



# 2022

## Sustainability Report

***Bona***<sup>®</sup>

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The statutory sustainability report of Bona AB and its subsidiaries can be found on pages 11, 38-45. The report has been drawn up in accordance with the Swedish Annual Accounts Act (ÅRL) section 6 § 10-14.



# HIGHLIGHTS

Bona's year in review

# HIGHLIGHTS FROM 2022

## NEW SUSTAINABILITY VISION

As part of the company's sustainability journey, Bona introduced a new sustainability vision to articulate our way of thinking and acting responsibly in our everyday business. This vision is: To lead the sustainability transformation of our industry, caring for people and the planet.

Read more on how we operationalise our vision on page 19 [reference to "Bona Sustainability Vision"].



## MAGNUS ANDERSSON APPOINTED PRESIDENT AND CEO

In April, Bona welcomed Magnus Andersson as its new President and CEO. Magnus succeeded Kerstin Lindell, Chair of the Board and interim President and CEO since January 2022. He most recently served as president for Trelleborg Seals & Profiles and comes to Bona with a deep bench of experience. With Magnus joining the company, Kerstin Lindell returns to her role as Chair of the Board at Bona.



## MEASURING TO ASSESS IMPACT

To better understand and manage our impact, we have initiated a collaboration with Position Green, a company providing data-driven tools for sustainability reporting. As a result, we have extended our scope of measurements and developed new key performance indicators (KPIs) that will help us on our continued sustainability journey.

Read more on page 20 [reference to "Goals and KPIs"].



## BONA US RECOGNISED AS SAFER CHOICE PARTNER OF THE YEAR BY THE EPA

In November 2022, Bona U.S. was presented with the award 'Safer Choice Partners of the Year' by the U.S. Environmental Protection Agency (EPA) for the second year in a row. Our Safer Choice-certified products meet the EPA's stringent human health and environmental criteria.

Read more in our HOME section on page 27 [reference to "HOME"].



# HIGHLIGHTS FROM 2022 *continued*

## POST-CONSUMER RECYCLED PACKAGING

Thanks to intensive testing and development during 2022, Bona will soon offer several of its best-selling products in packaging consisting of 30 – 50 percent post-consumer recycled plastic.

Read more in our HOME section on page 26 [reference to “HOME”].



## PARTNERSHIP WITH WEFORREST TO RESTORE FORESTS IN BRAZIL

In June, we announced a partnership with WeForest, an international NGO specializing in forest restoration projects. As sponsor, Bona supports a project in Brazil to restore the forest on the edges of the Tietê river and its tributaries with native species, protecting water bodies from soil siltation and runoff from herbicides and pesticides.

Read more in our HOME section on page 27 [reference to “HOME”].



## INCREASED MARKET SHARE FOR BONA RESILIENT SYSTEM

Bona’s journey into resilient floor renewal systems moved into a new phase during 2022, with strong sales growth and increased interest in floor life extension. The Bona Resilient System allows facilities to renew existing flooring rather than replace the flooring saving time, resources and energy. The system can also offer a positive impact by keeping old flooring material out of landfill. Additionally, the system eliminates the need to conduct a maintenance polishing process which uses a great deal of water.



## ENERGY EFFICIENCY ACTIVITIES IN GERMANY AND SWEDEN

In 2022, we installed two 200 kWh battery storage solutions at our Germany sites, allowing us to use the electricity generated from our solar panels more efficiently and reduce our dependence on the local power grid while also providing us with income opportunities.

We also implemented LED lighting at our storage and distribution facilities in Malmö, Sweden and at the production facility in Limburg, Germany. This is estimated to reduce energy consumption by 20 000 kWh per year across our storage, distribution and production sites in Sweden - representing a 1 percent efficiency improvement relative to our total electricity utilization.

Read more in our HOME section on page 26 [reference to “HOME”].





# ABOUT

This is Bona



# THIS IS BONA

## Vision

Bring out the beauty in floors.

## Mission

Creating beautiful floors that bring happiness to people's lives.

## Values

### PASSION

Passion is our foundation for doing business. We are passionate about what we do and how we do it. We are always fully committed to bringing out the beauty in floors. We take pride in our products, services, and systems and we strongly believe that working with passion is the best way to serve our customers and expand our business.

### PERFORMANCE

At Bona, performance means premium quality. We focus on the needs and safety of professional craftsmen, industrial customers, and floor owners in everything we do. We are advocates for sustainable solutions and share our knowledge. This empowers our customers to achieve the best performance and results for floors – from installation and renovation to maintenance and care.

### PIONEERING

Bona has a track record of innovation. Pioneering is the basis of our reputation and future. We strive to think creatively and bring innovative ideas to products, solutions, and systems, while being open to change and acting on opportunities in the market. This pioneering mindset helps us to constantly seek new and better ways to improve our performance.

## CREATING BEAUTIFUL FLOORS

Founded in 1919, Bona is a global, family-owned, sustainably minded company that supplies products and systems for installing, renovating, maintaining, and restoring premium floors. We offer products for most floor surfaces including wood, tile, vinyl, rubber, and laminate. From cleaning products to floor varnishes to machines, our goal is to create floors that last.

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



## SUSTAINABILITY-MINDED SINCE 1919

From the early days of our business, Bona has been a pioneer in sustainability. Our innovative products and systems provide floor owners, contractors, and homeowners with high performing, sustainable solutions. And, when possible, we encourage floor owners to clean, maintain and renovate their floors to avoid removing the flooring surface which often ends up in landfill.

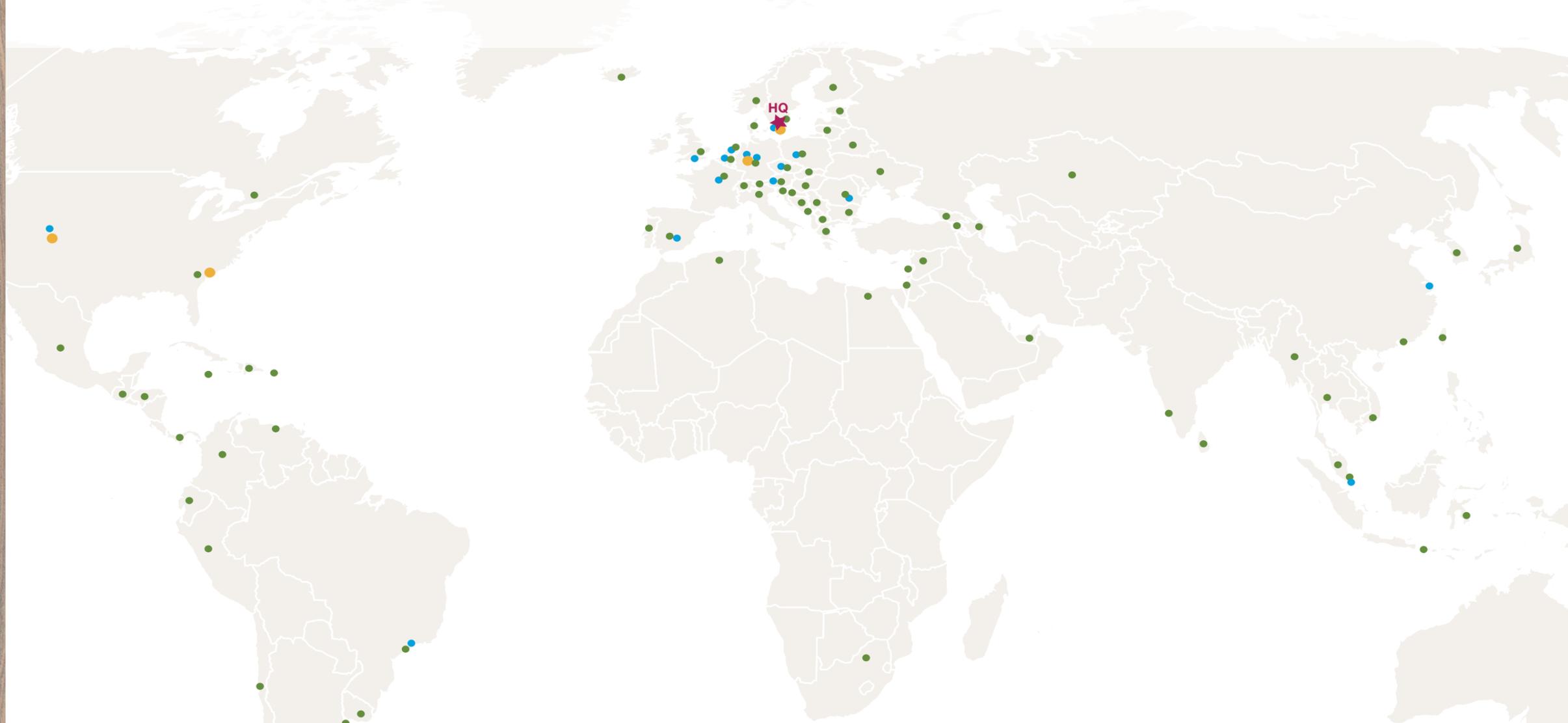
Over the years Bona has achieved a few noted milestones. In the 1970's we were the first to offer a waterborne hardwood floor finishing system and, in the 1980s, we were one of the first companies to insist on dust containment systems that remove wood dust from the air and environment for craftsmen during the hardwood floor sanding process (to avoid health hazards). Since then, we have continued with innovations in all our business areas including expanding beyond wood to include other hard-surface flooring material.



# THIS IS BONA

## A GLOBAL COMPANY HEADQUARTERED IN SWEDEN

With our head office in Malmö, Sweden, Bona is led by third and fourth generations of the Edner family. Having started from humble beginnings, we are now a global organization spanning more than 90 countries and represented by 16 subsidiaries, 70 distributors, 4 production sites, and more than 600 employees. In 2022, Bona's turnover was 3.8 billion SEK (EUR 362.8 million).



# 4

### GENERATIONS

Family-owned company led today by the fourth generation of the Edner Family.

# 100

### YEARS PLUS

Founded in Malmö, Sweden 1919

# 600+

EMPLOYEES

# 90

COUNTRIES

# 70

DISTRIBUTORS

# 16

SUBSIDIARIES

# 4

PRODUCTION SITES

# STATEMENT BY THE CEO AND THE GLOBAL ENVIRONMENTAL MANAGER

## On track towards sustainability

In recent years, worldwide interest in sustainability has increased. From homeowners to craftsmen to property owners and architects, our customers are demanding more sustainable products, systems, and offerings. Even within our own organization, employees are steadily becoming more outspoken and interested in sustainability matters. The current interest and urgency around sustainability keeps us driving forward to sharpen our focus and do more.



**Magnus Andersson**  
Bona CEO

**Björn Johansson**  
Bona Global Environmental Manager

### INTRODUCING A NEW SUSTAINABILITY VISION

In 2022, we developed Bona's new sustainability vision to define and align our desire to take a leadership role in driving sustainable change in our industry.

The launch of our new vision is also the starting point of a broader sustainability agenda where we will measure and monitor our sustainability performance more thoroughly than previous years. The vision rests on our three sustainability pillars – HOME, HEALTH, and HUMANITY – which form the foundation for our commitment to a sustainable world, a sustainable business and work life, as well as our commitment to society.

We want this vision to reinforce Bona's business model of encouraging floor renovation and maintenance which, when compared to replacing a floor, is better from a cost perspective, saves energy consumption, and reduces the climate footprint.

### REGULATIONS IN LINE WITH OUR BUSINESS

To make it easier for society and investors to understand how companies work with sustainability, the European Union (EU) is rolling out the new CSRD (Corporate Sustainability Reporting Directive). The introduction of CSRD will mean increased requirements for sustainability reporting and how companies conduct their operations. Bona welcomes the development of CSRD, as the central pillars are in line with our long-term strategy. We are working proactively to prepare our organization before the new regulations become fully implemented.

For Bona, sustainability also incorporates our goals for a balanced and profitable business that actively invests in innovations that are good for the environment as well as a thriving workplace. When our business is successful, we are better able to

# On track towards sustainability *continued*

invest and innovate for a more sustainable future. In 2022, we introduced the next phase of our internal training program – One Bona – with a particular focus on sustainability. It is crucial that everyone working at Bona understands our ongoing sustainability work and how everyone can contribute to the journey.

This is our first year conducting climate impact calculations according to the Greenhouse Gas Protocol, which is key to how we measure our future progress. We are at the starting point of this process and know it will require significant effort and involve external parties. We look forward to future collaborations as several of our suppliers and partners are following their own ethical sustainability agendas.

## ADAPTABILITY DURING A CHALLENGING YEAR

The war in Ukraine has had major effects on the world. Many companies, and not least our industry, have experienced challenges in the supply chain, product allocation, and cost inflation. While this year has tested our organization, we have stayed adaptable and continued to provide our customers with the same high-quality products and systems. The most challenging sector for Bona in 2022 was the retail sector in the U.S. due to retailer de-stocking and increasing supply chain costs, while our growth markets, Asia Pacific and Latin America, excelled.

Overall, Bona has defended our market share during the year, and we have carried out strategic investments to improve our logistics set-up. One of the most important projects in 2022 was the building of our new distribution centre in the U.S.. We have also managed to maintain a high level of innovation with the launch of new products, such as waterborne stains and biobased cleaning formulas, that will be important for the future.

## RENOVATION AND REUSE WILL CONTINUE TO INCREASE

Due to scarcity of raw materials and increased prices, wood floor material manufacturers and installers have been hit hard. As a result, we believe this industry will have a challenging 2023. With the possible recession looming it is very likely that companies that focus on renovation and maintenance will gain ground. Innovations within Bona's offerings like our core wood floor renewal system or newer Bona Resilient System support flooring renewal rather than tearing out and replacing the flooring.

## LOOKING AHEAD

Our new vision represents the next chapter in our sustainability journey. The same entrepreneurial and innovative drive that has made Bona an industry leader for over a century is embedded in our future sustainability work. Most importantly, we continue to rely on the competence, passion, and commitment of our employees. Together, we will ensure that Bona leads the sustainable transformation of our industry.

*Magnus Andersson,  
Bona CEO*

*Björn Johansson,  
Bona Global Environmental Manager*



# BONA'S BUSINESS MODEL

## How we create long-term sustainable value

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



### RESOURCE INPUTS

Raw material | Water | Energy

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

#### HOW WE TAKE RESPONSIBILITY

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



### WHAT WE DO

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

Bona's production, distribution, and warehousing is largely owned and operated in-house. We have four production sites: Malmö, Sweden; Limburg, Germany; Monroe, NC and Pueblo, CO in the U.S. Bona's first distribution center is in Limburg, Germany. In 2022 the construction of Bona's second distribution center (DC2) was completed and will be opening in 2023 Located at our production site in Monroe, North Carolina, U.S. the new facility will shorten the supply chain of our products and reduce our climate impact (through minimizing haulage and transports of goods).

#### HOW WE TAKE RESPONSIBILITY

- Ongoing assessments to reduce negative health and environmental impacts.
- Training and safety measures to ensure a healthy work environment.
- Locating warehouses for optimal logistical flows and working with our customers to optimize the logistical distribution of our products.
- Regular review of sustainable transportation alternatives based on each country's infrastructure.
- Reduce waste in own production.
- Investments in sustainable transports with electric vehicles.



### OUR OFFERINGS

Systems | Certification | Training Service | Support

Bona's system of solutions is a complete range of products, services and support that are offered globally. Bona's systems and products are developed to be of premium quality: safe with minimal environmental impact. As an important part of our business model, we offer in-house training and services to ensure those using our products and systems are supported and offered globally for premium floors.

#### HOW WE TAKE RESPONSIBILITY

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



### THE VALUE WE CREATE

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

#### HOW WE TAKE RESPONSIBILITY

- Strategic collaborations with industry leaders and the business community.
- Strategic partnerships with academia, industry associations, trade groups, and authorities on important industry issues.
- Strategic collaborations for third hand validations and certifications.
- Long-term company profit goals without compromising our responsibility for social conditions, personnel, or human rights.
- Create conditions to be an attractive and engaging workplace.
- Committed to contribute, engage, and strengthen relationships with our communities.
- Engagement with non-profits and NGO organizations.
- Prolong the life of floors by renovation and proper maintenance products.
- Increased knowledge about sustainable floor surface treatment.

# BONA'S MARKET, CUSTOMERS, AND PRODUCTS

With a wide range of products and systems for installing, maintaining, and renovating premium floors, Bona focuses on the entire lifecycle of a floor. This means that whether our customers are refinishing, renovating, installing or maintaining a floor we create value by offering the solutions and necessary support to achieve the ideal outcome.



# BONA'S MARKET, CUSTOMERS, AND PRODUCTS

## RENOVATING

### KEY CUSTOMERS

- PROFESSIONAL CRAFTSMEN
- HOMEOWNERS
- PROFESSIONALS

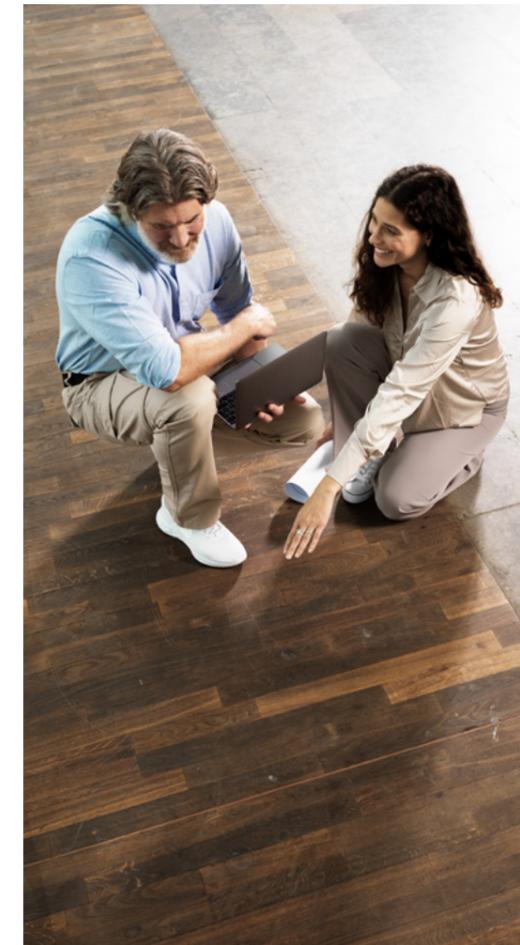
### BONA'S MARKET

Renovation involves upgrading an existing floor to suit the present needs of the owner or user. This may entail restoring the original design and appearance, repairing damage, or changing the floor surface depending on current trends or usage requirements. The renovation process is typically performed by professional craftsmen or facility staff, who use specific machinery, sanding techniques, stains, oils or finishes – all of which require training and education. For years, the industry focus, particularly for resilient floors, has been to tear out and replace the flooring surface rather than renovate or renew. However, educating the floor owner can impact the procurement process and encourage renovation or renewal of the flooring surface.

### HOW BONA CREATES VALUE

Renovation is an important way to extend the life span of an existing floor and will eliminate or postpone the need for replacement. By upgrading the floor, renovation is a more sustainable choice that avoids the need for virgin resources. Bona offers a wide range of renovation solutions that help keep existing floors durable and beautiful. Having developed systems that simplify the process, we make the option of renovation more accessible, and we offer training to support successful outcomes. In the resilient flooring market, Bona has played an active role in innovating systems and educating the market that floor renew is possible and a reliable option compared to replacement.

### PRODUCTS



# BONA'S MARKET, CUSTOMERS, AND PRODUCTS

## INSTALLING

### KEY CUSTOMERS

- PROFESSIONAL CRAFTSMEN
- HOMEOWNERS
- PROFESSIONALS

### BONA'S MARKET

Floor installation can occur through a variety of methods, e.g. by gluing or “glue down”, nailing, combination of gluing and nailing or floating on a prepared sub floor. Once installed, the floor may need additional treatments to achieve the desired result depending on the intended use. This might involve staining a wood floor to achieve a specific colour, adding a finish for added durability or sheen, or painting the floor as seen on sport floors. Some treatments can be applied during production of the flooring material or at the point of installing the floor.

### HOW BONA CREATES VALUE

Bona offers a range of coating systems, oils, finishes and adhesives to satisfy the needs of industrial manufacturers and craftsmen. By providing our market insights and technical competences, we are a partner to professionals and help drive their business by supplying the innovative solutions, tools, and training necessary for the sustainable installation of premium floors. Finishes and stains are used by craftsmen to create desired colour tones, appearance, gloss, and sheen. Industrial manufacturers have UV-finishes applied to protect and preserve the surfaces over time and contain which in combination with a wide range of tones and effects to suit any environment and creative expression.

### PRODUCTS



# BONA'S MARKET, CUSTOMERS, AND PRODUCTS

## MAINTAINING

### KEY CUSTOMERS

- PROFESSIONALS
- HOMEOWNERS

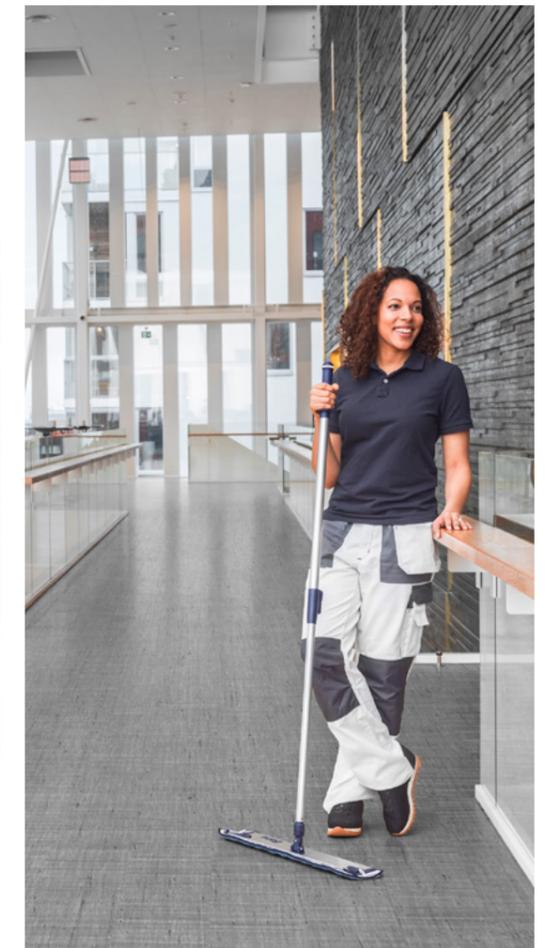
### BONA'S MARKET

Floor maintenance is a sizable market that offers homeowners, commercial floor owners and professional cleaners a range of products to clean and maintain the floors. Different maintenance solutions have various effects on the beauty, longevity, and durability of the floor, which may have consequences for the lifetime of the floor. Treated incorrectly, floors may appear worn and lack lustre leading to the apparent need for renovation or even replacement.

### HOW BONA CREATES VALUE

Correct and regular maintenance is, alongside renovation, a crucial factor for ensuring that a floor stays attractive over time. Drawing upon our expertise of premium floors, we offer homeowners, commercial floor owners and professionals a range of innovative and sustainable solutions enabling them to properly care for and preserve the qualities and characteristics of almost any hard-surface floor.

### PRODUCTS





# MARKET TRENDS

## 1 INCREASED AWARENESS OF SUSTAINABILITY

**With operations in over 90 countries, we know sustainability is top-of-mind across the world.**

Its presence may most notably be felt in the Nordic region and across the EU, where the EU Commission is rapidly becoming the driving force for a more structured approach to sustainability compliance and reporting. Meanwhile, our customers outside the EU – the Asia-Pacific and North American regions – are fast becoming more engaged and outspoken.

The real estate and construction industries are typically considered traditional industries that have not been leaders in sustainability issues. This has recently shifted, where a more circular way of thinking is being adopted which, in turn, unlocks new business opportunities for Bona.

## 2 SUSTAINABILITY REGULATIONS ON THE RISE

**To make it easier for society and investors to appreciate and understand how companies are performing on sustainability matters, the EU Commission has developed the new Corporate Sustainability Reporting Directive (CSRD).**

The directive imposes tougher requirements on sustainability reporting and company operations and will be implemented in stages, with the first step expected to come into effect as of financial year 2024. Among the reporting requirements are increased harmonization with the EU Taxonomy, the Greenhouse Gas Protocol and the upcoming EU Sustainability Reporting Standards (ESRS).

While Bona is expected to become eligible for the legislation by the start of 2025, preparations and adaptations have begun. Bona welcomes the development of the CSRD and is now working proactively to prepare the organization before the new regulations are fully implemented.

The U.S. Inflation Reduction Act of 2022, a federal law signed by President Biden in August of 2022, includes \$369 billion in funding to tackle climate change and bring America closer to Biden’s goal of cutting climate pollution in half from 2005 levels by 2030. While implementation of the Act and its outcomes remain to be seen, it is expected that it will likely affect Bona’s climate ambitions in a positive way going forward. The expected investments could make it easier for our U.S. sites to switch to renewable energy and the expanded infrastructure for electric cars may facilitate climate-adapted transportation options.

## 3 NEW STAKEHOLDERS ARE BECOMING DECISION-MAKERS

**Within Bona’s primary markets, sustainability has traditionally been a consumer demand. However, this has changed over recent years, where more stakeholders within the entire value chain are becoming interested in sustainable solutions.**

Bona is engaged in discussions about sustainability issues with floor producers, industry associations, property owners, architects, and public organizations. At the same time, we are experiencing higher demands from our customers to deliver according to their ambitious sustainability targets.

The interest in sustainability has risen among many professional groups, such as facility managers, purchasing/project managers, consultants, architect/specifiers, construction organizations, and contractors. Moreover, it has also become common for large customers to adopt more sustainable choices.

Notably, homeowners and commercial floor owners are more invested in sustainable products and are requesting the best, long term sustainable solutions. This results in stricter craftsman demands, which affects the construction industry.

In our experience, awareness of the environmental benefits of upgrading and renovating existing floors is generally low among building owners, facility managers, and decision makers. For this reason, Bona focuses on educating about the broad scope of sustainable products, solutions, and options with a hope of driving change. Our education platforms include education seminars for architects and designers, speaking at conferences and seminars, educating craftsman through our training and BCCP programs, and more traditional marketing channels.

# MARKET TRENDS *CONTINUED*

## 4 GLOBAL ISSUES AFFECTING THE SUPPLY CHAIN AND SUSTAINABILITY ACTIVITIES

As the COVID-19 pandemic began to subside at the beginning of 2022, the war in Ukraine caused a surge in prices for raw materials, packaging, and transportation. At the same time, the energy crisis in Europe has led to energy scarcities and increased costs.

Inflation rose to new heights in 2022 peaking at ~10 percent in many countries, which affected overall purchasing prices and costs. In the areas of freight and energy, costs have risen several hundred percent. This, together with the war in Ukraine, has meant that many suppliers were unable to provide goods and services, causing disruptions to supply chains worldwide. While we saw some cases where prices began to deflate towards the end of 2022, energy prices remain high affecting almost all elements of the supply chain.

The dire situation has demonstrated the importance of continuous supplier evaluation and maintaining cost-efficient production. Thanks to creative solutions by our purchasing and research units, product management, marketing, and sales department, we have been able to mitigate the price increases on raw materials and re-assess our supply chain to find equivalent alternatives of the same quality. Bona's efficient restructuring of the business and proximity to regional suppliers, has enabled us to remain strong and profitable, while also retaining a high customer service level and maintaining the high-quality standard of all products.

The necessary adaptations have required a lot of resources, which has led to other activities having to be downgraded.

## 5 CONTINUING TO PHASE OUT UNWANTED CHEMICALS

Bona operates within a highly regulated industry controlled by chemical legislation, such as the EU's REACH legislation, which covers the Registration, Evaluation, Authorisation and Restriction of Chemicals. To avoid exposing customers and end users from newly identified hazards, Bona strives to stay ahead of regulations and pursue a proactive agenda.

As part of these efforts, Bona is proceeding along a phase-out plan including substances that are approved today but might be regulated in the future. We are also working to replace certain chemicals on our own accord. The process is driven by our goal to deliver products that are safer for both the environment and end users while at the same time maintaining our high product quality standards. Bona is proactively working to stay at the forefront of the newest innovations to ensure that each product meets future laws and regulations in all markets.

Bona will replace specific raw materials in existing products with more safe and environmentally sound alternatives while still maintaining product performance. In some cases, this means that an entire product might be replaced by a new version. During 2022, the phase-out process slowed down due to the global challenges, however, we are determined to regain lost ground fully in 2023.

In Bona's business plan for 2023 and beyond, several product launches are planned that are a step in the right direction from an environmental and health perspective.

## 6 FOCUS ON HUMAN RIGHTS AND SUSTAINABILITY IN THE SUPPLY CHAIN

Bona closely monitors existing and upcoming legislation concerning human rights and sustainability in the supply chain. In 2022, we focused on how to upgrade the governance system upstream and downstream the supply chain.

Bona follows the development of the EU directive on Corporate Sustainability Due Diligence (CSDD), which is currently under development. The directive serves a dual purpose; first by drawing up corporate responsibility legislation to protect societal interests from wrongful business conduct, and secondly, by providing corporate governance instruments for companies to fulfil "their obligation to act in the best interests of the company" by requiring them to have a wider perspective and pay closer attention to their stakeholders.



# STAKEHOLDER INTERACTION

	STAKEHOLDER	CHANNELS	IMPORTANT QUESTIONS
 <p><b>CUSTOMERS</b></p>	<p>Bona works with partners, customers, and distributors across the globe. This includes consumers, retailers, distributors, craftsmen, and property managers as well as commercial customers and floor users, architects, designers, specifiers, and facility managers. Based on our expertise in sustainable maintenance, installation, and renovation, we work to strengthen our customers' business by meeting market demands with innovative and sustainable products and solutions.</p>	<ul style="list-style-type: none"> <li>Relationships</li> <li>Websites</li> <li>Social media</li> <li>Brochures</li> <li>In store</li> <li>Advertising</li> <li>Digital technical support</li> <li>E-commerce platforms</li> <li>Training and webinars</li> <li>Third party education and public relations</li> <li>Thought leadership</li> </ul>	<ul style="list-style-type: none"> <li>Product quality</li> <li>Safety and Health</li> <li>Solutions</li> <li>Fact-based content</li> <li>Education</li> <li>Product effectiveness, ease-of-use, and reliability</li> <li>Environment and climate impact</li> <li>Short-and long term-time perspective related to circularity/ circular economy</li> <li>Profitability</li> <li>Certifications and validations</li> <li>Human Rights and Corporate Sustainability due diligence</li> </ul>
 <p><b>EMPLOYEES</b></p>	<p>Dedicated employees engaged in the company's growth and development are the foundation for a successful business. Bona creates a common set of values and a cohesive culture to drive employee engagement and commitment.</p>	<ul style="list-style-type: none"> <li>One Bona dialogue</li> <li>Intranet</li> <li>Workplace meetings</li> <li>Development talks</li> <li>Conferences</li> <li>Whistle-blower system</li> <li>Internal and external seminars and education</li> <li>Internal CEO Townhalls</li> <li>Quarterly CEO updates</li> <li>Management leading by example</li> </ul>	<ul style="list-style-type: none"> <li>Safety and Health</li> <li>Growth Opportunities</li> <li>Environment</li> <li>Labour rights</li> <li>Profitability</li> <li>Common Bona culture</li> <li>Work-Life balance</li> <li>Human Rights and Corporate Sustainability due diligence</li> </ul>
 <p><b>SUPPLIERS</b></p>	<p>To achieve our ambitious targets, Bona is dependent on good business relationships with our suppliers. By establishing expectations, requirements and engaging in dialogue, Bona strives to work with the most innovative and forward-thinking suppliers in the industry.</p>	<ul style="list-style-type: none"> <li>Conferences</li> <li>Procurements</li> <li>Contract follow-up</li> <li>Collaboration</li> <li>Exhibitions</li> <li>Regular review and assessments</li> <li>Supplier visits</li> <li>Visiting Suppliers</li> <li>Supplier Audits</li> </ul>	<ul style="list-style-type: none"> <li>Safety</li> <li>Health</li> <li>Quality</li> <li>Climate impact (of raw materials and products)</li> <li>Deliveries and securing supply</li> <li>Supplier cooperation development of joint interests</li> <li>Human Rights and Corporate Sustainability due diligence</li> <li>Standardizations and market approval</li> </ul>
 <p><b>AUTHORITIES</b></p>	<p>Bona collaborates with authorities locally and globally. Authorities of particular importance to Bona are those engaged with the environment, safety, and health of the regions in which we work.</p>	<ul style="list-style-type: none"> <li>Trade associations</li> <li>Strategic partnerships</li> <li>Certifications</li> <li>Regional consultants</li> <li>Suppliers</li> <li>Distributors</li> <li>Direct contacts with local authorities</li> </ul>	<ul style="list-style-type: none"> <li>Regulations related to: <ul style="list-style-type: none"> <li>Sites (Production, distribution) in respect to environmental and Safety and Health impact</li> <li>Environment in general</li> <li>Chemical products and their raw materials and emissions (volatile organic compounds)</li> <li>Market specific safety and health measures for products and procedures</li> <li>Human Rights and Corporate Sustainability due diligence</li> </ul> </li> <li>Packaging</li> <li>Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS)</li> <li>Customs issues</li> <li>Other sustainability requirements (present and future)</li> <li>Market introduction of new products – making the product sellable on the designated market</li> <li>Mandatory standards and testing</li> </ul>
 <p><b>SOCIETY</b></p>	<p>Bona contributes to society by staying involved and engaged in relevant issues. We are also responsive to the changes and needs of our customers' audiences, such as property owners, architects, and industry influencers.</p>	<ul style="list-style-type: none"> <li>Industry organizations</li> <li>Institutes and Academia</li> <li>Communities</li> <li>Events and forums</li> <li>Partnerships CEUs, webinars and educational seminars</li> </ul>	<ul style="list-style-type: none"> <li>Reusing materials on-site</li> <li>Environment</li> <li>Measurements of climate impact, facts and figures</li> <li>How to govern and overcome existing barriers, need of new structures</li> <li>Industry standards</li> <li>Attitudes, educate that renovation</li> <li>has same value as new floor</li> <li>The balance, Home-Health-Humanity and what to focus on – action list</li> <li>Increased attractiveness for the industry and industry-specific competence</li> <li>Need to develop circular economy</li> </ul>
 <p><b>OWNERS</b></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"> <li>Board meetings</li> <li>Annual general meetings</li> </ul>	<ul style="list-style-type: none"> <li>A healthy and long-term sustainable company</li> <li>Sustainable investments</li> <li>Efficient operations</li> <li>Attract and develop employees</li> <li>Anti-corruption</li> <li>Good governance – meet and exceed laws and regulations</li> <li>Digitalization</li> </ul>



# SUSTAINABILITY AT BONA

For Bona, acting sustainably is about keeping a long-term mindset. As was established by our founders; acting and thinking long-term encompasses everything we do from how we source our raw materials, to the way we produce our products, to how we conduct ourselves in everyday business.

We believe that sustainability is not a destination, but a journey that evolves and is shaped by technological developments, innovation, and a changing world. At Bona, our vision is to lead the sustainability transformation of our industry, caring for people and planet. As we travel along this ever-changing path, our guiding mindset remains fixed – that today’s actions and decisions are made with respect to tomorrow’s needs and demands.

We know that the responsible use of resources is central to sustainability. Our mission is to bring out the beauty in floors, and by extending the lifetime of floors we contribute with important value to the floor and homeowner.

Often, floors are replaced when they appear worn, and the discarded flooring material either ends up as landfill or becomes incinerated. Yet, by renovating and properly maintaining your floor it will become more durable and stay beautiful longer – up to 20 years - a new floor surface lifecycle which in turn saves valuable resources.

## BONA’S SUSTAINABILITY STRATEGY

At Bona, we structure our sustainability work based on the three pillars of **HOME**, **HEALTH**, and **HUMANITY**. Each pillar focuses on sustainability topics considered material by our stakeholders, and together they constitute a framework that is the foundation of our commitment to a sustainable planet, a sustainable business, and a sustainable society. For each focus area, a sub-vision has been established that stems directly from our sustainability vision.

## BONA’S SUSTAINABILITY VISION

To lead the sustainability transformation of our industry, caring for people and planet

### HOME

#### The planet

#### Environment

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

••  
**Reducing our environmental impact, being carbon neutral by 2040.**

Read more on page 21.

### HEALTH

#### The business

#### Work against corruption; Economic

Bona is committed to sustainable and healthy business growth through innovation. In this focus area, we describe our sustainability governance and how we conduct ourselves responsibly in our everyday business.

••  
**Business growth through healthy and innovative choices.**

Read more on page 28.

### HUMANITY

#### The people

#### Social conditions and personnel; Respect for human rights

Bona is committed to being a responsible, caring company. We strive to make a difference for communities locally and globally. In this focus area, we describe how we educate, protect, and strengthen our employees, customers, suppliers, and all impacted throughout our supply chain. Additionally, we use our work and voices to impact social conditions, human rights, and civil society needs.

••  
**Fair and equal opportunities for our employees and supply chain.**

Read more on page 33.

# GOALS AND KEY PERFORMANCE INDICATORS

During 2022, we implemented a new structure for reporting on our sustainability work. The new structure includes a digital platform from Position Green where we track and record data relative to our key performance indicators (KPIs). By providing a higher level of transparency on our track record, we hope to inspire our employees and give management a better overview. Moreover, the platform will allow for increased traceability and accountability, which will improve the quality and relevancy of data and provide a better foundation for strategic decision-making going forward.

This year provides a starting point where complete full-year data of our climate measurement will become our base year going forward. Additional goals and KPIs have been transferred into the platform for measurement moving forward.

In 2022, Bona began the process of amending our goals and KPI's to further facilitate our sustainability focus and to conform with the upcoming EU Sustainability Reporting Standards (ESRS).

- **HOME**  
The planet 21-27
- **HEALTH**  
The business 28-32
- **HUMANITY**  
The people 33-36



# HOME

The planet



# BEING SUSTAINABLE FOR THE PLANET

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

Bona's business model is focused on renovating, installing and maintaining hard-surface and resilient flooring surfaces. Offering solutions, support, and education to help our customers prolong the beauty and life of their floors, in addition to innovating products that minimize impact, is our way of making a positive contribution to the environment.

## CARING FOR OUR PLANET

Bona's long-term goal is to minimize our negative impact on the environment. Our work revolves around constantly assessing the chemical content of our solutions, reducing our emissions that impact our environment and climate, extending the life cycle of Bona's products, and conserving nature's resources.

## CARING FOR OUR HOME

Bona's concern for a more environmentally friendly home begins with our solutions for renovation and installation and continues with our solutions for floor care and maintenance. Ensuring a safe and healthy indoor environment is a priority to us and drives us to constantly review the ingredients in our products.

## BONA HOME SUB-VISION AND CONTRIBUTION TO THE UN AGENDA 2030

For the focus area HOME, Bona has set the overarching sub-vision of reducing our environmental impact, with the specific target of becoming carbon neutral by 2040.

Most of our activities and initiatives within HOME are geared towards this goal and we have found that our most relevant contributions within HOME align with the United Nation's Sustainable Development Goals 9 and 12.

## BONA'S COMMITMENT TO THE ENVIRONMENT

In this section, we present our work and contributions during 2022 to reducing our environmental impact. An account of how we manage risks related to the environment and our progress related to our **HOME KPIs on pages 24-25 (Environment KPIs on pages 42-43)**.



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



Ensure sustainable consumption and production patterns.



# BEING SUSTAINABLE FOR THE PLANET

## A structured approach to environmental sustainability

With the sub-vision to reduce our climate impact, in 2022 we established a new structure to guide our work within the focus area of HOME across the company worldwide. Involving a wide range of functions, seven expert teams were created with the specific purpose of exploring necessary steps to reach our vision.

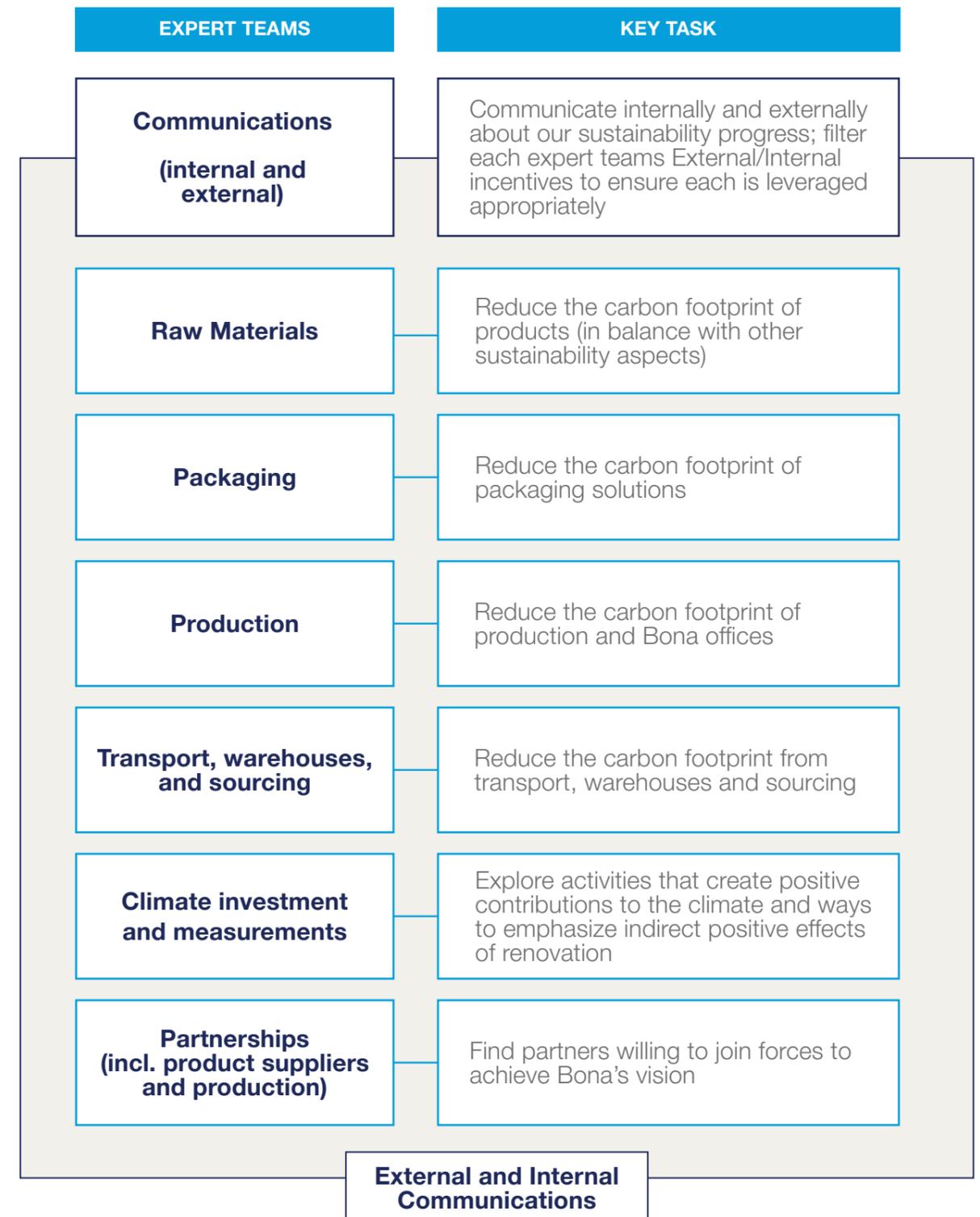
The approach allows us to sharpen our focus and identify new activities and investments that will move our sustainability work forward. As a result, our overarching sub-vision has been operationalised into a specific target for each respective expert team.

One of the expert teams, the communications team, has been established to work cross-group with communications.

Each expert team reports its proposals to a coordination team for final goal setting. The coordination team consists of general management complemented by other internal sustainability stakeholders. Approved goals are then added to Bona's strategic activities as sustainability goals and followed by suitable KPIs.

The structure provides internal clarity for how we as a company seek to ensure the environmental sustainability of our operations. By assigning responsibility to specific expert teams and individuals, we ensure a higher degree of transparency and focus. Moreover, by involving personnel with targeted expertise from across the organization, the expert teams can work cross-functionally to mobilize diverse competencies and insights to create new initiatives in the pursuit of their assigned targets. In doing so, we create more space for local initiatives and experiences to be shared throughout the entire organization, while also encouraging sustainability as a mindset among our employees.

### EXPERT TEAMS WORKING TOWARDS OUR HOME SUB-VISION



# BEING SUSTAINABLE FOR THE PLANET

## Our performance within HOME

Bona has set a number of goals and KPIs for the focus area HOME. Internal discussions are underway to develop new goals. In this report, we will report on progress for our present goals.

### CLIMATE IMPACT

**SUB-VISION**

**Carbon neutral by 2040**

**2022**

**89**

kg CO<sub>2</sub>e per ton produced products

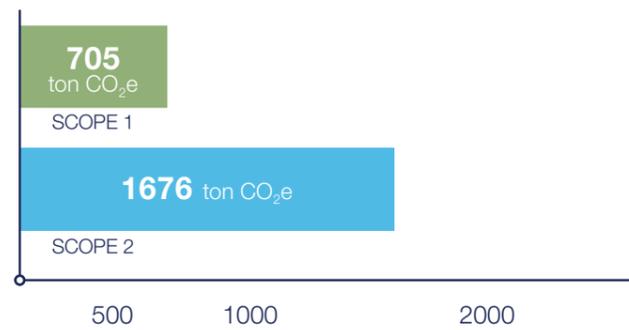


Figure 1. 2022 is the first year Bona measures Scope 1 and 2 climate impact from all producing sites, offices, and warehouses: Bona Group.

### SUB-VISION TARGET: Carbon neutral by 2040.

We measure our emissions according to the Greenhouse Gas Protocol Scope 1 and Scope 2. Scope 1 includes fugitive emissions, mobile combustion, and stationary combustion. Scope 2 includes emissions from the energy consumed.

In 2022, our emissions were 705 ton CO<sub>2</sub>e (Scope 1) and 1676 ton CO<sub>2</sub>e (Scope 2). Carbon dioxide equivalents related to our produced volumes, based on Scope 1 and 2 emissions, were 89 kg CO<sub>2</sub>e per ton produced products. The raw material we produced ourselves in Sweden are included in the GHG calculations, but not in the volume of produced products. This results in a higher climate impact per produced product than if we had bought all raw material from suppliers.

One activity affecting the Scope 1 greenhouse gas emissions during 2022 is our new car policy, advocating electric vehicles. As more colleagues switch to electric cars, we expect Scope 1 to be further decreased in coming years.

We affect the Scope 2 emissions by producing solar power at several of our sites and by purchasing certificates for renewable energy, which covers the energy consumption in several of our buildings.

In 2023 Bona's internal expert groups will suggest climate goals and activities related to our business. The Bona coordination team will decide how we will proceed towards our sub-vision of being carbon neutral by 2040. We hope to include Scope 3 as soon as possible which is where we expect to realize our largest impact.

### REDUCE WASTE

**GOAL**

**-4%**

**2022**

**-11%**



**GOAL FOR 2023: Reduce waste by 4 percent by 2023 in relation to levels from 2020.**

In 2022, our waste ratio was 65 kg per ton produced (excluding own production of raw material), which is a reduction by 8 kg waste per ton produced compared to 2020 levels (-11 percent). Therefore, we have reached our goal ahead of 2023.

The reduction was made possible by waste-reducing activities at several sites. With decreased production volumes in a couple of our sites, less waste has been produced.

### REDUCE ENERGY CONSUMPTION

**GOAL 2023**

**-4%**

**2022**

**-2%**

**GOAL FOR 2023: Reduce energy consumption by 4 percent by 2023 in relation to levels from 2020.**

In 2022, our energy intensity ratio was 391 kWh per ton produced, which is a reduction by 7 kWh energy per ton produced compared to 2020 levels (-2 percent).

### SUSTAINABLE TRANSPORTS

**GOAL**

**Optimize Transportation**

**GOAL: Continuous evaluation of effective sustainable transport alternatives.**

As part of Bona's development work, we continuously evaluate opportunities to optimize our transportation. We strive towards more regional sourcing and supply, which has the potential of several important benefits. By reducing transportation distances, we may lower both costs and our environmental footprint, while at the same time secure a more stable sourcing flow as extended supply chains carry a higher risk of interruptions.

In 2022, Bona started preparations for including transportation and distribution (part of Scope 3) into the climate impact measurements.

# BEING SUSTAINABLE FOR THE PLANET

## Our performance within HOME *continued*

### GREENER CHEMISTRY



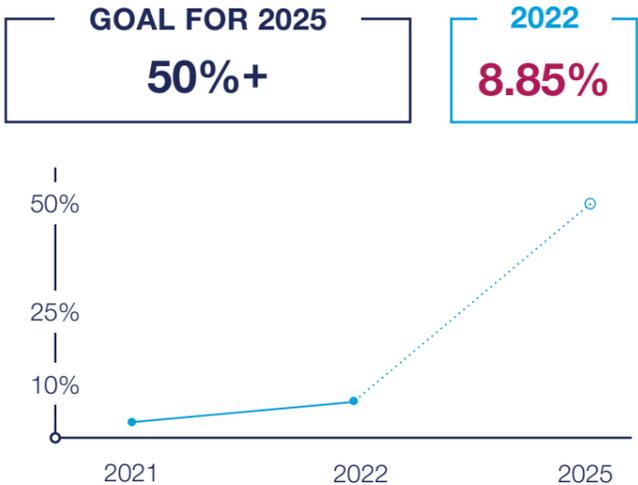
**GOALS:**

- 1) 100 percent risk-assessed new raw materials
- 2) Internal audit twice a year to evaluate and ensure that Bona strives towards more sustainable raw materials (Sweden, Germany, US respectively)
- 3) More than 80 percent phase-out activities in the plan for 2022 shall be executed.

In 2022, 100 percent of all new raw materials were assessed based on risks during production as well as in the use phase. Six internal audits were performed of relevant existing raw materials, focusing on new information relevant for the risk assessment. The audits included the topics of raw material approvals, phasing in/out chemicals, work environment and possibilities for sustainable improvements. Furthermore, connected to this the expert team for raw materials that works towards our HOME sub-vision has a key objective to find raw materials with lower climate impact.

Due to technical challenges coupled with issues in the supply of raw materials, no phasing-out activities could be completed in 2022 but activities are in progress and are expected to be finalized in the near future.

### PLASTICS FOR PACKAGING



**GOAL FOR 2025:** The share of recycled, renewable, and other non-virgin plastic solutions should be more than 50 percent of the total primary plastic usage for packaging by 2025. This would include a reduction of the amount of plastic used in a package and the use of non-plastic materials as a part of the package.

In 2022, Bona replaced 8.85 percent of the fossil-based virgin plastic in our primary plastic packaging. The replaced part consisted in reduced packaging weight (North America) and recycled materials (Germany, North America and Sweden.)

In Sweden, we have developed and tested the use of PCR (Post-Consumer Recycled) plastics in our plastic packaging. Through this work, we will introduce new packaging consisting of 50 percent PCR for our water-based varnishes, cleaning products and polishes produced in Sweden. For our consumer products produced in the US, packages will consist of 30 percent PCR. Our adhesive products produced in Limburg, Germany, are contained in packaging consisting of up to 75 percent PCR. The PCR allows plastics to be recirculated and we avoid using fossil virgin plastic material.

### CONTRIBUTION TO SUSTAINABLE CONSUMPTION: RENOVATION OF FLOORS



**GOAL:** Contribute to sustainable consumption through renovation rather than replacement of wood and parquet floors, resilient floors like linoleum, PVC and rubber.

In 2022, we produced lacquers and oil covering 45 745 865 square meters of wood flooring, which represents 6 percent more than 2021. The increase in sales of lacquers and oil predominantly comes from the U.S. market, which this year has been a higher producing market when compared to the EU.

Additionally, in 2022, we started measuring the renovation of resilient flooring and produced lacquers covering 306 692 square meters of resilient flooring.

# BEING SUSTAINABLE FOR THE PLANET

## Initiatives and contributions during 2022

During the year, we embarked on several new initiatives within the focus area of HOME. Many actions aim to reduce greenhouse gas emissions. Below are select highlights from the year.

### INCREASED USE OF RECYCLED PLASTICS

Plastic is a useful packaging material that ensures the quality, performance, and safety of our products. However, with the recent focus on the environmental impact of plastic, Bona is actively exploring ways to reduce the use of fossil-based virgin plastic in our packaging.

In 2022, Bona used 1 853 metric tons of primary plastic packaging for our range of products including floor finishes, adhesives, cleaning products and more.

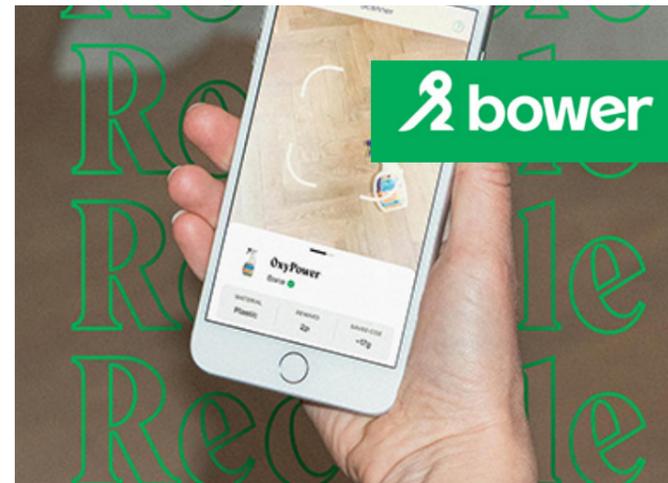
Much of our packaging is made of polymeric materials such as polyethylene and polypropylene, colloquially known as plastic. By including recycled PCR plastic, we reduce the climate impact. The proportion of PCR plastics in our packaging is determined by lab tests, which ensure that our products will meet the requirements for safe transportation, storage, handling, and usage.

Because we are constrained by limitations of the plastic and packaging industries, so far, we have been unable to fully replace virgin materials. However, to reduce our reliance on virgin materials, we have begun to introduce PCR plastics in our packages and products.

During 2022, the Bona Research & Development organization has made it possible to partly convert our coatings cans and bottles from fossil-based virgin plastic to PCR high-density polyethylene (HDPE) plastic, while keeping the quality and shelf life of the Bona product unchanged.

### BONA TEAMS UP WITH BOWER TO ENCOURAGE RECYCLING

Bower is a digital platform offering an application that rewards Swedish consumers when recycling Bona plastic packages. By scanning the bar code, users can collect points or money that can be redeemed after recycling. Through Bona's collaboration with Bower, we incentivise and make it easier for Swedish consumers to recycle our packages.



### GEOHERMAL HEATING SYSTEM OPERATIONAL 2023

As presented in last year's sustainability report, Bona invested SEK 4.5 million in a geothermal energy system for our production unit in Malmö, Sweden. Geothermal energy is a renewable energy method that uses energy stored in the ground for heating buildings. The system will decrease our energy dependency by providing an expected 650 000 kWh per year (6 percent of total Bona energy consumption).

Due to the shortage of semi-conductors – a consequence of the COVID-19 pandemic – we were not able to complete the project and reap the benefits from the new system during 2021. Important headway was made during 2022 to finalize the installation and the system will be in full operation in early 2023.

### ENERGY EFFICIENCY ACTIVITIES IN SWEDEN AND GERMANY

In 2022, the replacement of lighting with LED has continued in Sweden. The replacement in our storage and distribution facilities will allow us to reduce our electricity consumption by an additional 20 000 kWh per year (corresponding to approximately a 1 percent efficiency improvement). This ensures cost-savings and environmental benefits to Bona and relieves pressure on the southern Swedish power grid, which has become a serious concern in recent years.

Bona Germany has replaced lighting in the production facility with LED and installed two battery storage solutions: one 200 kWh battery at our storage facility site in Germany (called DC1) and one 200 kWh battery at our German production facility. The DC1 battery enables us to use the electricity we produce, through solar panels, even more efficiently, while also reducing our dependency on the local power grid. As a result, we can avoid peak loads and reduce our energy costs while also running our facilities on renewable energy. In addition to energy savings, the batteries will provide income opportunities.

# BEING SUSTAINABLE FOR THE PLANET

## Initiatives and contributions during 2022 *continued*

### FINDING WAYS TO REDUCE HEALTH AND ENVIRONMENTAL IMPACT FROM OUR PRODUCTS

Our aim is to reduce the use of hazardous chemicals in our product formulations as much as possible.

Navigating the evolving global regulatory landscape regarding chemicals is challenging. Nevertheless, we are actively working to stay ahead of developments and proactively replace ingredients that may impact health or the environment. This creates challenges in finding accessible ingredients from appropriate suppliers and maintaining product quality.

In 2022 Bona's research and development department innovated and tested new formulas for three new cleaning products that use more than 90 percent biobased ingredients. By 2023 Bona expects more than 60 percent of our cleaning formulas to be 90 percent or more biobased.



### BONA U.S. RECOGNISED AS SAFER CHOICE PARTNER OF THE YEAR BY THE EPA

In November, the U.S. Environmental Protection Agency (EPA) awarded Bona U.S. the 'Safer Choice Partners of the Year' award for the second year in a row. The Safer Choice program - of which Bona U.S. is a member - helps consumers find products containing chemical ingredients that are safer for human health and the environment, without sacrificing quality of performance. The award is a testament to the diligent work being performed by Bona to lead the sustainable transformation of our industry.

### REFORESTATION ACTIONS

We have engaged in two tree planting projects during 2022. As previously done, Bona donated 600+ indigenous birch trees to be planted by Hjortseryd Skogar AB in Hjortseryd, Sweden, whose aim is to manage their forests sustainably. The new trees were planted on an old, abandoned pasture of land.



**600+**  
BIRCH TREES  
IN SWEDEN

Additionally, Bona partnered with WeForest in June 2022. WeForest is an international non-profit organization that conserves and restores the ecological integrity of forests and landscapes and engages communities to implement and deliver lasting solutions for climate, nature, and people. Bona is supporting WeForest's Brazil project in the state of São Paulo. The Tietê river in the Atlantic

Biome is one of the most polluted rivers in Brazil. WeForest and AES Brasil are collaborating to restore the forest on the edges of the Tietê river and its tributaries with native species, protecting water bodies from soil siltation and runoff from herbicides and pesticides. The project is also providing a testing ground for pioneering restoration approaches that aim to reduce the use of herbicides – which are usually relied on in Brazil to control invasive grasses – or even eliminate them entirely. WeForest's goal is to reach over 100 million trees restored or conserved by the end of 2024. In its first year of partnership, Bona has contributed to the development of 3.3 hectares.



**3.3 ha**  
FOREST DEVELOPMENT  
IN BRAZIL



<https://partners.weforest.org/sponsor/bona-ab/>





# HEALTH

The business



# BEING A SUSTAINABLE BUSINESS

Bona is committed to a healthy business based on financial and ethical responsibility with respect for human rights. To ensure a sustainable business, we must maintain our long-term profitability and brand value, which in turn depends on our innovative ability.

## FINANCIAL AND ETHICAL RESPONSIBILITY

Bona's success is dependent on our responsibility for social conditions, ethical standards, and human rights. By staying healthy in this sense, it allows us to maintain our strong market position, supply our customers with premium solutions, provide work and stability for our employees, and support our business partners with the tools to grow their businesses.

Bona's financial success is a pre-requisite for investing in more sustainable initiatives and to stay ahead of competitors.

## HEALTHY BUSINESS GROWTH THROUGH INNOVATION

Our vision to lead the sustainability transformation of our industry is propelled by our innovative choices, and subsequently our ability to push the boundaries of the industry and to be the preferred choice to our customers and partners. By continuously adapting and developing our products, solutions, and systems, we can better grow the business, which positions us to meet future sustainability challenges.

## BONA'S COMMITMENT TO HEALTHY BUSINESS

In this section, we present our work and contributions during 2022 to driving business growth through healthy and innovative choices. An account on how we manage risks related to business ethics and human rights as well as a presentation on how we measure against our **HEALTH KPIs on page 31 (and Governance KPIs on page 40)**.

## BONA HEALTH SUB-VISION AND CONTRIBUTION TO THE UN AGENDA 2030

For the focus area HEALTH, Bona has set the sub-vision of driving business growth through healthy and innovative choices.

Most of our activities and initiatives within HEALTH are geared towards this sub-vision and our most relevant contributions within HEALTH align with Sustainable Development Goals 8 and 9.



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



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



# BEING A SUSTAINABLE BUSINESS

## CONDUCTING ETHICAL BUSINESS

At Bona, we strive to conduct our business professionally and with high ethical standards. The Bona Code of Conduct (CoC) brings together our mission, core values and key principles. It outlines our stance on our workplace and safety protocols, equality, education, business integrity, corporate governance, and human rights. It is the responsibility of all managers to ensure that their employees are aware of the CoC. Any irregularities or behaviours that go against the code can be reported to the closest supervisor, management, or HR. In addition to this, a Whistle-blower Reporting Tool is also available, providing an anonymous channel of communication.

As a global company, we respect and uphold universal human rights and comply with all relevant laws and regulations applicable to our business in the countries where we operate. We seek to avoid and mitigate any risks to our employees, the employees of our supplies or our reputation. We adhere to local employment practices, ensure fair and decent working conditions, promote equality and all salaries are fair, individualized, and differentiated (where that is allowed).

While the risk of corruption is always present in global business, we believe in fair and equal competition. Bona has zero tolerance for and clear rules against any form of bribery or corruption, which is specified in our CoC.

## ONE BONA – SPEAKING WITH ONE VOICE

As a global company with operations in 90 countries, we balance corporate cohesiveness with local adaptivity. Being sensitive to local conditions, trends and market attitudes is a prerequisite for success. At the same time, we must ensure that all 600+ employees communicate and express the same core values and identity of Bona.

The One Bona training allows us to share knowledge and best practices globally across the entire company.

In effect, it is a conduit to strengthen our corporate culture and harmonize the various aspects of our organization to ensure we share the same processes, behaviours, information, and core messaging despite our geographical separation.

In 2022, Bona hosted a One Bona training and dialogue focused on sustainability for all employees. In the training, employees explored key sustainability terms and concepts, learned about Bona's sustainability journey including our challenges, opportunities, and where we are today. The first part of the training was self-led via a digital platform, followed by team workplace meetings where dialogues were led by a facilitator. The training, which also detailed Bona's new sustainability vision, was an important step forward on our journey to a more sustainable future – as a company and as individuals. The more our employees understand the complexities and opportunities within sustainability the more we can innovate and progress. During the workplace meetings employee ideas and feedback were gathered and summarized for the Group Management team along with an action plan that will be implemented for future sustainability work.

## SUPPLY CHAIN MANAGEMENT

An efficient supply chain is critical to our company's success. Bona works with a select number of suppliers and prioritizes long-term relationships, which has historically ensured a steady supply. During the COVID-19 pandemic, this meant that our sourcing remained largely uninterrupted, and where materials were scarce, our suppliers assisted us in finding alternatives. The close collaborations and partnerships we enjoy with our suppliers also give us the opportunity to encourage the implementation of certifiable quality and environmental management systems. This also allows us to drive our suppliers towards reducing their negative impact on safety, health, and the environment.

Additionally, Bona aims to use suppliers that ensure their employees have a safe workplace and who

manage their environmental aspects in a systematic way. Therefore, we prefer to use ISO certified suppliers or suppliers that have similar processes in place.

## MANAGING RISKS IN THE SUPPLY CHAIN

We give priority to reliable business partners that can supply us with high-quality products at competitive prices. The selection of suppliers is carried out through a process where prospective suppliers are screened based on several objective factors, including their safety, health, and environmental performance and respect for fundamental human rights.

The process is intentionally incremental, as the built-in inertia increases the chances of discovering potential risks. By favouring suppliers located in low-risk areas, we also reduce the risk of enlisting suppliers that might be engaged in corrupt behaviour or human rights offences. If we deem a supplier to be a potential risk, our own personnel conduct regular site visits. Suppliers are periodically evaluated by Bona's quality and sourcing departments.

## INNOVATION

Innovation is core to our business. It involves working to minimize our negative impact by reducing our resource consumption, waste, and hazardous chemicals. Moreover, it allows us to present new product innovations that are on par or outperform existing ones, which allows us to provide improved solutions that best meet regulations and customer needs.

Consequently, our commitment to innovation is a main driver behind our proactive sustainability work.

According to our Strategic Program 2023, 50 percent of our gross profits should come from products less than five years old. This translates into the continuous development of an innovative, sustainable, and leading product portfolio, which is the focus for our R&D, Product Management and Operations.

# BEING A SUSTAINABLE BUSINESS

## Our performance within HEALTH

Bona has set several goals and key performance indicators for the focus area of HEALTH. These goals are continuously developing and we are in this document reporting on our current progress.

### EMPLOYEE TRAINING IN ANTI-CORRUPTION



**GOAL: All employees shall undergo training in business ethics and anti-corruption every third year.**

In 2022, all new employees were trained in the Code of Conduct, which houses Bona's Business Ethics and Anti-Corruption policies.

In 2023, Bona will be exploring the opportunity to move our business ethics and anti-corruption training to a digital platform. This method of training will allow us to maintain our standards with our growing staff of employees, better track results more easily, and report on the data more easily.

### INNOVATION: GROSS PROFIT FROM NEW PRODUCTS



**GOAL FOR 2023: More than 50 percent of Bona's gross profit is to come from new products**

In 2022, 43 percent of Bona's gross profit came from new products, i.e., commercialized products during the past 5 years (2018-2022). The bulk of Bona's innovation comes from our cleaning/maintenance products which relates to our consumer floor care business.

Additionally, Bona has achieved significant innovations within our Industrial Coatings business which focused on tailor-made products. Finally, Bona has launched a number of new innovation within its adhesives/fastening product suite.

### QUALITY CONTROL



**GOAL: Costs related to problems with quality must not exceed 0.5 percent of sales.**

Bona seeks to reconfigure or reproduce products, transport, scrapping methods to minimize its negative environmental impacts. In 2022, cost related problems with quality was 2.1 percent of sales so this goal was not met.

In 2022 Bona experienced a formula issue with some of our Sport waterborne finishes which resulted in a recall of this product and the need to reimburse affected customers. The issue with the finish has been resolved yet it is the bulk of our quality control challenges this year. Additionally, a smaller proportion of the quality control percentage comes from scrapping of aged inventory.

### SALES OF BONA DUST CONTAINMENT SYSTEM



**GOAL: Increase sales of Bona Dust Containment System.**

Bona seeks to reduce the spreading of dust particles in the work environment (to avoid health hazards) by increasing the usage of its Dust Containment System (DCS).

In 2022, the total sales of the Bona DCS decreased by 8.9 percent compared to 2021 but the sales of High-performance units increased by 4.1 percent.

On a 10-year period, the total sales of the Bona DCS increased by 5.7 percent and the sales of the High-performance units increased by 3.6 percent.

### EVALUATION OF SUPPLIERS



**GOAL: Continuous evaluation of Bona suppliers**

Bona's current suppliers are evaluated continuously over a rolling three-year period.

During 2022, 78 suppliers were evaluated.



TOTAL SALES

HIGH-PERFORMANCE UNIT SALES



# BEING A SUSTAINABLE BUSINESS

## Initiatives and contributions during 2022

During the year, several projects and initiatives were performed within the focus area HEALTH. Here, we present a selection of our progress.

### GAP ANALYSIS PERFORMED ON UPCOMING LEGISLATION

Bona is paying close attention to the forthcoming legislation requiring companies to conduct stricter due diligence processes<sup>1</sup> in general, and on human rights<sup>2</sup> particularly within the supply chain. As we seek to stay abreast of the changing legal landscape, Bona's sourcing managers in Sweden, Germany and the US are prepared to perform a gap analysis on how we are tracking these aspects. A purchasing policy is also in development that aligns to each legal entity, whereby routines for closer supplier evaluations, particularly regarding human rights, will be implemented. Similarly, separate sourcing strategies for each respective national market will be developed and adapted to meet the various local contexts.

<sup>1</sup> Corporate Sustainability Due Diligence Directive (CSDD)

<sup>2</sup> Human Rights Due Diligence (HRDD)

### INVESTMENTS IN NEW OWN DISTRIBUTION FACILITY IN THE U.S.

In the summer of 2022, the construction of the 26 000 sqm distribution facility distribution facility (called DC2) was completed. The facility is located at our production site in Monroe, North Carolina in the U.S. and is due to be fully operational in 2023. DC2 will be fully Bona-owned and operated and will allow us to manage all aspects of our operations, be more responsive and meet our partner's needs in an efficient and timely manner.

By replacing long distance external warehousing with our own facility, the supply chain of our products is shortened, which minimizes haulage and transport of

goods. We can also better control product flow and combined shipping.

DC2 features several environmentally conscious elements. The roofing consists of Thermoplastic Polyolefin (TPO), which will improve the energy efficiency of the building by reflecting heat and thus lower cooling costs. Also, the distribution facility will be using LED lighting, be primed for electric charging stations, and use electric equipment, such as forklifts, run on lithium batteries.





# HUMANITY

The people



# BEING SUSTAINABLE FOR PEOPLE

Bona is committed to being a responsible and caring company as demonstrated in our respect and concern for our employees and partners. It is our desire to make a difference for communities both locally and globally.

## CARING FOR THE HEALTH AND WELLBEING OF OUR EMPLOYEES

Bona's most important and significant resource is our employees; therefore, we strive to be a sustainable workplace where employees thrive and develop. They are critical factors in our ability to act sustainably and continue to attract and maintain skilled and committed employees. These dedicated employees are a key factor in our successful development, market standing and long-term strength

## COMMITMENT TO SOCIETY AND CARING FOR COMMUNITIES

Bona's most significant contribution to society is the creation of local job opportunities and generation of tax revenue. Bona also has a responsibility to ensure safe and fair conditions throughout our workplace and supply chain. We are involved in various community initiatives, charity projects, and scholarship awards.

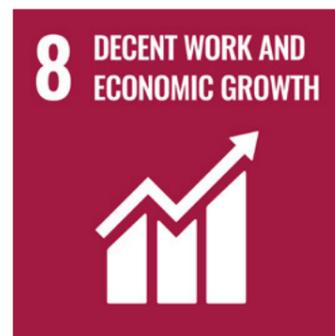
## BONA HUMANITY SUB-VISION AND CONTRIBUTION TO THE UN AGENDA 2030

For the focus area Humanity, Bona has set the sub-vision of ensuring fair and equal opportunities for our employees and supply chain.

All our activities and initiatives within HUMANITY are geared towards this sub-vision, however we have found that our most relevant contributions within HUMANITY align with Sustainable Development Goals 8 and 9.

## BONA'S COMMITMENT TO SOCIAL DEVELOPMENT

In this section, we present our work and contributions during 2022 to ensure fair and equal opportunities for our employees and supply chain. An account of how we manage risks related to social conditions and employees as well as a presentation on how we are tracking our **Humanity KPIs on page 36 (and Social KPIs on page 44-45).**



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



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

# BEING SUSTAINABLE FOR PEOPLE

## A RESPONSIBLE AND CARING COMPANY

Bona is a global company with operations in 90 different countries. Because of our global footprint we balance global practices with flexibility and sensitivity for local conditions to stay relevant to our employees and the customers we serve in each market.

The Bona Group Global Policies and the Bona Code of Conduct (CoC) define the behaviours and responsibilities we expect from our employees. In relation to the pillar of HUMANITY, the CoC outlines our stance on the workplace, human rights, how we conduct our business and how we engage with communities.

## SAFE WORKING CONDITIONS

The safety and health of our employees is a priority. As a foundation, the Safety, Health, and Environment policy (SHE policy) stipulates how safety, health and environmental sustainability must always be prioritized in all Bona processes. The policy is owned by the Chief Operation Officer and stipulates our shared responsibility for our health and the environment in which we operate.

Each individual carries the responsibility for following instructions and routines as defined by Bona as well as reporting on risks, which is ensured by appropriate information and education. Bona's work with safety, health, and environment shall be planned, controlled, and followed up continuously to find and implement possible improvements. We collaborate with authorities in our preventive work to assure readiness for possible accidents and to minimize and limit any potential impact.

Complying with legislation, regulations, permits and other conditions from authorities in the countries which we operate acts as our baseline. Our aim is, however, to establish a higher standard for improvement within the framework of a healthy business.

Parts of our organization are certified according to ISO in terms of quality, work environment, and energy management. Compliance with ISO is controlled by internal and external auditors.

## FAIR AND EQUAL WORKPLACE

Our work to ensure a fair and equal workplace is based on the Bona Workplace policy. To attract and retain the best employees, we strive to create a fair, decent, and supportive work environment. Bona seeks to be a place where people want to work, and we show each other decency and respect in the workplace.

## A DIVERSE WORKPLACE CREATES VALUE

As a global company, we welcome the diverse backgrounds and experiences that our workforce brings to the table. This allows us to view challenges and opportunities from different angles, which is essential to our innovative strength and ability to grow and stay relevant to an equally diverse customer base. To ensure its continuation, we will implement a company-wide diversity plan during 2023.

By encouraging our employees to work on projects cross-border and cross-functionally, creative ideas and new perspectives are exchanged. Currently, several functions and projects within the company are cross-functional.

## EDUCATION AND TRAINING FOR BONA EMPLOYEES

According to our Strategic Program 2023, Bona aims to actively attract, retain, and develop our employees to meet the demands of the organization and a quickly changing industry. This means developing employee competencies within the organization, supporting systems, enhancing culture, and cultivating a mindset to work efficiently in a global market.

As an employer, we have a responsibility to continuously encourage, challenge, and develop our people with the purpose of making them feel empowered and inspired by our core values, which are outlined in our Human Resources Policy. Through the One Bona philosophy we ensure that we act as one company, communicating with one voice despite our geographical distance. The platform allows us to share knowledge and align our efforts according to our strategy, with the help of interactive education and workplace meetings.

It is important that our employees are engaged and committed to their personal development at Bona. Therefore, we provide each employee with a clear job description and offer an annual development discussion. All new employees are given an introductory onboarding and overall job description.

## TRAINING FOR BUSINESS PARTNERS

Training is also a key facet of our business relationships with contractors. The Bona Certified Craftsman Program (BCCP) is a network of more than 2,800 trusted hardwood flooring experts across North America, South America, Asia and Europe who provide excellent craftsmanship and customer service. By joining the BCCP, certified craftsmen are provided support with marketing, certifications, continued education, networking, and a listing on our own database which can help them grow their business.

We offer multiple opportunities throughout the year to train craftsmen in renovation, installation, and maintenance of floors with Bona's product systems in a safe and healthy manner. Training is performed via eLearning, on-site and through field support – ensuring that customers get the best possible results and services.

# BEING SUSTAINABLE FOR PEOPLE

## Our performance within HUMANITY

Bona has set several goals and key performance indicators for the focus area HUMANITY. While internal discussions are currently underway for the development of our goals, in this document we report on our current progress.

### TRAINING SESSIONS BONA USERS

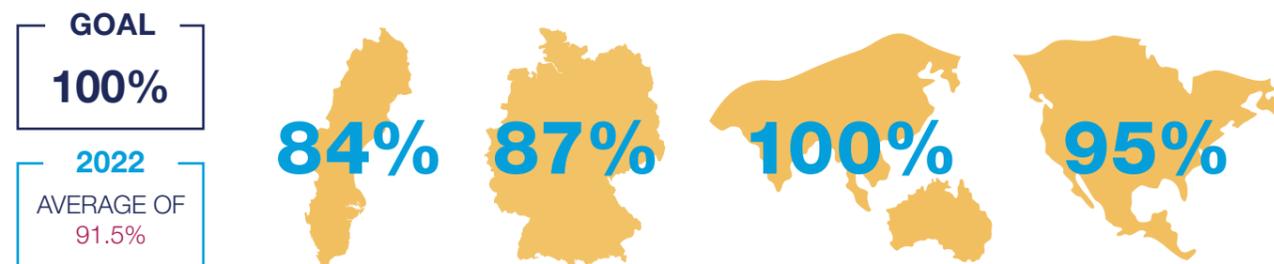


**GOAL: Continuously create more training sessions for Bona users.**

In 2022, Bona added 861 new pieces of content into its training channels which is primarily defined as the Fuse online training platform. Bona users are defined as Bona colleagues, Bona Certified Craftsmen in the US and EMEA, and flooring contractors in EMEA, LAM, NAM. In 2022 Bona received 30 237 views and 1 309 engagements.

In 2022, the Fuse platform changed how it measured results hence the lower numbers compared to 2021. Bona is revisiting our training KPI's in 2023 to better reflect our results on Fuse, YouTube and continuing education for Architects and Designers.

### ANNUAL DEVELOPMENT REVIEWS



**GOAL: All employees shall have an annual development discussion.**

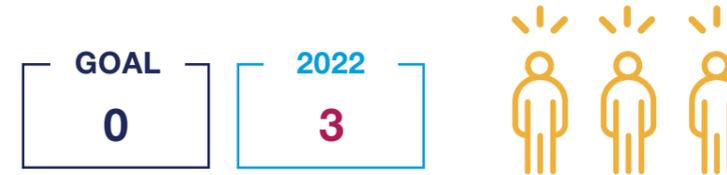
In 2022, annual development discussions rated as follows:

- 84 percent in Sweden
- 87 percent in Germany
- 100 percent in Rest of EMEA + APAC
- 95 percent in North America

A 5–6 percent change in evaluations completed from year to year is normal, and is usually the result of new hires, management changes, employees on leaves of absence, temporary employees, and employees recently moved into new roles, etc.

We experienced a lower completion percentage within Sweden in 2022, due to management changes and reorganisational changes resulting in many individuals not receiving an appraisal for that year. While some of these appraisal discussions may have occurred, they were not documented and turned into HR and therefore were not recorded as completed. The reported results for both Germany and North America were within a normal range of change.

### CONFLICT-RELATED INCIDENTS

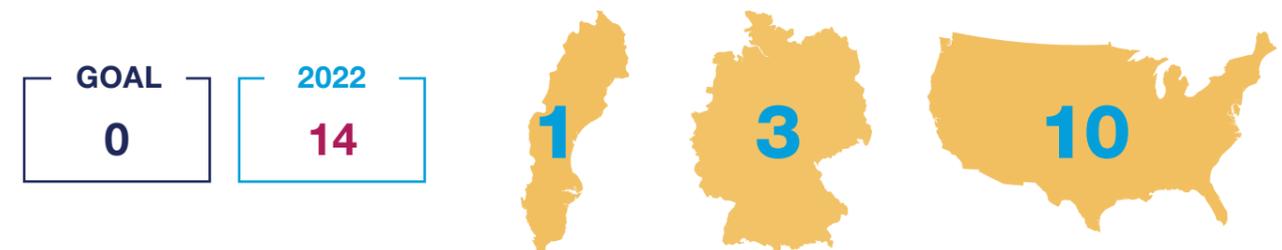


**GOAL: Zero conflict-related incidents.**

In 2022, 3 conflict-related incidents were reported to Bona's Human Resources Department. The incidents specifically involved harassment, of both a sexual and non-sexual nature, and retaliation. The first step in preventing and eliminating conflict related incidents involves educating managers and employees on how to identify and handle unacceptable behaviours within the workplace.

In 2022, managers, employees, and sales representatives in North America participated in training seminars specifically focused on identifying and addressing harassment by employees and customers and retaliation within the workplace.

### WORK-RELATED ACCIDENTS



**GOAL: Zero work-related accidents.**

In 2022, 14 work-related accidents were reported:

- 1 in Sweden
- 3 in Germany
- 10 in US

While the number of accidents within the US appears to have increased from 2021, the percentage of accidents per employee remained the same, due to the increased headcount in the US.

Key investments were made during the year in our production facilities targeted at eliminating repetitive hazardous motions that have previously been connected to employee health.



# DATA

Sustainability information and data

# SUSTAINABILITY INFORMATION AND DATA

This section represents Bona's sustainability report for 2022 in accordance with the Swedish Annual Accounts Act (ÅRL, Ch. 6) and encompasses Bona AB (556017-6488) and its subsidiaries. The sustainability report has been prepared separately from Bona's annual report. The accounting period in the report covers the calendar year of 2022.

During 2022, a new structure for data reporting was established alongside several new data points and key performance indicators. For this reason, annual comparability for certain information may not be available.

## Governance

Bona's work and corporate governance structure is based on its core values and is guided by the policies described in the Bona Group Global Policies and Code of Conduct (CoC).

The CoC is founded on the ten principles of the UN Global Compact, the core conventions of the International Labour Organization (ILO), and the OECD Guidelines for Multinational Enterprises. All Bona employees, at all levels and throughout all markets, are expected to adhere to the behaviour outlined in the CoC at all times. This includes guidelines for business ethics in operational management and stakeholder relationships, environmental aspects, respect between all employees and Bona's zero tolerance for harassment or discrimination. It applies to all Bona employees and is used as a basis for Bona's relationships with suppliers, distributors, and business partners. During the most recent review, no updates of the code were deemed necessary.

Bona's Board of Directors has the overall responsibility for the company's sustainability work. The company's supervision of the sustainability work is managed within the framework of Bona's regular organization and management. It is the CEO together with Bona's Group Management who has the responsibility for implementing strategies, goals, measurements, and follow-up.

Bona's Group Management develops the strategic plan with long-term goals concerning business growth, environment and climate, community and social issues, personnel-related issues, anti-corruption, and ethical issues as well as human rights for Bona Group. The Group Management of Bona is represented by those responsible for Product Management, Sales, Research & Development, Human Resources, Finance & IT, Marketing and Communications, Strategic Development, and Sourcing. Bona's Group Management meets once a month and the CEO reports to Bona's Board of Directors four times a year.

Bona's sustainability work affects the entire Bona Group. Each legal entity has the operational responsibility for its sustainability work and must ensure that both

Bona's long-term and short-term sustainability goals are followed and applied in processes and decision-making situations. They also have the responsibility for quality follow-up and deviations and to measure and report results, at least once a year.

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

### GUIDING PRINCIPLES IN IMPORTANT AREAS

The safety, health and environmental (SHE) impact of our products and processes are top priorities for Bona. Bona's SHE policy, which is one of the most important, is where we establish our sustainability commitment with the aim of going beyond current regulations.

Four key documents establish guiding principles for how we conduct our business. These documents have been approved by the Board of Directors, are mandatory and apply to all Bona subsidiaries and employees globally.

- **Bona Code of Conduct**
- **Bona Financial Accounting Manual**
- **Bona Rules & Regulations**
- **Bona Group Global Policies** – a collection of policies that are reviewed regularly and updated as necessary. For each policy, specific policy owners have been appointed with the responsibility for managing contents and ensuring compliance.

# SUSTAINABILITY INFORMATION AND DATA

## Governance continued

The Bona Group Global Policies include:

POLICIES AND SUB-POLICIES	POLICY OWNER
Innovation policy	SVP Research & Development
Workplace Policy	SVP Human Resources
Recruitment Policy	SVP Human Resources
Global Car Policy	COO
Corporate Communication Policy	SVP Global Marketing & Communications
Social Media Policy	SVP Global Marketing & Communications
Gift and Entertainment Policy	CFO and SVP Finance & IT
Whistle-blowing Policy	SVP Human Resources
Travel Policy	SVP Human Resources
Pricing Policy	SVP Product Management
IT Policy	CFO/SVP Finance & IT
Data Privacy Policy (GDPR)	COO and Bona Group Data Protection Officer
Sustainability Policy	CEO and Global Environmental Manager
Safety, Health and Environmental Policy (SHE)	COO

### QUALITY AND ENVIRONMENT

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

Each legal entity of Bona follows its own ISO certifications.

- **Bona Sweden, Malmö:** ISO 14001 (since 2001), ISO 9001 (since 2016), ISO 45001 (since 2020)
- **Bona GmbH, Limburg:** ISO 14001 (2001), ISO 9001 (2015), ISO 50001 (2016)
- **Bona USA, Monroe NC:** ISO 14001 (2016), ISO 9001 (2019)
- **Bona USA, Pueblo CO:** ISO 14001 (2016)

### CORPORATE RISK MANAGEMENT

The Safety, Health and Environmental (SHE) impacts of our products and processes are top priorities for Bona. The Safety, Health, and Environment (SHE) policy stipulates how SHE impacts always must be prioritized in all Bona processes and in our product development.

Risks are incorporated into Bona's strategic work with goals to strengthen our leadership and premium brand position in all markets and target groups where we operate. Our research and development policy sets forth guidelines that prioritize sustainability in the development of new products and raw materials.

Bona has identified a number of risks related to the area Governance, which are listed in the below table. For each risk, Bona describes how the specific risk is being managed. Risk management is performed continuously in Bona's daily operations, with the purpose of minimizing probability and impact.

#### Risk area: Governance - Business ethics and human rights

Identified risks	How Bona manages the risk
Improper business ethics including behaviour, such as bribery or corruption	All personnel are informed of the Bona Code of Conduct when employed
Improper use of products, including health and environmental risks	<ul style="list-style-type: none"> <li>• Product labelling and safety data sheets</li> <li>• Education of professional users of our products</li> </ul>
Injuries to employees during the production process	<ul style="list-style-type: none"> <li>• Safety training and education of production personnel</li> <li>• Closed production systems</li> <li>• Rules on the use of protective equipment</li> </ul>
Damage or unhealthy working environment, such as exposure to dust or toxic chemicals	Internal systems for reporting risks, incidents and suggestions for improvement

# SUSTAINABILITY INFORMATION AND DATA

## Governance continued

Identified risks	How Bona manages the risk
Discrimination or harassment at the workplace	External whistle-blower function for reporting serious incidents. All reported cases are handled according to established process.
Non-compliance with laws and regulations	<ul style="list-style-type: none"> <li>Monitoring of laws and regulations through news channels, regulatory subscription services, and consultants</li> <li>Processes to control compliance with relevant laws and regulations before release of new products or to new markets</li> </ul>
Increased exposure to price increases due to dependency on electricity and gas heating	Own solar panels, geothermal heating and battery solutions at several sites
Increased exposure to climate effects, such as storms, floods, and heat waves	Plans of long-term sustainability risk management will be developed during 2023

### ANTI-CORRUPTION

Bona has clear rules against any form of bribery or corruption, which is specified in the CoC. We hold true to zero tolerance for any form of bribery or corruption. Suppliers are periodically evaluated by Bona's quality and sourcing departments, and the process is intentionally incremental as the built-in inertia increases the chances of discovering potential risks. The selection of suppliers is carried out through a process where prospective suppliers are screened based on several objective factors. By favouring suppliers located in low-risk areas, the risk of enlisting suppliers that might be engaged in corruptive behaviour or human rights offences is reduced. If a supplier is deemed as a potential risk, Bona personnel conducts regular visits on site.

### All employees shall undergo training in business ethics and anti-corruption (rolling three year)

	2022	2021
New hires trained in Bona's Code of Conduct	100	100
EMEA/APAC, in percent	100	100
NAM/LAM, in percent	100	100

The number of trained employees in 2021 has been redefined due to the new definition of "training": Introduction to the Bona Code of Conduct.

### Continuous evaluation of Bona suppliers (rolling three years)

	2022	2021
Bona Group evaluations of suppliers	78	128

### More than 50% of Bona's gross profit is to come from new products\*

	2022	2021
Gross profit from new products, in percent	43	43

\* Product less than 5 years old (new to the market product, system or concept or a significant change to the product, system or concept that has been clearly promoted and communicated to the market).

### Costs related to problems with quality must not exceed 0,5% of sales

	2022	2021
Percentage of sales costs from problems with quality, in percent	2.1	1

Three targeted items were measured: AirFreight, Scrapping and Customer claims

# SUSTAINABILITY INFORMATION AND DATA

## Governance continued

### Increase sales of Bona Dust Containment System

	2022
Systems sold last 10 years	8 974
Change compared to previous 10 years, in percent	+ 5.7
Change in High-performance systems sales compared to previous 10 years, in percent	+ 3.6
Change in systems sold compared to 2021, in percent	- 8.9
Change in High-performance systems sales compared to 2021, in percent	+ 4.1

The total Dust Containment System (DCS) fleet consists of nine DCS units. Four out of those nine are High performance units.

### WHISTLE-BLOWER REPORTING TOOL

To ensure that our strict ethical business demands are upheld, our Whistle-blower Reporting Tool allows employees to provide insight into any potential issues. Any individual who suspects an irregularity that is contrary to Bona's values, business ethics, or legal regulations is encouraged to report their suspicions without fear of retaliation. Such irregularities may involve financial crimes, such as bribery, corruption, theft, fraud; actions jeopardizing our fair and decent workplace, such as discrimination, harassment, violence; or other serious cases concerning Bona's vital interests or individuals, such as safety and health or serious environmental concerns.

### Zero conflict-related incidents

	2022	2021
Reported incidents (including whistle-blower incidents)	3	1

### RESPECT FOR HUMAN RIGHTS

Bona's operations uphold and respect fundamental human rights which are outlined in the SHE policy. At Bona, violence, harassment, or threatening behaviour will not be tolerated. We believe in equal employment opportunities and do not discriminate against any current or potential employee based on gender, race, religion, age, nationality, sexual orientation, disability, political opinion, or any other personal trait or belief. We respect the right of all employees to be represented by trade unions or other employee representatives for purposes of collective bargaining. We do not accept any form of forced labour or child labour in our operations or those of our suppliers and business partners. We ensure that all wages and salaries at least meet local legal and industry minimum standards and are always paid as agreed and on time. We shall comply with all applicable local legal and industry standards regarding working hours.

# SUSTAINABILITY INFORMATION AND DATA

## Environment

### Reduce energy consumption by 4% by 2023 in relation to levels from 2020

	2022	2021
Energy intensity ratio (kWh/ton produced finished products)	391	391
Change compared to 2020, in percent	-2	-2

Ton produced excluding own production of raw material (polymer dispersions).  
Energy intensity ratio 2020: 398 kWh/ton produced.

Due to changes in measurement structure, the ratios for 2020, 2021 and 2022 have been re-calculated. Only sites that have reported energy usage all three years have been included.  
Number of sites included: 17.

### Reduce waste by 4% by 2023 in relation to levels from 2020

	2022	2021
Waste ratio (kg/ton produced)	65	70
Change compared to 2020 in percent	-11	-4

Ton produced excluding own production of raw material (polymer dispersions).  
Waste ratio 2020: 73 kg/ton produced.

Due to changes in measurement structure, the ratios for 2020, 2021 and 2022 have been re-calculated. Only sites that have reported waste volumes all three years have been included.  
Number of sites included: 11.

### Greener Chemistry

	2022	2021
Risk-assessed new raw materials, in percent Goal: 100%	100	100
Performed internal audits of relevant existing raw materials		
Goal: 2 in Sweden (SE)	2	2
2 in Germany (DE)	2	1
2 in North America (U.S.)	2	1
Phase out activities executed, in percent	0	25
Goal: >=80% of the planned	0 out of 4 planned	1 out of 4 planned

### Reduction of fossil-based virgin plastic in Bona primary packaging materials

	2022	2021
Replaced portion of fossil-based virgin plastic, in percent (compared to 2020)	8.85	4.8
Goal: more than 50% by 2025		

The share of recycled, renewable, and other non-virgin plastic solutions should be more than 50 percent of the total primary plastic usage for packaging by 2025. This would include a reduction of the amount of plastic used in a package and the use of non-plastic materials as a part of the package.

### Contribute to sustainable consumption: Renovation of floors

	2022	2021
Square meters of wood flooring covered by Bona produced lacquers, stain and primers	45 745 865	43 117 980
Square meters of resilient flooring covered by Bona produced lacquers, stain and primers	306 692	N/A

## CLIMATE

### Climate impact Bona Group

	2022
Scope 1 in ton CO <sub>2</sub> eq	705
Scope 2 in ton CO <sub>2</sub> eq	1676
Scope 1 and 2 in ton CO <sub>2</sub> eq	2381
Scope 1 and 2 in kg CO <sub>2</sub> eq per ton produced products	89

Ton produced products excludes production of our internal raw materials (polymer dispersions).

# SUSTAINABILITY INFORMATION AND DATA

## Environment continued

### MANAGEMENT OF RISKS ASSOCIATED WITH THE ENVIRONMENT

Bona has identified a number of risks related to the area Environment, which are listed in the below table. For each risk, Bona describes how the specific risk is being managed. Risk management is performed continuously in Bona’s daily operations, with the purpose of minimizing probability and impact.

#### Risk area: Environment

Identified risks	How Bona manages the risk
Excessive use of the Earth’s resources and use of virgin fossil-based plastics	<ul style="list-style-type: none"> <li>• Part of research projects with the ambition to develop renewable raw materials</li> <li>• Ongoing goal and activities to replace fossil-based plastics in our packagings with renewable and/or recycled plastics</li> </ul>
Hazardous chemicals in raw materials and products with possible negative impact on environment and work environment	<ul style="list-style-type: none"> <li>• Closed production system and specific contingency plans for each production unit</li> <li>• Biannual chemical risk evaluations</li> </ul>
Facility-related accidents	Closed production system and specific contingency plans for each production unit
Greenhouse gas emissions from fossil fuels during Bona’s transports	<ul style="list-style-type: none"> <li>• In the U.S., membership in ‘Smart-Way’ prioritizes more efficient transportations when possible</li> <li>• Continuous work towards more efficient transport solutions worldwide</li> </ul>
Greenhouse gas emissions from our supply chain	Dialogues with our main suppliers of materials and discussions with our main transport suppliers
Pollution of our environment, both locally and globally	Product labelling and safety data sheets

Identified risks	How Bona manages the risk
Availability of renewable energy	Own solar panels, geothermal heating and battery solutions at several sites
Increased exposure to climate effects, such as storms, floods, and heat waves	Plans of long-term sustainability risk management will be developed during 2023

# SUSTAINABILITY INFORMATION AND DATA

## Social

### EMPLOYEES

Through the Workplace policy, Bona strives to create a fair and decent workplace. The policy is owned and updated by the Bona Senior Vice President Human Resources and is a global policy and used as a framework to country specific policies. During the most recent review, no updates to the policy were deemed necessary.

All new employees receive an introductory orientation established by the department manager together with an overall job description and access to Bona's global policies. To ensure an open dialogue between the company and the employee, performance appraisals are conducted between managers and employees at least once per year, during which the job description should be reviewed. All employees are given the opportunity to develop their competencies in current and future work assignments.

Salaries are governed by the degree of difficulty of the work, level of responsibility, and the market's value as well as by performance, commitment, and competency of the individual. An appraisal in conjunction with a new salary review must be accomplished by the manager to the employees. To maintain Bona's culture and balance the needs of both the company and our individual team members, the overarching global workplace guidelines state that the majority of Bona's work will be conducted in our regularly assigned office designations. If a task and manager allow, work can be done offsite to support work-life balance and increased productivity.

#### All employees shall have an annual development discussion

	2022	2021
Percentage of employees who have gotten a development discussion		
Sweden, in percent	84	100
Germany, in percent	87	93
Rest of EMEA + APAC, in percent	100	N/A
North America, in percent	95	100

### SAFETY AND HEALTH

Bona is committed to always taking safety, health, and environmental concerns into account in its total value chain and operations. The work is guided by the Safety, Health, and Environmental Policy, which is owned and evaluated by the Chief Operation Officer (COO).

Internal information-spreading is core to Bona's work in ensuring the safety and health of our employees. Through training and education, all production employees are made aware of their personal responsibility for health and environment in their daily work and the requirements on following instructions and routines and to observe and report health, safety, and environmental risks.

Bona's work with occupational safety and health are evaluated regularly with improvements made when possible. Bona always strives to prevent accidents and our impact on the environment.

The company works closely with relevant authorities to mitigate possible accidents and minimize or limit any effects.

#### Zero work-related accidents

	2022	2021
Sweden	1	2
Germany	3	6
North America	10	6

#### Continuously create more training sessions for Bona users

	2022	2021
Added pieces of content uploaded	861	471
Views	30237	135000
Engagements	1309	3500

Definition users: Bona colleagues, US and EMEA BCCP contractors and contractors. (EMEA/LAM/NAM)

Channels: Fuse and YouTube

In 2022, we changed platforms and the way in which we measure content views and engagements, which explains the differences between 2022 and 2021. For 2023, we are revisiting this KPI to ensure a clear and direct way of reporting.

# SUSTAINABILITY INFORMATION AND DATA

## Social continued

### MANAGEMENT OF RISKS ASSOCIATED WITH PERSONNEL AND SOCIAL ISSUES

Bona has identified a number of risks related to the area Social, which are listed in the below table. For each risk, Bona describes how the specific risk is being managed. Risk management is performed continuously in Bona’s daily operations, with the purpose of minimizing probability and impact.

#### Risk area: Social - Personnel and social responsibility

Identified risks	How Bona manages the risk
Health hazards for Bona’s employees	<ul style="list-style-type: none"> <li>• Safety training and education of production personnel</li> <li>• Closed productions systems and specific contingency plans for each production unit</li> <li>• Rules on the use of protective equipment</li> <li>• ‘Safe driver’ training in the U.S. is intended to reduce the number of traffic accidents</li> <li>• Biannual chemical risk evaluations</li> </ul>
Damage to professional users from our products	<ul style="list-style-type: none"> <li>• Bona certifications with training for professional craftsmen with the Bona</li> <li>• Certified Craftsman Program (BCCP).</li> <li>• External training material available online via Bona Training Platform as well as through 22 training centres in 17 countries with continuous training in conjunction with ales meetings</li> <li>• Product labelling and safety data sheets</li> </ul>
Bona not being considered a trustworthy and reliable employer, due to unequal pay structure or lack of career development	Bona’s Group HR policy with guidelines for recruiting, pay discussions, job

Identified risks	How Bona manages the risk
Discrimination or harassment of any kind in the workplace	Whistle-blower function for reporting serious incidents, in collaboration with an external third party. All reported cases are handled according to established process.
Company values not in-line with staff expectations	<ul style="list-style-type: none"> <li>• All personnel are informed of the Bona Code of Conduct when employed</li> <li>• Internal systems for reporting risks, incidents and suggestions for improvement</li> </ul>

# MALMÖ 2023-03-16

**Magnus Andersson**  
Bona CEO

**Bertil Edner**  
Member of the Board

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

**Kerstin Lindell**  
Chairman of the Board

**Gustaf Edner**  
Member of the Board

**Elinor Forsberg**  
Member of the Board

## AUDITOR'S REPORT ON THE STATUTORY SUSTAINABILITY STATEMENT

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

### ENGAGEMENT AND RESPONSIBILITY

It is the Board of Directors who is responsible for the statutory sustainability statement for the year 2022 and that it has been prepared in accordance with the Annual Accounts Act.

### THE SCOPE OF THE AUDIT

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

### OPINIONS

A statutory sustainability statement has been prepared.

**Malmö, March 16, 2023**  
Ernst & Young AB

**Karoline Tedevall**  
Authorized Public Accountant