

2021

Sustainability Report

Sustainability Highlights 2021

Kitchen door made of PET bottles

We have developed and launched a kitchen front made of less wood (also 90% recycled), with a next-generation foil made of recycled PET bottles. It weighs less, is even more scratch-resistant and, not least, is kind to nature. We continue to have a close dialogue with our suppliers to develop ways to use even more recycled plastic from PET bottles and the caravan industry.



A smarter working day with Lean

We are implementing the Lean Roadmap 2019-2025 for a smarter working day and even higher product quality. What we want to do is to build a zero defects culture, where work is carried out autonomously and employees can apply the brakes if something goes wrong. We must prevent quality non-conformance before it's too late. The initiative includes planning, employee training and process development.

Comprehensive energy mapping

Surewood Industries AB has made a comprehensive analysis of its operations in accordance with the Energy Mapping (Large Companies) Act. Additional audits are carried out in stages between 2021–2023. Upcoming work aims to identify feasible measures for energy efficiency.

Recycled material

In 2021, we maintained a high proportion of recycled materials in our products:

- **Foil:** 37% of the used foil contained recycled plastic
- **Edging:** compared to 2020, we went from 15% containing recycled plastic, to 47%
- **Chipboard:** 24% of the wood in particleboards was recycled wood

We invest in employees

In 2021, we invested in our leaders who had the opportunity to participate in a leadership development program. Licensed consultants within the Swedish Defense University's leadership development program executed the course. The training aimed to develop and strengthen our leaders with tools, perspectives and theories in leadership. In addition to all the managers with personnel responsibilities, employees with a distinguished influence participated in the training. We will continue to work with the lessons learned in different focus areas to maintain the knowledge and develop the organisation.



Sustainability training

As a part of our sustainability work, we want to increase awareness of waste management in the workplace. The company has decided that all the employees in Spaljisten will participate in Stena's environmental training – from waste to resources. The goal is to understand the environmental problems surrounding resource use and recycling. Careful sorting helps provide more valuable materials but also has an impact on the environment. The employees have been given the opportunity to carry out the training at their workplace.



Contents

4–7

This is Spaljisten

Organisation

Wrapping – our ticket to the world

Our values

A letter from our CEO



8–14

How to encourage more people to choose us

Sustainability work

Sustainability as a competitive advantage

We incorporate sustainability into everything we do

Sustainability with the next generation in mind

Agenda 2030

Agenda 2030 Activities 2021

Sustainability-related risks

15–16

Guidance for how we act – Code of Conduct

Code of Conduct



17–19

We want to develop and become even better

Environment & Waste

Environmental impact

Waste management and recycled materials





Organisation

This is Spaljisten



Spaljisten in brief

Turnover SEK 516,1 million	Packed and delivered 4 740 007 items	Trucks 1 763
EBIT SEK 6,6 million	Employees 126	Recycled materials 135 ton

Wrapping — our ticket to the world

It started in Åseda, in the middle of Småland. The year was 1975 and the Swedish construction market was booming. Veneer was a major interior design trend, but there were few manufacturers. At Spaljisten, we spotted a need and built our business concept and product strategy to close the gap in the market.

In the 1980s, it was time for the technology shift that later became our ticket to the world. Wrapping was an untested technology in Sweden, but we took a chance. It proved to be a good

decision, which after a while bore fruit in the shape of more and larger orders. That was when Spaljisten's journey to becoming the company we are today began. With worldclass, wrapped fronts. Our capacity includes everything from simple production in small volumes, to complex structures in very large volumes.

Spaljisten produces wrapped fronts for furniture that now adorns bedrooms, kitchens and living rooms around the world. Are we proud of our journey? It's just the start.

Our vision

“Spaljisten is a world-class front manufacturer with the next generation in mind”

Our mission

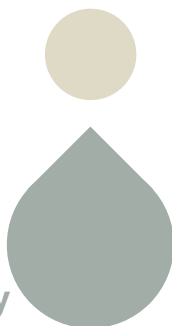
“To be an innovative partner for the development and manufacturing of wrapped fronts”

Our values

Sustainability is now one of our biggest priorities. Not just because it's time, but because we really care. About the natural environment and forests, the very basis of our business. About the customers of today and tomorrow. About our passionate employees and dedicated partners, who together create innovation and manufacturing operations with respect for the next generation.



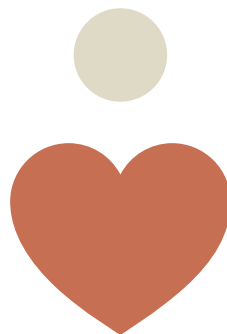
Sustainability



At Spaljisten, we care. We take care of one another, the natural environment and our customers. We help, are attentive and willing. We care about our colleagues.

Spaljisten is here now and will be in the future. And so should our forests and natural environment. We have to work sustainably so that forests, which provide us with the basis for our particleboard, can continue to grow. We also believe in the quality of our products. We take care of our materials and knowledge so that they last.

Passion



Together, we make Spaljisten a reality. We are proud of our knowledge, our products and one another. We help, encourage and motivate one another. We also have the courage to ask for help and suggest improvements.

Everyone at Spaljisten – colleagues, customers and visitors – is treated with respect. We care about one another, and we also care about our products and results. We want to move forward and see opportunities in challenges. We are simply proud of being part of Spaljisten.

Commitment



Together, we develop and improve our products. We work to develop and become as good as possible. Everyone is equally as important for the quality of the end product.

We are committed to our work, and our desire to improve, both ourselves and our products, propels us. By being at the forefront, we become better and learn new things. We are customer-focused, and always try to meet customer requirements.

Respect



At Spaljisten, we care about one another. We respect one another; everyone has the right to be who they are. We trust one another and what we do. We show commitment to one another and our products.

We also live up to what we say. We do what we say we will do. This makes us credible and trustworthy. Our customers should always be able to trust that our products and that we ourselves live up to our word. We have a high level of professional pride.

Message from the CEO:

A year of challenges and records

A year defined by challenges with fluctuating demand during the first half of the year, recurring delivery delays and disruptions in day-to-day operations, deferred important investments and skyrocketing costs for raw materials and supplies. At the same time, Spaljisten has maintained its focus on quality, innovation and delivered a high level of service to customers. Together we did it!



Fabio Pedrazzi
CEO

"I want to thank our fantastic staff, our customers and our partners for working together with great determination during the difficult and eventful 2021! We have had a year marked by challenges, but kept our focus on quality and sticking together. In November and December, we also set new turnover records at Spaljisten."

Sustainability in everything we do

In 2021, we took another step towards making world-class furniture fronts with the next generation in mind. Our "green kitchen door" continues to challenge the industry in thinking thinner, lighter and more recycled. We now see increased interest from the market and consider ourselves well-positioned for future contributions. Our ambition is to gain market share in all our segments in the coming years. To do this, we first and foremost need to ensure that we invest in our knowledgeable employees, further develop our products and continue to optimize our production in a safe and inclusive manner, powered by 100% renewable electricity.

We continue to build resiliency

The delayed expansion of production capacity and capabilities in Åseda has led to additional costs and loss of revenue. This forced us to make rapid changes in the organization and partly revamp our priorities. That has required flexibility and commitment from our employees, which they demonstrated with great determination and empathy – something I am very grateful for.

At the same time, the bottlenecks in the global supply chains remained after 2020. The effects intensified after the summer. Delivery delays and lack of materials regarding chipboards, foil, edging and mirrors led to disruptions in production and delays in substantial customer projects. At the same time, cost increases of other factor costs (transport,

electricity) have continued at a higher rate and to a greater extent than historically. That has led to severely pressured margins – something we have not yet fully compensated through increased prices and efficiencies. Financially, Spaljisten made a weak result in 2021. We are taking valuable lessons with us into 2022. We have built resilience to cope with the coming year in a difficult environment – as we continue our path towards expansion.

Integration for real

Every year, thousands of people come to Sweden with the hope of a better future. I am proud of the impact Spaljisten makes in our society regarding integration. Research shows that manufacturing companies like ours are among the most efficient and fastest catalysts to contribute to inclusive economic growth across social groups. Integration, however, requires that all parties want to succeed, have the patience to understand and dare to work with their differences. It is always important – and perhaps especially in this context – that every employee lives up to our values: Respect, Commitment, Passion and Sustainability – Together!

The future is sustainable

The result of 2021 serves as a reminder that our organization needs to move in the same direction at the same time. Internally, but also with our customers and suppliers. The market signals great confidence in Spaljisten as an innovation partner, and we see considerable interest in Spaljisten's investments that will be fully operational by the end of 2022. Together we work towards a sustainable future – with great respect for the task at hand, and an even stronger commitment towards achieving the goal!



Sustainability work

How we will encourage more customers to choose us

Sustainability as a competitive advantage

“Sustainable development is a means of satisfying today’s needs without compromising the ability of future generations to meet their needs.”

→ The concept of sustainable development was actually defined as far back as 1987 in the UN report *Our Common Future*, or the Brundtland Report as it is also known. The concept is usually associated with the environment, climate and environmental impact. However, it is considerably broader, and includes three major societal components from the sustainability perspective – social, economic and environmental.

How we work with sustainability

Sustainability should permeate everything we do, and our sustainability policy guides us in our day-to-day work. Sustainability must have a clear link to business development and value-creating processes for Spaljisten and other companies within the Surewood Group. In this report, we turn to Spaljisten’s stakeholders: owners, employees, customers and suppliers.

Our vision, mission and values form the basis of our sustainability policy. The policy was developed

according to the UN’s Sustainable Development Goals, Agenda 2030. An action plan with clear goals has also been created based on Agenda 2030. It analyses the current situation, existing processes, the different needs of stakeholders, and the plan for business development.

Our sustainability policy focuses on seven areas in particular:

- Environment
- Human rights
- Diversity
- Equality
- Business ethics
- Anti-corruption
- Work environment

Our focus areas will help us achieve our goals in a sustainable manner

An important part of our ongoing sustainability work is our four focus areas – employees, specialist skills, sustainability and growth. Using them as a basis, we will achieve our goals in a responsible and sustainable manner.

When it comes to the work environment, we want no one to be injured at work, to create an open, friendly climate between colleagues, and to take advantage of and focus on commitment, skills development and well-being.

In the area of quality and safety, we have to meet internal and customer expectations by constantly striving to develop and improve.

When it comes to the environment, we intend to minimise our environmental impact through the lowest possible consumption of resources, and to comply with the law, listen to what customers want, and ensure that we carry out our business in accordance with the certifications we hold.

In the area of sustainable management, we will ensure that Spaljisten complies as a supplier with all the quality standards and certifications that we have implemented in the business. Examples include: the IKEA Way (IWAY), GO/NOGO and the Forest Stewardship Council® (FSC®) (FSC-C114672).



We must also fulfil the conditions and criteria set out to be approved as an Authorised Economic Operator (AEO).



We incorporate sustainability into everything we do

By being a skilled and proactive partner to our suppliers, we want to increase sustainability in all areas of production. We are careful to evaluate and follow up on deliveries, and our range is constantly changing and developing in collaboration with our partners and employees.

One example is the foil. We are in close dialogue with our suppliers to find ways of using even more recycled plastic from PET bottles and the caravan industry.

Another example is our machinery and internal logistics, which we are continually improving in collaboration with our partners.

The raw materials we use have to be thinner and lighter in order to meet today's sustainability requirements.

Spaljisten is FSC® certified (Forest Stewardship Council®) (FSC-C114672). And in our production, we only use wood that is FSC® certified.

Since 2019, we have only used locally produced and renewable energy to run our 41,000 m² factory in Åseda. A big step in our efforts to reduce greenhouse gas emissions of carbon dioxide. The electricity we consume in our production is generated by various power plants in Spaljisten's immediate area.

The natural environment is the basis of our business. We care about forests, and are working hard to reduce our climate footprint and increase the proportion of renewable raw materials. For us, sustainability is really important!

At the forefront, together with our partners

We manufacture fronts for furniture found in all the rooms of a regular home: bedroom, kitchen and living room. The construction is simple and becoming more and more sustainable.

We continue to work with increasingly sustainable product development with one of our major partners. We have developed and launched a kitchen door made of a smaller amount of wood that is also 90 percent recycled and coated with the next-generation plastic foil made of recycled PET bottles. It is not just a very, very stylish door. It weighs less, is even more scratch-resistant and not least – kind to the natural environment.

“At Spaljisten, we want to make sustainability a competitive advantage together with the suppliers and customers.”

Johan Engström
Business Development Manager

We focus on the proportion of recycled material in our production in constituent components and other materials. The foil we use today consists of 37 % recycled material. The corresponding figures for edging and chipboard are 47 and 24 %, respectively. Here we want to do even more and aim to make sustainability a competitive advantage for Spaljisten.



Agenda 2030

Our focus on the UN's Sustainable Development Goals is about running Spaljisten in a responsible and sustainable manner and taking into account social, environment and economic factors in the various processes. Activities linked to anti-corruption and human rights, for example, are included in our work to make the UN's Sustainable Development Goals a reality.



Sustainability is now one of Spaljisten's most important objectives. Not just because it's time, but because we really care. About the natural environment and forests, the very basis of our business. About the customers of today and tomorrow. About our passionate employ-

Sustainability with the next generation in mind

ees and dedicated partners, who together create innovation and manufacturing operations with respect for the next generation. Therefore, Agenda 2030 and the Global Sustainability Goals are an important part of our business.

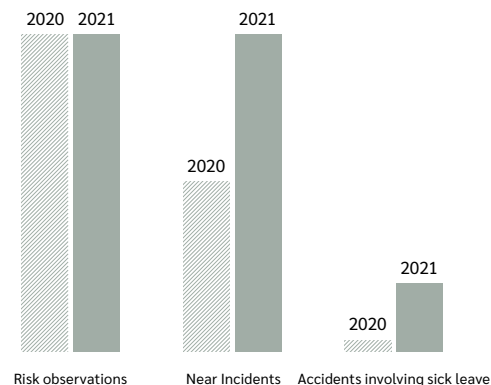
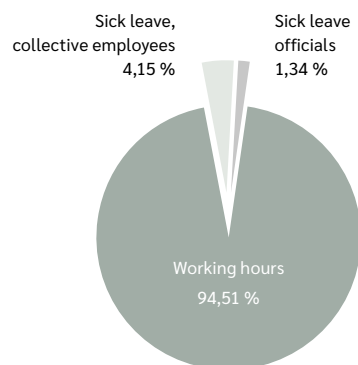
The goals are aimed at eradicating poverty and hunger, realising human rights for everyone, achieving equality and empowerment for all women and girls, and ensuring lasting protection of the planet and its natural resources. By integrating Agenda 2030, we want all decisions to be based on sustainable development.

For all companies within the Surewood Group, sustainability work must be managed and run by the respective management group. The work takes place in accordance with the PDCA model – Plan, Do, Check and Act.

We have selected five goals that we give extra attention to. They are: good health and well-being, equal opportunities, affordable and clean energy, reduced inequalities, and sustainable consumption and production.

Agenda 2030

KPIs



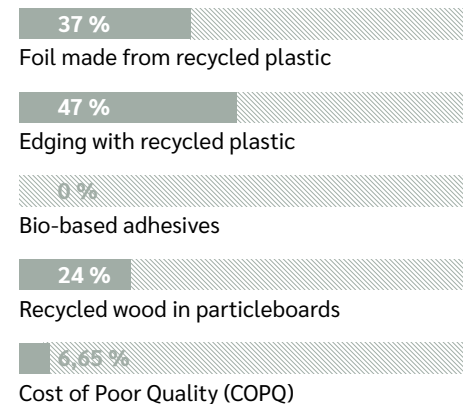
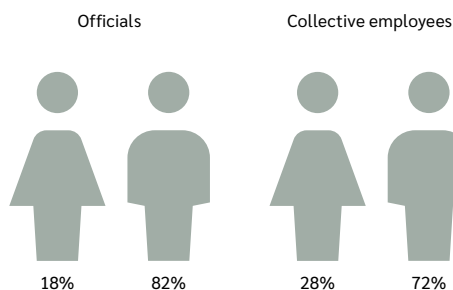
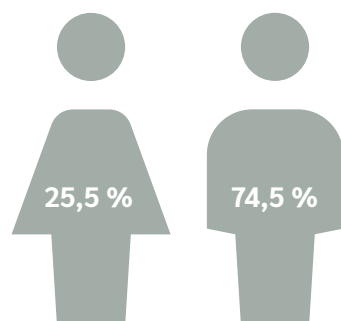
SSI – Index



Carbon footprint
(Scope 1 och 2):
18 ton/CO₂
(Emissions for 2021)



Energy consumption
per hour.
0,19 MWh



Agenda 2030

Activities 2021



Being an attractive employer increases job satisfaction, profitability and loyalty. Our employees are our most important resource. Good health and well-being are fundamental prerequisites for us to be able to perform well and reach our full potential. Each employee must understand their own significance to the whole, and that each part is important. Committed employees who are happy and satisfied are also the company's ambassadors.

This leads to success and progress, for ourselves, the company and society at large. We will achieve this by providing the right conditions for doing a good job. We apply the Lean production method, create an accident-free workplace/safety culture, and work with skills development.

In 2021, we invested in our leaders who participated in a leadership development program with the support of licensed consultants within the Swedish Defense University's leadership development program. The training days aimed to develop and strengthen our leaders with tools, perspectives and theories about leadership. We will continue to develop the work internally.



Our organisation must reflect diversity in society. Active work on equal opportunities and equality leads to increased well-being, productivity and profitability. It is also about creating the right conditions for individuals and groups regardless of gender, religion, handicap, age, transgender identity, ethnic origin or sexual orientation. It also makes it easier for us to attract, retain and develop our employees.

We achieve this by providing the right conditions for everyone to be able to work at Spaljisten if they want to. We apply the employee and leadership index, a relevant recruitment policy, and the equal opportunities and equality plans.

We offer a company-adapted course in Swedish for employees who want to strengthen their knowledge of the Swedish language. The purpose is for these employees to develop their linguistic skills and contribute to increased safety, productivity and inclusion in the organization. The curriculum for the course focuses on everything from safety and work environment to quality and sustainability.



Our organisation must have access to sustainable, reliable and renewable energy. This is a prerequisite for growth and climate change. Affordable and Clean Energy is a prerequisite for us to be able to develop our sustainable profile and reduce greenhouse gas emissions.

We achieve this by working with our sustainability index. We work actively with changing to LED lighting and optimizing and mapping energy consumption.



For us, sustainable consumption and production means trying to manufacture our products with as much recycled material as possible, while reducing waste and keeping residual products to a minimum.

We have developed a kitchen door of purely recycled materials. 18 PET bottles are required to make a 40x80 cm door. In addition to environmental benefits, sustainable consumption also brings social and economic ones, such as increased competitiveness in the global market by being at the forefront.

We achieve this by working with the entire supply chain, from supplier to customer. We work actively to increase the proportion of recycled materials in our products, lessen waste and reduce our climate footprint.

The company has taken a decision that all employees at Spaljisten will participate in Stena's environmental training – from waste to resources. The employees have had the opportunity to carry out the education at their workplace to create an understanding of the sustainability issues surrounding resource use and recycling.

Sustainability-related risks

The table below describes identified risks within Spaljisten, as well as outcomes in the areas of work environment, environment, human rights, diversity, equal opportunities, business ethics and anticorruption, i.e. all the areas included in our sustainability policy.

Sustainability area	Material issues	Risk description	Management	Goal/KPI	Result	UN Sustainable Development Goals	Where is the risk?
Environmental	Increased sustainable consumption and recycled materials	Economise on resources, recycling and price	Business plan, sustainability index and Agenda 2030	100% recycled wood	50% recycled wood	12. Sustainable consumption and production	Operations, customers and suppliers
Environmental	Reduced climate footprint	Carbon dioxide, internal transport, energy and refrigerants	Management system, business plan and sustainability index, Agenda 2030	Reduce internally generated carbon emissions by 80% by 2030 compared with 2016	Reduced internally generated carbon monoxide emissions by 1380 tonnes compared with 2018	7. Affordable and clean energy	Everyone
Environmental	Reduced waste, material wastage and climate footprint	Recycling energy and materials	Management system, business plan and sustainability index, Agenda 2030	Recycling waste and briquettes	190 tonnes of CO2 savings for 2021.	12. Sustainable consumption and production	The business and employees
Economical	Sustainable profile/ increase sustainability in energy systems	Energy impact, carbon dioxide	Sustainability policy, Agenda 2030	Sustainability index above 75%	Sustainability index above 76%	7. Affordable and clean energy	The business and customers
Economical	Safeguard legal requirements, work environment and human rights	Laws and other requirements	Employee handbook, equal opportunities and diversity policies, and victimisation	Employee and leadership index	Average of 3.8 out of 5	Goals 5 and 10. Equality and reduced inequalities	The business and employees
Economical	Skills provision	Risk to recruitment, skills development and resources	Attractive employer, recruitment process and skills development plan	The main objective is to have the right person in the right place at the right time	Basic safety training and 5-second training for everyone	Goals 5 and 10. Equality and reduced inequalities	The business and employees
Social	Good work environment and health	Ill health (physical and mental) and personal injury	Systematic work on the work environment, wellness policy and Agenda 2030	No occupational injuries resulting in sick leave	Occupational injuries more than halved compared with sick leave in the previous year	3. Good health and well-being	The business
Social	Proper chemical handling	Occupational injuries or illness	Systematic work on the work environment, safety data sheets and risk assessments as well as Agenda 2030	No chemicals on the candidate list and 100% risk assessments completed	All chemicals risk assessed, reduction by 10 chemicals 2021	3. Good health and well-being	Employees
Social	Committed employees	Discrimination and victimisation	Policy for victimisation, whistleblowing	The main goal is a safe and good work environment	Average of 3.8 out of 5	Goals 5 and 10. Equality and reduced inequalities	The business and employees
Social	Safe workplace	Risk of injury including the pandemic and work risks	Systematic work on the work environment, wellness policy and Agenda 2030	Tools for reporting and managing the work environment	All safety inspections performed and risk observations noted	3. Good health and well-being	Employees and the business
Social	Business ethics and anti-corruption	Risk to human rights and corruption	Code of Conduct, ethics policy and IWAY	Ensure compliance throughout entire supply chain	Management team signed and read Business Ethics. Suppliers signed IWAY Compliance Commitment	3. Good health and well-being	The business, employees and suppliers



Code of Conduct

Guidance for how we act – Code of Conduct

Spaljisten's Code of Conduct

Spaljisten has ethical guidelines for how we should conduct ourselves. We call them the 'Code of Conduct' and the purpose is to provide guidance on how employees, colleagues, suppliers, customers and other stakeholders should be treated in a lawful, fair and ethical manner.

The Code of Conduct shows where the boundary is between appropriate and inappropriate conduct. Obviously, current legislation comes first, and we must take into account human rights, human safety and health as well as the environment.

IWAY, The IKEA Way, is a code of conduct established by IKEA that contains policies on the environment, social conditions and working conditions (including child labour). This means that:

All Spaljisten's employees have a responsibility to understand our Code of Conduct and IWAY, and to act accordingly.

We also have our set of **business ethics**, which everyone in the management team has

signed, and which contains all the requirements set out in the UN's global anti-bribery and anti-corruption programme. Our business ethics also include our suppliers, and must be complied with throughout the supply chain. We have to ensure that everyone is aware of the demands placed on us, and understand the importance of following them.

Confidentiality

Spaljisten's employees have a duty of confidentiality, which is clearly stated in our employment contracts. Confidentiality also applies to our suppliers and partners.

Zero tolerance for alcohol and drugs

Spaljisten operates a policy of zero tolerance for alcohol and drugs. We conduct alcohol

and drug tests in connection with recruitment, in the event of suspicion of the impact of drugs or alcohol, and randomly.

We fight corruption

Bribery and corruption of any kind are unacceptable to us. The Swedish Tax Agency's guidelines and regulations apply to gifts. External and internal entertainment is permitted, but must be kept moderate.

We respect personal privacy

Our privacy policy clearly sets out what personal data we process and for what purpose. We also describe our overall approach to the processing of personal data, as well as the choices and rights of our customers, suppliers and partners.

Whistleblowing

Transparency is important to us at Spaljisten. Therefore, our employees and anyone outside our organisation can report any irregularities and suspicions anonymously via a whistleblowing system by filling in a form on our website. The form can be accessed both via our internal and external networks.

The ambition of Surewood Industries and its member companies is to have a high level of transparency and a well-developed system for reporting and handling any irregularities or suspicion of such. Through this approach and the provision of a whistleblowing system, we can minimise the risk of serious damage to the company, the organisation or its employees.





Environment & Waste

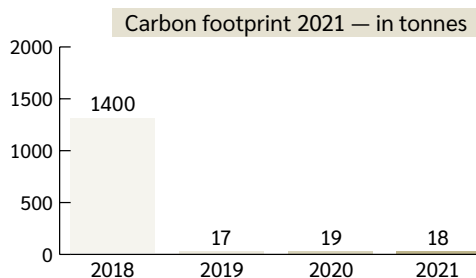
Our goal is to develop
and become even better

Environmental impact – Our responsibility and contribution

→ Work to reduce our environmental impact is high on Spaljisten's agenda. One problem we face is that we do not control the entire supply chain ourselves. We have therefore chosen to work with Scope 1 and 2, which show that we have reduced our carbon dioxide emissions by more than 90% compared with 2017.

The biggest contribution to this progress is that, since 2019, we have only been using locally produced and renewable energy to run our factory in Åseda. The electricity we use in our manufacturing process is generated by various local power plants.

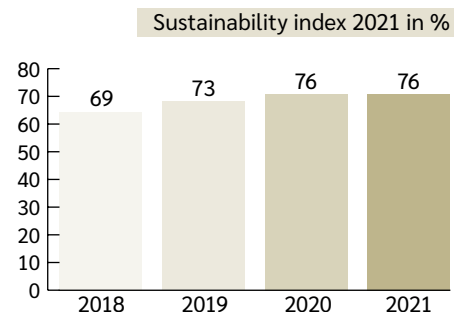
Work to reduce our environmental impact is ongoing, and our performance is measured in a sustainability index.



Spaljisten's Sustainability Index

Each year, we evaluate our ongoing environmental work by way of a sustainability index, the

results of which we report to one of our major customers. The Index is constructed using a questionnaire and collecting data on energy, waste and water. For 2020, the target set by the customer for the Spaljisten Sustainability Index was 75%. We have kept it at 76% both in 2020 and 2021.

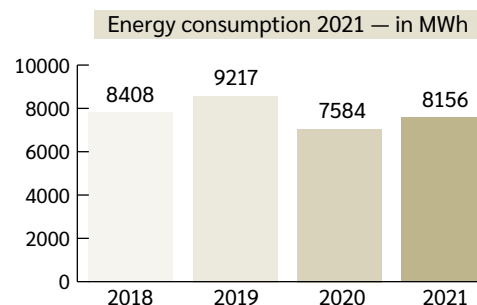


We strive for constant progress and improvement in our production. We are working actively to increase the proportion of recycled material in the plastic foil, particleboard and end products. The fact that this policy has borne fruit and that we have performed above the customer's tough requirements makes us very proud!

Sustainable energy is one of the UN's global goals for sustainability, and we at Spaljisten place great focus on it. We will continue to do the same in 2022. Since 2019, we will only use locally produced and renewable energy to run our 41,000 m² factory in Åseda, a considerable advancement in our effort to reduce greenhouse gas emissions of carbon dioxide.

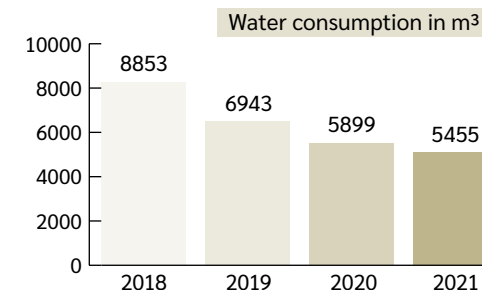
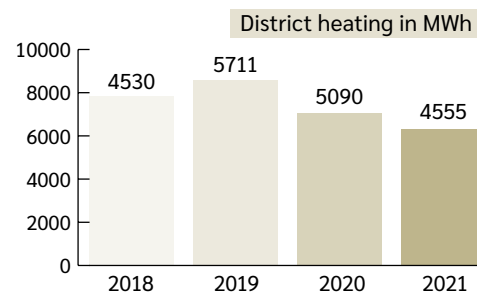
In addition, we have two other ongoing projects regarding energy. We are conducting an external survey in accordance with the Energy Mapping (Large Companies) Act. This is done

at Group level and in two phases. An overall phase which then leads to a detailed survey per company. In 2021, we have worked on the overall phase. The purpose of the energy mapping is to analyze the most important energy use and suggest how it can be more efficient. The results and proposed measures will be part of Spaljisten's work on the UN Goal of Affordable and Clean Energy.



Energy metering

A heat exchanger with A2 filter has been installed and running since the end of 2020. This means that we replace the air extracted via the filter with fresh air. We also recycle up to 60% of the heat contained in the extracted air. We made new measurements of ICA values at the beginning of February this year. They show that we have much better air, which is far below the threshold values. We are proud of our investment, which has led to a better work environment.



Solar cells in all new areas of the factory

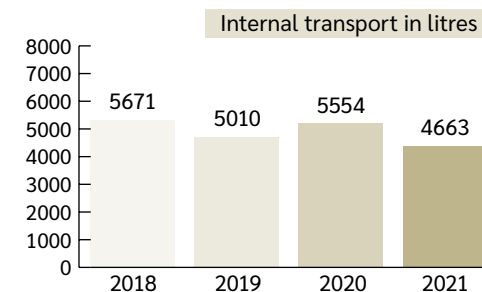
Our ambition is to use solar cells. We are currently working on developing the concept. The factory premises have expanded by 6,500 m², and the roof of the new part is suitable for future installation of solar cells.

New policy for our company vehicles

In 2020, our owner, Surewood Industries, developed a new company vehicle policy. That means that everyone now has an option to choose a hybrid or electric car as a company car. For Spaljisten, this means that from 2021 we are providing charging posts at the factory in Åseda.

No more internal transport using diesel

We only have one forklift truck running on diesel. All others run on electricity/battery. As part of our work in pursuit of the UN Goal of Responsible Consumption and Production, we have formulated a plan to eliminate diesel internally.



Waste management and recycled materials

→ The cost of poor quality (COPQ) is a central part of Spaljisten's internal sustainability work to create better waste management and increase the proportion of recycled material in our production. For us, non-conformities are an opportunity to be even better, and our ambition is to minimise waste and improve the quality of our products.

Recycled materials

We strive for constant progress and improvement in our production. We are working actively to increase the proportion of recycled material in the plastic foil, particleboard and end products. Our vision of producing fronts of the highest quality with the next generation in mind is a duty.

Deposit systems and recycling of PET bottles create opportunities for us to use plastics with reduced energy consumption. And for every tree that is felled and used in our production, two new ones are planted. This means that the cycle can continue over and over again. In fact, forests in Sweden are expanding twice as fast now compared to 100 years ago.

"We continually measure how large a proportion of our foil is made from recycled plastic. Our ambition is for all our products to have a higher proportion of recycled material."

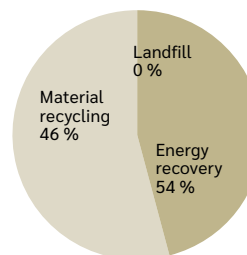
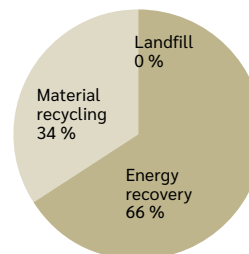
Johan Engström
Business Development Manager

When it comes to the particleboard we use in our production, our goal is for it to contain between 70 and 90% recycled wood within two years. We are also working on making particleboard even lighter in order to reduce material consumption.

When it comes to the foil we use for our fronts, we are working actively to increase the proportion of recycled plastic. We use plastic from all the PET bottles returned by consumers all over Sweden to redeem their deposit. And we use ABS plastic from caravans, provided by the industry.



Waste 2020



Waste 2021

In 2021, the following has happened:

- 37% of the foil in our products contains recycled plastic
- Compared to 2020, we went from 15% of edging containing recycled plastic, to 47%
- 24% of the wood used in particle boards was recycled wood



Production of Sustainability Report

Risk analysis

Spaljisten's management team carried out a comprehensive risk analysis in 2017. It shows what our greatest risks are. How those risks developed in 2020 can be read under the heading *Sustainability-related risks*. The greatest risks from Spaljisten's perspective are still linked to skills provision, excess wastage and defects in quality.

Process

In the production of this report, Spaljisten has worked according to the following process:

Legal requirements In Sweden, there is a reporting requirement that means that companies of a certain size must draw up a sustainability report. It is based on an EU directive from 2014, which aims to make information about how companies work with sustainability issues more open and comparable.

Analysis and prioritisation of sustainability issues

Spaljisten's management team has jointly decided on prioritisation, i.e. which sustainability issues the business will focus on during the year.

Data collection and presentation

CTO Manfred Piesack is responsible for the collection of data relating to 2021.

Review The management team has reviewed the report, the Board of Directors adopted it and an authorised auditor has approved it.

Presentation The Sustainability Report is presented digitally on all our platforms and is available to everyone.



Auditor's statement regarding the statutory Sustainability Report

To the Annual General Meeting of Spaljisten AB, org. reg. no. 556190-7709

Assignment and allocation of responsibility

The Board of Directors is responsible for the Sustainability Report for 2021, and for ensuring that it has been prepared in accordance with the Annual Accounts Act.

Focus and scope of the review

Our review has been conducted in accordance with FAR's recommendation RevR 12 *The auditor's statement on the statutory Sustainability Report*. This means that our audit of the Sustainability Report has a different focus and substantially smaller scope than the focus and scope of auditing in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that this review provides us with a sufficient basis for our statement.

Statement

A Sustainability Report has been prepared.

Stockholm 2022-05-10

KPMG AB

Tomas Gerhardsson
Authorized public accountant
Principal auditor

Olle Nilsson
Authorized public accountant

Sustainability. Passion. Commitment. Respect.
**We
care.**
Together.

Box 56, SE-364 21 Åseda, Sweden.
Tel: +46 474 547 00
info@spaljisten.se

