden in 2020, that connects the industry and producers in the construction industry with academics, politicians, authorities, and financial institutions. Bona participated in two panel discussions, hosted a webinar, and Bona's global sustainability manager, Björn Johansson, was a keynote speaker who presented results from the life cycle analysis produced in collaboration with the Swedish Environmental Research Institute (IVL).

STEPS

Bona participates in the research project STEPS, Sustainable Plastic and Transportation Pathways, at Lund University, which aims to develop plastic from bio-based raw materials. The vision for STEPS is to create a society where plastic is produced, used, and recycled in a sustainable way by sharing knowledge between academia, society, and business. In 2020, the first phase was completed and will move to a new phase where the focus is on conducting case studies. During phase one, the project delivered a component from sugar (which is less oil dependent than some current materials) that has the potential to make usable plastic and also opens up possibilities to make plastic from sawdust.

A GROWING BONA FOREST

Since 2018, Bona has been collaborating with Plant a Tree. Every year, 600 new trees are planted, one for each employee, in the Bona forest located in Hjortserud, southwestern Sweden. By planting new cultivated trees in the Bona forest, an old forest type that was previously common in the Swedish landscape, is recreated with species such as bird berries, oxel, linden, maple, oak and hazel.

#BONACARES – SMALL ACTS OF KINDNESS THAT MAKES A HUGE DIFFERENCE



“When the pandemic hit, we wanted to help. We gathered together to decide how we could give back to our local communities and help our families, friends, and neighbors.”

CATE VANEGAS

Senior Director of Global Marketing, Bona US

As the coronavirus pandemic took hold across the world in the Spring of 2020, it was the essential workers that stood on the front lines of society. From healthcare workers to first responders to grocery staff, the world found a new appreciation for those in our society who keep us safe, healthy, and fed. While Bona was navigating its own business challenges in this unprecedented time, the company stayed true to its core value of giving back to others. “When the pandemic hit, we wanted to help,” said Cate Vanegas, Senior Director of Global Marketing. “Small acts of kindness can make a big impact so we gathered together to decide how we could give back to our local communities and help our families, friends, and neighbors. From this effort, a grassroots program centered around providing small acts of generosity to those in need called #BonaCares came to life.”

While the initiative began with the marketing team it quickly became a global effort with ideas coming in from across the world. The team effort involved participation from Bona employees, distributors, partners, and even some friends and family. One of the first donations came from Bona’s US production plants in Monroe, North Carolina and Pueblo, Colorado. For a few days the plants shifted efforts from producing Bona products to making hand sanitizer, a product that was in dire shortage particularly among medical and education communities. The hand sanitizer was donated to local community groups in Pueblo and Monroe. Shortly after, 432 bags of Bona’s special blend coffee was donated to a local police department in appreciation of their help keeping communities safe. And in Poland, Bona donated cloth masks sewn by a local vendor to Bona Certified Craftsmen working in the field and a local hospital lacking inadequate protection.

“As a family-owned company, Bona always encourages our employees to help others. For instance, we had an employee reach out about the need at a local food bank in his community. With his help, Bona made a donation to help provide meals.” Vanegas continued. Some other efforts involved one of our suppliers in China who shifted production to manufacture N95 face masks, another piece of protective equipment that was in short supply. Through their donation along with Bona’s network, these protective masks were provided to senior living homes in Malmö, Sweden and by our country distributor in Japan, Okabe Co, Ltd who donated them to the City of Nanto’s local hospitals and schools. “The feedback has been incredibly positive. At the same time #BonaCares felt like the most natural thing to do giving back to our community. If you visit our office or production units, regardless if it’s in Malmö, Shanghai or in Limburg, our culture of care, trust and expertise is the first thing that hits you entering the front door. We call it the Bona family,” Vanegas concludes.

REPORT ON BONA'S WORK WITH SUSTAINABILITY 2020

Bona's sustainability report has been prepared separately from Bona's annual report. The purpose of this report is to fulfill the requirements for sustainability reporting per the Swedish Annual Accounts Act.

In the overview, Bona's most significant sustainability information is summarized within four areas: environment, social conditions, personnel, respect for human rights and anticorruption. Bona has chosen to cluster the social aspects and present them together.

GOVERNANCE OF BONA'S SUSTAINABILITY WORK

Bona's supervision of the sustainability work is managed within the framework of Bona's regular organization and management. Bona's Group Management has overall responsibility for strategies, goals, and measures and the follow-up is carried out. Bona's Group Management meets four times a year and reports to Bona's Board four times a year.

Bona departments have the operational responsibility for their sustainability work. The CEO or the head of each subsidiary has the ultimate responsibility for this work. The department's report on a monthly basis in smaller groups.

All Bona guidelines are annually revised and updated as necessary.

CHANGES COMPARED TO 2019 SUSTAINABILITY REPORT

Bona has added one new goal to the Sustainability Report 2020, compared to the previous year, and adjusted one goal in text. These are:

1 new goal for Environment regarding Bona's plastic packaging

1 text-adjusted goal for Social conditions, personnel and human conditions. Employees' annual development discussion does also include a job description talk as part of this interview.



ENVIRONMENT

GOAL	RESULTS, 2020	PRIMARY RISKS	RISK MANAGEMENT
<p>Reduce waste by 10% and reduce energy consumption by 5% by 2020 in relation to levels from 2015.</p>	<p>Goal is partially met for reduced waste and energy consumption.</p> <p>In 2020, Bona reduced waste (kilos of waste per tonne produced) by 8%, in relation to levels from 2015. This is a difference of 2% points compared to our target. Despite the improvement, we did not reach our goal. The deviation is due to internal challenges.</p> <p>Bona has reduced its energy consumption far above target. In total, Bona reduced its energy consumption by 20%, which is 15 percentage points more than the set target. Continuous energy efficiency measures, both large and small, in Bona's facilities have shown a good result. Furthermore, Bona has excluded incompatible conditions from the calculation, to make the results between 2015 and 2020 more comparable.</p>	<p>Excessive use of the Earth's resources.</p> <p>Hazardous chemicals in products, environment and work environment.</p> <p>Accidents related to facilities.</p> <p>Emissions from fossil fuels during transport.</p>	<p>The Safety, Health and Environment (SHE) policy stipulates how safety, health and environmental sustainability must always be prioritized in all Bona processes.</p> <p>Research and development policy with guidelines that prioritize sustainability and life-cycle aspects in the development of new products and raw materials.</p> <p>The Bona Group Code of Conduct describes expected behavior for all employees regarding environmental aspects.</p> <p>Closed production system and specific contingency plans for each production unit. Annual risk evaluation.</p> <p>Product labeling and safety data sheets.</p> <p>In the US, membership in Smart-Way prioritizes more efficient transports when possible.</p>
<p>Contribute to sustainable consumption, through renovation rather than replacement of:</p> <ul style="list-style-type: none"> • Wood and parquet floors • Hard surface floors like resilient, linoleum, PVC, and rubber 	<p>Wood and parquet floors</p> <p>In 2020, market demand declined due to changes in consumer behavior during the COVID-19 pandemic. Thus, Bona produced less finish, stain, and sealer compared to previous years. In 2020, Bona produced finishes, stains and sealers covering 38,756,976 square meters of wood flooring, which is 3,106,560 square meters less than the previous year. Despite the decline, 2020 production saved 158,840 125-year-old oak trees equivalent to a forest area of 3,610 soccer fields or 28,880,012 square meters that remain undisturbed.</p> <p>Hard surface floors</p> <p>Measurement data for hard surface floors, via a life cycle analysis conducted by IVL, Swedish Environmental Institute for water and air, shows that there is great potential for both environmental and financial savings, when choosing to refinish hard surface floors instead of replacing them. The savings is up to 90% of CO2 emissions, and energy use and the total cost is reduced by 41%.</p>		
<p>More than 50% of Bona's gross margin is to come from new products.</p>	<p>Despite an increase of 5% compare to previous year, the target has not been fulfilled. In 2020, a total of 42% of gross margin came from products younger than five years old. During 2020 there were however three product categories that achieved higher than 50% gross marking from new products; Consumer Products, Do-It-Yourself renovation products, and Industrial Coatings.</p>		
<p>More than 90% of Bona's raw materials are categorized as green according to Bona's system for Green Chemistry.</p>	<p>Goal fulfilled in Malmö, Sweden. In 2021, Bona will implement a new measurement method. The Green Chemistry will be measured by the proportion of risk-assessed new raw materials (target=100%), performed audits of relevant existing raw materials (target: at least two in Malmö and one each in the US and Germany) and planned phase out activities (metrics: % of phase outs performed according to plan, target ≥ 80%).</p>		
<p>Continuous evaluation of effective sustainable transport alternatives.</p>	<p>As part of Bona's development work, we continuously leverage opportunities to streamline even more sustainable transport. Reducing unnecessary transport also goes hand in hand with reduced costs. In 2020, Bona USA changed the transport flow to Walmart, from partial delivery flows to full truck loads (FTL). Through good planning and groupage with other customers' goods via crossdocking sites, Bona USA has also created transport flows with FTL, also on the final routes to Walmart's many stores. These efforts have combined the number of transports and reduced carbon dioxide emissions via transports, and have reduced Bona's shipping costs in the USA by SEK 8 million. A similar concept with FTL has also been introduced in our transports from the US to Canada. In Europe, more than 90 % of Bona's transports go by train in the largest transport flow.</p>		
<p>NEW GOAL</p> <p>The share of recycled, renewable and other non-virgin plastic solutions should be more than 50% of the total plastic usage for packaging by 2025. This would include reduction of amount of plastic used in a package and use of non-plastic materials as a part of the package.</p>	<p>In 2020, the proportion of non-petroleum virgin plastic solutions was 3.4% for Bona's plastic packaging, of which the replaced part consisted of recycled plastic. 2020 is Bona's baseline for this goal and is the first year these measurements are performed.</p>		
<p>Internal audit twice a year to evaluate and ensure that Bona uses the most sustainable Raw materials. Annual internal audit to evaluate and ensure that Bona uses the most sustainable Raw materials.</p>	<p>Goal fulfilled. Two internal audits were performed during 2020 focused on raw material approval, phasing in, phasing out, working environment and possible sustainability improvements.</p>		

SOCIAL CONDITIONS, PERSONNEL AND HUMAN RIGHTS

GOAL	RESULTS, 2020	PRIMARY RISKS	RISK MANAGEMENT
Costs related to problems with quality must not exceed 0.5% of sales.	Goal fulfilled. In 2020 quality control was 0.5% of sales.	Improper use of products. Damage during the production process or in other parts of the value chain. Unhealthy working environment, exposure to dust. Unequal pay structure and opportunity for career development. Discrimination or harassment at the workplace	The Safety, Health and Environment policy that stipulates how safety, health and environmental sustainability must always be prioritized in all Bona processes. Bona certifications with training for professional craftsmen with the Bona Certified Craftsman Program (BCCP). External training material online via Bona Training Platform as well as 22 training centers in 17 countries with continuous training in conjunction with sales meetings. External whistleblower function for reporting serious incidents. All reported cases are handled according to established process. The Bona Group Code of Conduct that describes expected behavior between all employees and Bona's zero tolerance for harassment or discrimination. Bona's Group HR policy with guidelines for recruiting, pay discussions, job descriptions, and the introduction process. Bona policy with zero tolerance for harassment or discrimination. Training in safe driving in the US is intended to reduce the number of driving accidents.
Continuously create more training session for Bona users.	In 2020, Bona completed a total of 2,371 training opportunities. Compared to the previous year, this is an increase of 467 trainings. The increase can be connected to the pandemic and increased demand for digital education.		
Zero work-related accidents.	Since the previous year, Bona has reduced the number of work-related accidents from 20 to 8 reported incidents. Six of the eight work-related accidents were in Germany and two in Sweden. In North America there were no reported incidents.		
Increase sales of Bona Dust Containment System.	Between 2011 and 2020 Bona sold more than 7,550 Dust Containment units. This is an increase of 5 % compared to previous 10-year period. Of the 7,550 units, 55% are high-performance units that filter 98.8% of the airborne dust from hardwood floor sanding. Sales of the high-performance units increased by 4% from the previous year.		
All employees shall have an annual development discussion.	In Sweden, 100% of Bona employees had an annual development discussion. In Germany, North America, and Latin America 97 % of Bona employees had such a discussion.		
Zero conflict-related incidents	Goal not fulfilled. One conflict-related incident was reported in Bona North America.		

BUSINESS ETHICS

GOAL	RESULTS, 2020	PRIMARY RISKS	RISK MANAGEMENT
All employees shall undergo training in business ethics and anti-corruption every third year.	Goal partially met. All new employees have received training over a three-year period. In 2020, Bona ONE Dialogues started where business ethics and anti-corruption is included as part of the dialogue. A large part of all Bona employees completed these in 2020. The dialogues will continue during 2021 with the goal that all Bona employees will participate. In 2020, no cases were received via Bona's whistleblower function.	No improper business ethics behavior or acceptance of any type of bribe or incident of corruption.	External whistleblower function for reporting serious incidents. All reported cases are handled according to established process. Bona Group Code of Conducts with guidelines for business ethics in operational management and stakeholder relationships.
Continuous evaluation of Bona suppliers.	Goal fulfilled. All of Bona's current suppliers are evaluated continuously every third year. Documentation is stored in Framework.	No improper business ethics behavior or acceptance of any type of bribe or incident of corruption.	Supplier policy

MALMÖ 2021-03-17

Bertil Edner
Member of the Board

Britt-Marie Forsberg
Member of the Board

Pontus Cornelius
President and CEO

Kerstin Lindell
Chair of the Board

AUDITOR'S STATEMENT REGARDING THE STATUTORY SUSTAINABILITY REPORT

To Annual General Meeting of Bona AB, Corporate Reg. No. 556017-6488

UNDERTAKING AND DISTRIBUTION OF RESPONSIBILITY

The board of directors is responsible for the sustainability report for 2020 and that it is prepared in accordance with the Swedish Annual Accounts Act.

AUDIT'S ORIENTATION AND SCOPE

Our audit has been conducted in accordance with FAR's recommendation RevR 12 that regulates auditor statements regarding the statutory sustainability report. This entails that our audit of the sustainability report has a different orientation and a significantly narrower scope compared to the orientation and scope of an audit conducted in accordance with International Standards on Auditing and other recognized Swedish auditing practices. We hereby state that this audit provides us with a reasonable basis for our statement.

STATEMENT

A sustainability report has been prepared.

Malmö, March XX, 2021

Johan Thuresson
Authorized Public Accountant



Bringing out the beauty in floors.

Bona is a family-owned company founded in 1919. With its headquarters in Malmö, Sweden, Bona is now present in more than 90 countries all over the world through subsidiaries and distributors. We provide products for the installation, maintenance, and renovation of floors throughout their lifetime. Today, we have solutions for professionals, homeowners, and prefinished manufacturers.

Bona AB
Lokgatan 8, SE-211 20 MALMÖ

Telefon: 040-38 55 00
E-post: bona@bona.com
Bona.com

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